Guidance for Suppliers: 
Navigating Quality and Effectiveness of 
Mining and Supply Chain Standards 

Mercedes-Benz
Introduction: Navigating Quality and Effectiveness of Mining and Supply Chain Standards

Standards have become increasingly relevant in human rights and environmental due diligence in mineral supply chains. Due diligence measures our processes through which enterprises can identify, prevent, mitigate and account for how they address their actual and potential adverse impacts (OECD 2011). Today, a variety of choices exist that differ significantly in their ability to serve as effective instruments for that purpose. While the landscape of standards will continue to evolve, Mercedes-Benz seeks to assist suppliers in identifying the appropriate standard for their purpose. The following Guidance focuses exclusively on the structural ability of standards to serve as effective due diligence instruments. Content and criteria are therefore excluded from the review. Instead, we intend to indicate if a standard, through its governance and procedures, is well positioned to identify and mitigate human rights and environmental risks.

In addition, we hope this Guidance will help clarifying Mercedes-Benz’ expectations towards the continuing development of standards. Meeting these expectations will be decisive for the future use of individual standards as requirements in future supplier contracts.

On the following pages, the Guidance reviews eight standards by the following initiatives:

- International Council on Mining and Metals (ICMM)
- The Copper Mark
- Towards Sustainable Mining (TSM)
- Initiative for Responsible Mining Assurance (IRMA)
- Aluminium Stewardship Initiative (ASI)
- ResponsibleSteel Initiative
- Responsible Minerals Initiative
- Responsible Mica Initiative

The review is based on publicly available information only. The review period was closed on 31 July 2023.

The Mercedes-Benz Guidance for Suppliers: Navigating Quality and Effectiveness of Mining and Supply Chain Standards (the ‘Guidance’) aims to support suppliers in identifying the appropriate standard for their purposes. The Guidance is based on an evaluation of Mercedes-Benz AG and is for informational purposes only. It is not binding on Mercedes-Benz suppliers. The relevant antitrust regulations have been observed and taken into account.

We are aware that the standards subject to the Guidance differ in approach and purpose. Applied criteria represent a best practice and have therefore been selected to evaluate a standard’s ability to effectively address risks, not its actual impact. The criteria are grounded in published research and have been consulted with external parties including civil society organizations. The research period was closed at the end of July 2023. The evaluation is based exclusively on publicly available information. Mercedes-Benz will review the Guidance annually and encourages exchange with standard setting initiatives for further improvement. For further information, please contact sustainable-procurement@mercedes-benz.com.
In their entirety, these quality criteria represent a best practice that is currently only achieved by a few standards. The Categories were derived from scientific discussions and analysis (e.g. BGR 2022; Tröster & Hiete 2018). Through our membership in initiatives and associations as well as in direct exchange with suppliers and standards initiatives, we advocate their broad acceptance and work on developing standards as an effective instrument for compliance with due diligence obligations.

For each category a maximum of three points can be achieved.

1. **Composition of stakeholders**
   Standards are intended to ensure a balanced composition of stakeholder groups (including those affected and their representatives) in their governance. This includes equal voting rights in the setting and development of standards.

   **CRITERIA**
   Equal voting rights at a minimum for civil society, assessed companies and affected parties.

2. **Progressivity of the requirements**
   The requirements of standards should be continuously developed further. In order to ensure a realistic entry for new companies, standards should offer different levels of aspiration.

   **CRITERIA**
   Regular revision cycles.

   Individual requirements reflecting maturity of operation.

3. **Intensity of audits**
   Standards should have the most extensive and consecutive audit options possible.

   **CRITERIA**
   Self-assessment
   Document analysis
   Site inspection

4. **Independence of auditors**
   The auditors should be independent of the audited company.

   **CRITERIA**
   ISEAL 5.4.2 Independence of oversight

5. **Quality of auditors**
   Standards need to ensure the quality and comparability of audits and to this end provide appropriate assistance and training opportunities for the auditors.

   **CRITERIA**
   ISEAL 5.5.2 Building competence
Involvement of those affected

Standards should systematically provide for the inclusion of directly affected population groups in the vicinity of the mine in the context of audits. There should be a mechanism for interest groups, including those who declare themselves as such, to participate in the audit without limitation.

Criteria

Systematic consultation of affected parties within the audit process

Access and participation

Standards should provide suitable means so that stakeholders can actively participate (e.g. in the development of standards) and companies can adequately prepare for the audit.

Criteria

Stakeholder specific information material or training

Complaints mechanism

Standards should have a complaints mechanism that those affected can use to lodge complaints in a protected process. This applies, at least, to the implementation of the audits as well as the results of the audits and the type of their publication.

Criteria

Stakeholder specific information material or training

Crimes mechanisms available

Whistleblowing protection

Target group-centered access

Transparency

Standards should make their structure, processes, content and results of audits publicly available without limitations.

Criteria

Standard-setting process

Requirements

Implementation process

Auditors

Assessed companies

Results of audits

Consulted stakeholders within audit

Centralized publication of audit results

Public audits announcement

ISEAL

ISEAL is the global leader in defining and communicating what good practice looks like for sustainability standards through guidance and credibility tools such as the Codes of Good Practice (ISEAL 2014).

Standards should align their procedures and processes according to the ISEAL Codes of Good Practice, and thus enable direct comparison with other standards.

Criteria

ISEAL membership

Effectiveness control

Standards are intended to review the effectiveness of audits and any action plans resulting from them. The results of these reviews need to be included into the further development of the standard via a feedback mechanism.

Criteria

Basic monitoring process of audits and their impacts

Third party impact assessment of audits and action plans

Formalized feedback process
Overview

International Council on Mining & Metals (ICMM)

The Copper Mark

Towards Sustainable Mining (TSM)

Initiative for Responsible Mining Assurance (IRMA)

Aluminium Stewardship Initiative (ASI)

ResponsibleSteel

Responsible Minerals Initiative (RMI)

Responsible Mica Initiative (RMI)

7 25 13 31 21 30 20 10 Max. 33 points
International Council on Mining & Metals (ICMM)

**Total**

7 out of 33

- Click on category to see full analysis
- Desktop version only

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**Composition of stakeholders**

- Effectiveness control
- Progressivity of the requirements
- Independence of auditors
- Quality of auditors
- Involvement of those affected
- Access and participation
- Complaints mechanisms
- Financial sustainability

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**Equal voting rights at a minimum for civil society, assessed companies and affected parties**

*Not Met:* ICMM does not grant equal participation and voting rights to civil society and affected communities.

**Category Score:** 0 points

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Sources
The Copper Mark

Total
25 out of 33

Click on category to see full analysis

Equal voting rights at a minimum for civil society, assessed companies and affected parties

Not Met: The Copper Mark Board does not grant equal participation and voting rights to civil society and affected communities.

Category Score: 0 points

Sources

Mercedes-Benz | Navigating Quality and Effectiveness of Mining and Supply Chain Standards
Towards Sustainable Mining (TSM)

Total
13 out of 33

Click on category to see full analysis

Source: TSM Program Governance 2023

Equal voting rights at a minimum for civil society, assessed companies and affected parties

Not Met: No formal equality between mining company's representatives and civil society representatives on the Board of Directors, which is ultimately governed by MAC directors.

Sources
Initiative for Responsible Mining Assurance (IRMA)

Total
31 out of 33

Click on category to see full analysis
Deskop version only

Equal voting rights at a minimum for civil society, assessed companies and affected parties

Met: IRMA is governed by a Board of Directors with two representatives from each of six sectors, which ensures a balanced sector representation.
Source: IRMA Governance 2023

Category Score: 3 points
Aluminium Stewardship Initiative (ASI)

Total
21 out of 33

Click on category to see full analysis

Sources

Equal voting rights at a minimum for civil society, assessed companies and affected parties

Not Met: The Standard Committee is composed of 24 people. ASI does not strictly predefine a 50% non-industry (civil society and Indigenous peoples) participation in the Committee (ASI Standards Committee 2023). In addition, the voting rights defined in the constitution do not reflect the 50% non-industry participation in the Committee.

Source: ASI Constitution 2019

Category Score: 0 points
ResponsibleSteel

Total
30 out of 33

Click on category to see full analysis

Deskop version only

Equal voting rights at a minimum for civil society, assessed companies and affected parties

Yes (3 out of 3)

Met: The voting power of each membership category is weighted equally between businesses and civil society.

Source: ResponsibleSteel Constitution 2021

Category Score: 3 points
Responsible Minerals Initiative (RMI)

Total
20 out of 33

Equal voting rights at a minimum for civil society, assessed companies and affected parties

Not Met: The RMI works with governments, NGOs, international organizations, and other key stakeholders in mineral supply chains. However, the Steering Committee is industry-led. Out of 11 voting positions, only three are held by non-business actors.

Source: RMI Staff and Governance 2023

Category Score: 0 points
Responsible Mica Initiative (RMI)

Total

10 out of 33

Click on category to see full analysis

Equal voting rights at a minimum for civil society, assessed companies and affected parties

Not Met: The RMI (Mica) Board of Directors only consists of member companies or industry associations.

Source: RMI (Mica) Annual Report 2021

Category Score: 0 points
Disclaimer: The listed sources were last accessed on 31.07.2023.


The Copper Mark


The Copper Mark (2023): Governance. Online: https://coppermark.org/about/governance/.


The Copper Mark (2023): Recipients. Online: https://coppermark.org/participants-home/participants/


TSM


IRMA


IRMA (2023): Governance. Online: https://responsiblemining.net/about/governance/.
Sources


ASI


Sources Page 4/5


**ResponsibleSteel**


ResponsibleSteel (2023): Approved Certification Bodies. Online: https://www.responsiblesteel.org/certification/approved-certification-bodies/.


RMI (Minerals)


RMI (2023): Staff and Governance. Online: https://www.responsiblemineralsinitiative.org/about/governance/.


RMI (Mica)


