

**OECD SPECIFIC INSTANCE. FCA ITALY.
SUMMARY**

The [United States Global Survey](#) estimates that out of the world's total cobalt reserves of 7.1 million tonnes (Mt), 3.6 Mt are in the DRC. The DRC is home to a wide range of mining actors, including both large mining companies, which mine on a large scale, and small, sometimes one-man companies, which mine on a small scale.

It has been estimated by the World Economic Forum (WEF white paper, *'Making Mining Safe and Fair: Artisanal cobalt extraction in the Democratic Republic of the Congo'*, September 2020), that around 15-30% of cobalt from the DRC is extracted through artisanal and small-scale mining activities, which, unlike large-scale activities, are carried out without the aid of machinery, using rudimentary tools or even with bare hands, often employing child labourers or in any case working in extremely precarious and poor conditions.

In such activities, massive violations of fundamental human rights are recorded and documented.

Unfortunately, cobalt is not among the minerals included in the recent European Regulation on minerals from conflict zones (2017/821).

Multinational automotive companies, including the Italian FIAT company (FCA Italy), now part of the Stellantis Group, purchase large quantities of cobalt from suppliers who are often implicated in the very serious violations of fundamental human rights in the context of mining.

FCA Italy has so far failed to provide any information about its cobalt suppliers, contrary to the OECD 'Guidelines for Multinational Enterprises' provisions on the disclosure of transparent and detailed information.

A coalition of associations and movements has first approached FCA Italy asking to share documents on the supply of cobalt and other minerals from the DRC, but unfortunately no response was provided.

In order to make the company face up to its responsibilities, a warning notice was sent on 19/11/2021 in order to obtain the necessary documentation to understand whether the company:

- 1) put in place effective systems to identify possible human rights violations within the supply chain of cobalt or other minerals originally sourced from the DRC;
- 2) took appropriate concrete and specific measures to reduce the risk of possible human rights violations in relation to that supply chain;
- 3) informed suppliers of its intention not to purchase cobalt or other minerals originally from the DRC if their traceability is not guaranteed;

- 4) took appropriate action in the event that the supplier was unable to categorically rule out that fundamental human rights violations had been committed in the process of extracting and processing the minerals;
- 5) took the necessary steps to compensate for the damage caused;
- 6) shared and published in a transparent and detailed manner information on the possible risk of human rights violations within the supply chain of cobalt or other minerals originally from the DRC (as required by Article 3 letter c of Legislative Decree 254/2016);
- 7) investigated thoroughly the respect of human rights by its suppliers of cobalt, in particular Huayou Cobalt, or other minerals originally from the DRC.

The warning was acknowledged by the holding company Stellantis - on behalf of FCA Italy – by means of a certified email dated 13/12/2021. In the reply, the principles that inspire the activities of the group and the initiatives undertaken for the analysis and consequent elimination of the risks associated with the mining activities and the supply chains of minerals necessary for the production of electric vehicles from the DRC were reaffirmed, but no supplier was identified.

At this point, the [coalition of associations](#) activated the OECD's National Contact Point requesting its intervention to ensure that the company discloses the relevant data on cobalt supply and conforms its conduct to the Guidelines.