

**OECD Due Diligence Guidance for Responsible Supply Chains
of Minerals from Conflict-Affected and High-Risk Areas**

OECD DUE DILIGENCE ALIGNMENT ASSESSMENT METHODOLOGY

DRAFT - September 2016



About the OECD

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the world.

About the OECD Due Diligence Guidance

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance) provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. The OECD Due Diligence Guidance is for use by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas.

About this document

This draft document provides a description of the methodology for undertaking an Alignment Assessment of an industry programme, institutionalised mechanism or other implementing programme against the recommendations of the OECD Due Diligence Guidance. It is accompanied by an Excel-based Assessment Tool. Both documents will be finalised in 2017, once a pilot assessment is completed and lessons-learned can be integrated.

Further details on the Alignment Assessment project are available on the OECD website <http://mneguidelines.oecd.org/industry-initiatives-alignment-assessment.htm>.

This document and the accompanying Assessment Tool was prepared for the OECD by Kumi Consulting.

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Terminology

Definitions of key terms used within this document:

OECD:	The Organisation for Economic Co-operation and Development
Guidance:	The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, inclusive of its Supplements and Annexes.
Industry programmes:	An initiative that has been established to support companies operating within or sourcing from mineral supply chains in meeting certain standards, including (but not necessarily exclusively) the due diligence standards set out in the Guidance. The term 'Programme' includes initiatives established by industry bodies, independent or multi-stakeholder certification mechanisms, government schemes or any other organisations established to provide responsible sourcing standards for mineral supply chains.
Company:	The company that is subject to audit under the requirements of the Programme.
Auditor:	The firm or individual appointed to audit a company against the requirements of the Programme.
Alignment:	The extent to which a Programme specifies measures that require companies to put into practice the specific, detailed recommendations contained within the Guidance.
Alignment Assessment:	The process by which a Programme's alignment with the Guidance is evaluated using the methodology described in this document.
Alignment Assessment Tool:	The spreadsheet-based tool that provides the detailed criteria of an Alignment Assessment and is made available alongside this document.
Evaluator:	An organisation or individual commissioned to evaluate a Programme's alignment to the Guidance.
Commissioning organisation:	The organisation that commissions the Alignment Assessment and is the client of the evaluator. The commissioning organisation may be the Programme itself or it may be an organisation independent of the Programme being evaluated.
Shadow audits:	The Assessor observes the activities of an auditor who is auditing a company against the requirements of the Programme.

Introduction

This document describes a methodology for assessing the extent to which industry programmes are aligned to the recommendations of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the Guidance).

Growing numbers of programmes, often set up by industry bodies or associations, are being developed to operationalise the recommendations of the Guidance within the context of specific mineral supply chains, industries or geographies. It is important, therefore, that the diverse stakeholders implementing the Guidance have a consistent and comparable means of evaluating industry programmes to support consistent implementation of the recommendations and principles of the Guidance. This Alignment Assessment methodology, together with the accompanying Alignment Assessment Tool, aims to address that need by providing standard criteria and an assessment process that are available to any implementing Programme and its stakeholders.

This methodology document provides the following:

- A description of the Alignment Assessment process that the OECD encourages stakeholders to adopt when evaluating an implementing Programme against the recommendations of the Guidance.
- A description of the Alignment Assessment Tool that has been developed to accompany this methodology.
- Recommendations on reporting the outcomes of a completed Alignment Assessment to relevant stakeholders.

It is assumed that readers of this document have at least a general understanding of the purpose and content of the Guidance and the five-step due diligence framework provided therein.

NOTE ON THE PILOT ASSESSMENT IN 2016

This Alignment Assessment methodology is being tested in a pilot assessment of five industry programmes throughout 2016. Lessons learned from the pilot assessment will be used to update the Alignment Assessment Tool and this methodology document, with the revised versions being provided alongside the final published report in 2017. The final report will include a discussion of challenges/limitations experienced during the pilot project.

This methodology document is written in such a way as to provide the basis for the methodology that will be published once the pilot Alignment Assessment project is completed. Consequently, references to this pilot project and the industry programmes are minimised as far as possible.

Assessment process

Figure 1 sets out the four-stage process for performing an Alignment Assessment. The different elements of each stage are discussed in more detail below.

Figure 1: Overview of the Alignment Assessment methodology



1. Planning

The first step of the methodology is the planning and design of the assessment. This should include the following activities:

- *Confirm the scope of the Alignment Assessment.* The Alignment Assessment methodology is focused on evaluating the design and implementation of a Programme that implements the Guidance. The methodology can also be used within an evaluation of a Programme's efficacy; in most instances this would require a broader scope, particularly in relation to interviews and site visits, than an assessment limited to design and implementation of a Programme. In confirming the scope, the organisation commissioning the Assessment will need to form a view on what the evaluation objectives of the Assessment are. Factors such as timescale and available budget will likely have a factor in this decision.
- *Engage with relevant stakeholders involved in the Alignment Assessment project.* It is particularly important to engage with the subjects of the assessment (the relevant Programme and the companies and auditors that are part of the Programme) in order to communicate the purpose of the assessment and how the results will be used. The use of appropriate Non-Disclosure Agreements may be necessary to protect commercial interests and encourage stakeholders to engage with the assessment project.
- *Appoint an evaluator to undertake the assessment.* The evaluator should be independent of the Programme under assessment, including the companies and auditors that are part of the

Programme. The evaluator must have a thorough understanding of the industry sector and the application within that sector of the Guidance. Ideally the evaluator should also be independent of the organisation commissioning the assessment (if different from the Programme). The evaluator should have past experience of developing and/or auditing businesses' non-financial supply chain risk management systems and processes.

- *Develop a project timetable.* The timetable for the assessment should be communicated to relevant stakeholders, particularly as it relates to the timing of documentation requests, meetings, interviews and potential shadow audits (described in more detail below).

2. Documentation review

The Alignment Assessment itself should begin with a desk-based review of relevant documentation obtained from the implementing Programme being evaluated. During the documentation review the evaluator should analyse the detailed requirements that Programmes set out for themselves, for companies that are part of the Programme and for auditors, specifically with respect to the five-step due diligence framework in the Guidance. These requirements should be compared against the relevant detailed recommendations of the Guidance. Relevant documentation to review at this stage could include the following:

- *Details of Programme governance and management.* This is information on how the Programme itself is managed, such as internal governance structures, its bylaws or the equivalent, terms of reference of relevant committees, minutes of decision-making meetings, policies on key issues such as independence and objectivity, and other relevant information to support the evaluator in understanding how the Programme is managed.
- *Programme expectations for companies.* These are the specific steps that Programmes mandate for those companies that are accredited to or certified by the Programme relating to mineral supply chain due diligence, risk management, auditing and reporting. It would include, where appropriate, information that these companies are required to prepare and submit to the Programme in relation to their supply chains and management activities. This would also include expectations set for other companies or organisations who may be involved with the Programme as 'members' but may not be subject to audit requirements under the Programme.
- *Technical guidance produced by Programmes.* Technical guidance may include details of specific risks relevant to companies who participate in or are accredited/certified by the Programme, or advice on how to integrate the Programme's requirements into business processes and activities, including capacity building for relevant actors in the mineral supply chain.
- *Audit protocols and guidance.* These are any specific requirements that are made in relation to how audits are to be commissioned and performed, alongside any guidance that Programmes provide to auditors to inform their work. Included within this would be any quality assurance/approval processes that the Programme conducts on audits or auditors.
- *Performance and audit reports produced by companies and/or auditors.* These could include Step 5 reports as set out in the Guidance, including conformance reports produced by companies and/or auditors under the due diligence and reporting requirements set by the Programme. It

could also include other more general, but related, reports such as CSR/sustainability reports or SEC/Dodd Frank conflict minerals reports produced by companies participating in the Programme.

- *Internal risk assessment and monitoring reports.* These are any reports produced by or for the Programme that relate to risks that could impact the Programme or the companies within the Programme, such as specific supply chain risks in particular countries. It should also include any additional monitoring that the Programme undertakes to gain oversight on the performance of companies in complying with its requirements.
- *Communications materials provided to companies and other stakeholders.* This would include information relating to risk identification and mitigation within the mineral supply chain(s) covered by the Programme. It could also include updates on the development and implementation of the Programme, the sharing of performance information, or other relevant information that would be of benefit to Programme stakeholders, such as details of risks identified in relevant mineral supply chain(s).
- *Reports by external stakeholders.* External stakeholders, such as civil society organisations or monitoring bodies, may conduct investigations that critique the Programme and may highlight particular risks in the supply chain or, indeed, provide evidence of positive impacts and performance.

3. Interviews and site visits

Information gathered and analysed through the documentation review should be supplemented by primary research activities; namely observations of Programme management and auditor activities and semi-structured interviews with key stakeholders, including stakeholders within Programmes and external stakeholders that are impacted by the Programme. The sources of information – internal and external to Programmes – should be protected and should only be quoted if the assessor has explicit agreement from the relevant source.

These semi-structured interviews should be performed on a sample basis. The size of the sample should be agreed between the commissioning organisation and the evaluator, but should be sufficient to at least provide an understanding of how the Programme's requirements are being applied in practice amongst companies within the Programme.

It should be noted that the Alignment Assessment is an evaluation, not an audit. Consequently, there is flexibility on the sample size. Key determining factors when agreeing the sample size will include the size and complexity of the Programme(s) being assessed, the degree of confidence that the commissioning organisation is seeking with regards to the practical implementation of the Programme's requirements by companies, and whether or not the evaluation is considering Programme efficacy in addition to Programme design and implementation.

NOTE: SAMPLE SIZE

Determining what is an appropriate sample size for an Alignment Assessment is a key decision for the commissioning organisation. In the Alignment Assessment pilot assessment commissioned by the OECD in 2016, a sample size of two audit shadows per Programme was chosen; in addition to the audit shadows between 10 and 20 internal and external stakeholders were interviewed per Programme and the above referenced documents reviewed. In the final report on this pilot, sampling will be discussed in more detail, including the rationale for this sample and any limitations that were experienced in the pilot assessment relating to the sample size.

It is important that organisations commissioning an Alignment Assessment are transparent about the sample size they chose, explain their rationale for the chosen sample and highlight in a publicly available report any limitations to the overall conclusion that relate to the sample size.

Activities should include the following:

- *Interviews with Programme management and key staff.* Interviews with relevant managers and staff from the implementing Programme form a key input into the Alignment Assessment. Interviews with Programme personnel should examine the various issues set out by the criteria in the Assessment Tool. The assessor should undertake at least some of the documentation review activities prior to interviewing Programme personnel in order to have sufficient background in the Programme's design to be able to appropriate target interview questions. The criteria in the Assessment Tool should guide the focus of these interviews. The interviews with Programme personnel also provide a valuable opportunity to identify whether there is additional documentation of which the assessor has not been made aware but has relevance to the assessment.
- *'Shadowing' of third party audits.* Audits at the smelter and refiner level (the key control point in the supply chains of tin, tantalum, tungsten and gold that are the main focus of the Guidance) are a key control mechanism within the five-step due diligence framework set out in the OECD Guidance and therefore are also a key control mechanism for Programmes that implement the Guidance at the smelter or refiner level. By shadowing an audit, the evaluator can not only gain valuable insights into companies' application of the industry Programme and the OECD Guidance five-step due diligence framework, but also understand how the auditor requirements and guidance set out by the Programme are being applied in practice. It is important to note that the evaluator should not interfere with the audit – the purpose is to evaluate the implementation of Programme requirements by accredited auditors, not to form judgements on individual companies or audit firms.
- *Interviews with management of participating companies and auditors.* Interviews with company management and relevant staff and auditors enable the evaluator to capture useful contextual information about companies' and auditors' experiences of participating in the Programme and applying the Programme's standards and requirements in practice. In some instances, there may be partner organisations who are involved in implementing the Programme, in which case interviews with relevant personnel from these organisations will also be appropriate.

- *Stakeholder interviews.* Interviews with relevant industry, government or civil society stakeholders or stakeholders that are impacted by the Programmes may provide useful information to support the evaluator's analysis of the Programme's alignment with the recommendations and intent of the Guidance. These groups will often have a key role in the identification and mitigation of risks with the relevant mineral supply chain(s) and therefore the representation of their views and experiences forms an important input into the Alignment Assessment.

4. Analysis and reporting

The final stage of the Alignment Assessment is the analysis of information gathered through the documentation review, interviews and site visits, and the preparation of the assessment report. Activities should include the following:

- *Completion of the Alignment Assessment Tool.* Discussed in more detail below, the Alignment Assessment Tool provides the specific criteria against which a structured assessment of alignment with the Guidance is to be performed. The Tool also provides criteria for a review of Programme governance and management which does not inform the evaluator's Alignment conclusion, but remain an important input into the evaluation process and reporting. Information gathered through the assessment activities should be evaluated against the detailed criteria of the Assessment Tool. It is recommended that the Tool is completed on an on-going basis by the evaluator as they are progressing through the assessment steps as opposed to only being used at the final stage.
- *Report writing and development of recommendations.* The details of the assessment resulting from the Alignment Assessment Tool and relevant recommendations for improvement should be captured within the report.
- *Distribution of the report.* The distribution of the report is the sole responsibility of the organisation commissioning the Assessment. However, consistent with the intent and purpose of the OECD Guidance, it is recommended that wherever possible the report resulting from the Alignment Assessment is made publicly available and accessible to all relevant stakeholders.

Prior to publication, the commissioning organisation may wish to give an opportunity for the Programme(s) subject to the Assessment to review and react to the findings and recommendations of the report, and include the Programme's response in the published report. If this is done, it is recommended that no more than three months is allowed for this in order to retain the timeliness and relevance of the Alignment Assessment report.

Use of the Alignment Assessment Tool

The Alignment Assessment Tool that accompanies this methodology document consists of a matrix of specific criteria that an evaluator should use in order to guide data collection, inform interviews and evaluate the information obtained. These criteria and in-built thresholds are the basis on which the evaluator should form a conclusion about the extent to which a Programme is aligned to the recommendations of the Guidance.

The Tool also provides a set of governance criteria (Section 2 in the Tool) through which the governance and management of the assessed Programme will be reviewed. These criteria do not inform the evaluator’s judgement on alignment of a Programme with the OECD Due Diligence Guidance. Nonetheless, they remain an important component of the evaluation and conclusions and recommendations on Programme governance should be included in narrative form in the assessment report.

Figure 2: Screenshot of the Alignment Assessment Tool

A Overarching due diligence principles within Programme standards and guidance		Mineral	Reference in Guidance	RATING
<i>Due diligence is on-going and proactive</i>				
A.1	The Programme explicitly recognises due diligence as a continual, ongoing process to be undertaken by companies.	All	Step 3.D p46, p63, Step 3.I/II.E p102/105	Fully Aligned
A.2	Companies are expected to monitor emerging risks and any incident reporting in their supply chain(s) and take these into account in their sourcing activities.	All	Step 3.I/II.E p102/105	Partially Aligned
<i>Due diligence and risk management improves over time</i>				
A.3	If a programme chooses to make a final determination on a company or its products (e.g. conflict-free) such determination should be based on the conformity of the companies’ due diligence or sourcing practices with the OECD due diligence guidance.	All	p12, p15, p63	Not Aligned
A.4	Companies are expected to improve their due diligence and risk management performance over time.	All	Step 3 p18, p64	Partially Aligned
A.5	The Programme encourages companies to source responsibly from conflict-affected or high risk areas.	All	p12, p15, p63	Partially Aligned
<i>Due diligence is risk-based</i>				
A.6	Due diligence activities and efforts are expected to be guided by each company’s own assessment of risk in their supply chain(s).	All	p13, Step 3 pp18,44, 99	Fully Aligned
A.7	Companies’ due diligence activities are expected to consider all the risks that are covered in Annex II.	All	p18, p20, p41, p86	Fully Aligned
A.8	Companies are expected to adapt the level of due diligence to the level of the identified risks and impacts, recognising that factors such as the severity and probability of an adverse impact are important in determining the scale and complexity of the due diligence processes that companies should undertake.	All	Step 3.B p18	Fully Aligned
A.9	Due diligence activities on red-flagged supply chains should involve on-the-ground assessments. Companies remain individually responsible for due diligence, but may facilitate on-the-ground assessments through cooperation with other companies or via an Industry Programme or Institutionalised Mechanism.	All	Step 2.A p18, p32, Step 2.IB p41, Step 2.I.C p80, Step 2.II.C p89	Fully Aligned
<i>Due diligence is undertaken in good faith</i>				
A.10	There is an explicit recognition that companies should use good faith and reasonable efforts in their due diligence (taking into account factors such as the size of the enterprise, the location of the activities, the situation in a particular country, the sector and nature of the products or services involved).	All	p14, p64, p69, Step 2 pp78,79,86,97, Step 3.II.C.1 p103,p116	Not Aligned
<i>Companies are responsible for ensuring that appropriate due diligence is undertaken</i>				
A.11	Responsibility for determining the actions that a company undertakes in response to identified risks rests with the company’s management.	All	p63, Step 3 p44/99	Partially Aligned
A.12	Companies are the ones responsible for determining whether there are risks in the supply chain(s) associated with sourcing from conflict-affected or high risk areas.	All	Step 3 p44/99	Partially Aligned

1. Alignment Assessment

There are two key aspects through which the alignment of a Programme with the requirements and expectations of the OECD Due Diligence Guidance is assessed:

- a) Whether key overarching due diligence principles have been incorporated into the design and implementation of the Programme (Section A in the Assessment Tool).
- b) Whether the Programme’s requirements for companies and the activities it undertakes itself are aligned to the specific recommendations of the OECD five-step due diligence framework (Sections B and C in the Assessment Tool).

The assessment itself is made across two areas:

1. *Policies and standards.* The extent to which the recommendations from the Guidance have been incorporated into the Programme’s policies, standards, procedures and operating requirements set out for companies.

2. *Implementation*. The extent to which the recommendations from the Guidance are being put into practice by companies, auditors or the Programme itself.

Assessment of both areas (policies/standards and implementation) should be based on all assessment activities, including documentation review, internal and external stakeholder interviews and shadow audits.

There are 97 individual criteria in the Alignment Assessment, though not all of these may be applicable to the Programme being assessed. For each criterion a sub-grading will be provided by the evaluator against both 'Design' and 'Implementation'. From these two sub-gradings, the Assessment Tool will calculate the grading for the criterion, according to the following rules:

- Fully Aligned = 'Fully Aligned' for both 'Design' and 'Implementation'
- Partially Aligned = all combinations between 'Fully Aligned' and 'Not Aligned'
- Not Aligned = 'Not Aligned' for both 'Design' and 'Implementation'

There is also a 'N/A' option if a particular criterion is not relevant for the Programme, for example if the Programme was only for upstream companies and the criterion only related to downstream companies, or if the criterion was only for '3T' minerals (tin, tantalum and tungsten) and the Programme focused solely on gold¹.

Within the Assessment Tool, for each criterion there is a drop-down menu from which the assessor selects one rating for the extent to which the criterion is addressed in policies and standards, and another for the extent to which that criterion is addressed in implementation. The different ratings are defined as follows:

Rating for policies and standards

- *Fully Aligned*: The criterion is clearly addressed in the Programme's policies, standards, procedures or other formal documentation.
- *Partially Aligned*: The criterion is addressed, but only in part, in the Programme's policies, standards, procedures or other formal documentation. Alternatively, the criterion may be addressed, but informally or inconsistently.
- *Not Aligned*: The criterion is not addressed in the Programme's policies, standards, procedures or other formal documentation.

Rating for implementation

¹ It is important to note that other than exclusions relating to mineral type or the position in the supply chain on which the programme focuses, all criteria in the Assessment Tool are considered relevant to the Alignment Assessment. In the event that the particular circumstances of the programme under assessment mean that certain criteria outside of these parameters are considered not relevant, the justification for this decision should be clearly explained in a report that is made publicly available following the conclusion of the assessment. It is also impossible to be graded only for 'Policies and standards' and not also for 'Implementation' – the Tool will return an error message if this is done by accident.

- *Fully Aligned*: There is sufficient evidence, based upon the assessment activities undertaken, to make a reasonable conclusion that the criterion is implemented by companies, auditors or the Programme itself.
- *Partially Aligned*: The criterion is partially addressed by companies, auditors or the Programme itself. Alternatively, there is evidence that the criterion may be implemented by some entities within a Programme, but only partially or not at all by others.
- *Not Aligned*: There is no evidence that the criterion is being practically implemented by companies, auditors or the Programme itself.

The evaluator should use the comments section of the Tool to justify the grading allocated, referencing the evidence used to inform the decision and other key facts or observations relevant to stakeholders of the Alignment Assessment exercise.

Evaluators should ensure that it is clearly noted where a Programme, or companies operating within the Programme, have dependencies on external organisations (for example another Programme) for certain activities under the five-step due diligence framework (as set out in the Assessment Tool).

2. Programme governance review

In Section 2 the Alignment Assessment Tool provides an additional set of questions that enable an evaluation of the extent to which the intentions, spirit and principles of the Guidance - beyond the formal recommendations - have been incorporated into the ways in which implementing Programmes have been established and are managed. This section also includes a number of questions relating to good practice in organisational governance and in audit programmes².

The questions in the Programme Governance Review section of the Tool do not inform the judgements that the evaluator reaches on the alignment of an industry Programme to the recommendations of the Guidance because these issues are not clearly set out in the text of the Guidance. They do, however, form an important part of the qualitative feedback that it is recommended the evaluator provides in the assessment report and recommendations.

The criteria in the Programme Governance Review section are graded as follows:

- *Fully addressed*: The governance arrangements and/or activities of the Programme address the criterion.
- *Improvement opportunity*: The governance arrangements and/or activities of the Programme partially address the criterion, but there are some gaps or areas that should be improved.
- *Not addressed*: The Programme's governance arrangements and/or activities do not address the criterion.

² These criteria draw on a range of sources, including the ISEAL Code of Good Practice for Setting Social and Environmental Standards (Version 6.0), the ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards (Version 1.0), Assurance Code, the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and the underlying principles contained within the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

As with the Alignment Assessment, the evaluator should use the comments boxes to justify or provide evidence for how each criterion is graded.

Reporting assessment results

The results of the Alignment Assessment and Programme governance review are provided in the 'Results and charts' tab of the Assessment Tool. The overall conclusion of the Alignment Assessment is calculated as follows:

- *Fully Aligned*: (Section A = 100%) + (Sections B and C = 80% or higher) + (no 'Not Aligned' criteria)
- *Partially Aligned*: All other combinations between Fully Aligned and Not Aligned
- *Not Aligned*: (Section A = <50%) OR (Sections B and C = 20% or higher of criteria are 'Not Aligned')

For a Programme to claim to be aligned to the OECD Guidance it must achieve a rating of 'Fully Aligned' in the Alignment Assessment. Where a rating of 'Partially Aligned' or 'Not Aligned' is achieved, the Programme must be transparent about this in any communications that reference the OECD Guidance. It is recommended that in such instances the Programme also describes the actions it is taking in order to achieve full alignment.

It is recommended that the results of the Alignment Assessment are transparently communicated to all relevant stakeholders. The 'Results and charts' tab of the Assessment Tool provides a more detailed analysis of the different components of the Alignment Assessment. It is recommended that this data is disclosed in full in a 'results dashboard' or similar, as illustrated by Figure 3.

As Figure 3 demonstrates, the charts provided by the Assessment Tool enable stakeholders of the Alignment Assessment exercise to understand how the Programme was rated across the different aspects of the assessment; the extent to which criteria were rated fully, partially or not aligned; and the extent to which there may be differences between a Programme's policies or standards and implementation activities.

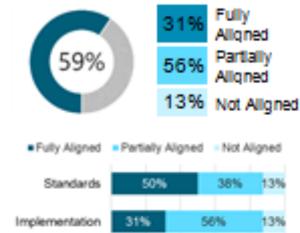
The implementing Programme(s) being assessed should be given an opportunity to review and respond to the report before it is circulated for wider distribution. Care will be needed to protect sources and any confidential commercial information that may have relevance to findings or recommendations developed in the report.

It is recommended that the Alignment Assessment report includes contextual information alongside details of the assessment results, in order to assist readers in understand the findings and any associated recommendations resulting from the assessment. The report should contain a recommendations section that sets out improvement actions for those areas where Alignment Assessment criteria were rated 'not aligned' or 'partially aligned' (for Section 1). Similarly, even though the governance review does not form part of the formal Alignment Assessment conclusion, recommendations should be provided for those areas where the governance review (Section 2) found an 'improvement opportunity' or rated a criterion as 'not addressed'.

Figure 3: An illustrative ‘results dashboard’ from an Alignment Assessment, utilising the charts that are provided by the Assessment Tool; this dashboard should be included in the report produced following the completion of an Alignment Assessment exercise.

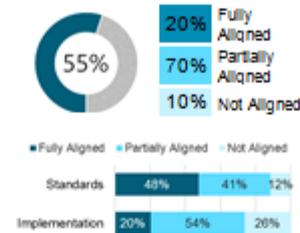
Overall conclusion: PARTIALLY ALIGNED

Overarching due diligence principles



Number of assessment criteria: 16

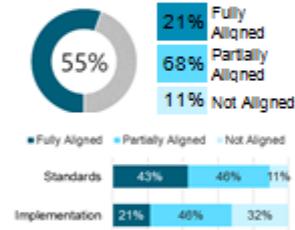
Overall alignment with the five-step framework



Number of assessment criteria: 69

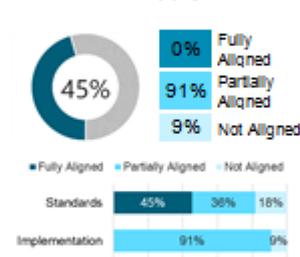
Alignment Assessment: Five-step framework elements

Step 1: Establish strong company management systems



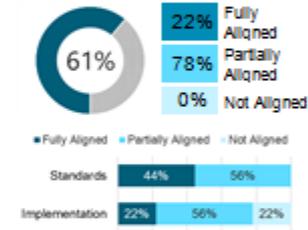
Number of assessment criteria: 28

Step 2: Identify and assess risks in the supply chain



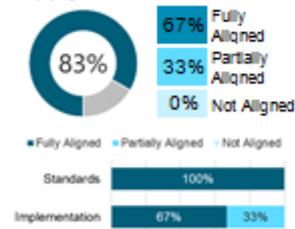
Number of assessment criteria: 11

Step 3: Design and implement a strategy to respond to identified risks



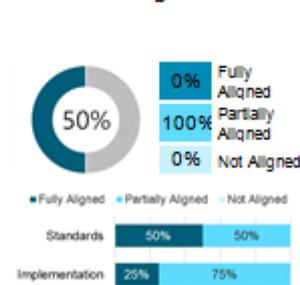
Number of assessment criteria: 9

Step 4: Carry out an independent audit at identified points in the supply chain



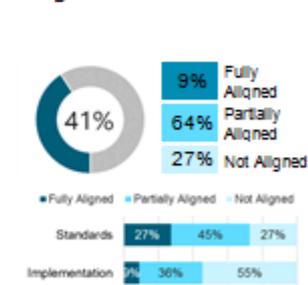
Number of assessment criteria: 6

Step 5: Report on supply chain due diligence



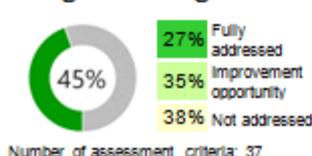
Number of assessment criteria: 4

Specific responsibilities of Programmes



Number of assessment criteria: 11

Programme governance review



OECD Due Diligence Alignment Assessment Methodology

This draft document provides a description of the methodology for undertaking an Alignment Assessment of an industry programme, institutionalised mechanism or other implementing programme against the recommendations of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It is accompanied by an Excel-based Assessment Tool.

mneguidelines.oecd.org/mining.htm

