



The path to Better supply chains

Better mineral supply chains promote transparent procurement from communities whose livelihoods heavily depend on revenues from the mineral trade, providing that local risks and challenges can be reliably monitored and managed.

By incentivising continuous information gathering and reporting, BetterChain allows key players - from local miners to smelters to consumer brands - to gain access to reliable information that shows whether or not goods have actually contributed to improvement of the circumstances of local mining activity.

Full transparency can stimulate ongoing procurement from and engagement with artisanal mines, even in conflict-affected and high-risk areas. **This can, in turn, solve the supply chain due diligence dilemma.**

No reliable process currently exists to identify mineral provenance

There is growing consumer awareness and regulation requiring transparency on the circumstances of mineral origin. This has driven the need for manufacturers of everyday products, from mobile phones to battery-powered vehicles, to demonstrate their impact on the human rights and wellbeing of mining communities.

Mineral supply chains, however, remain complex and fragmented, as **fungibility of goods and commercial confidentiality challenge full transparency**. This makes artisanally produced gold, cobalt, tungsten, tantalum, tin minerals impossible to trace from source to store.

BetterChain has launched an innovative approach to develop more reliable, blockchain-enabled tools that address gaps in transparency and provide information for complete supply chain due diligence from mine to consumer. Our information reporting and risk management conform to the highest industry and OECD standards to meet compliance objectives.

TRANSFORM DATA INTO A VALUABLE RESOURCE

TO INCENTIVISE FULL MINERAL SUPPLY CHAIN TRANSPARENCY

Unintended consequences of current due diligence practices

Mineral supply chain due diligence is conducted in two distinct phases: upstream (from mine to refined metal) and downstream (from metal refiners to consumer products).

Upstream due diligence accountability falls on smelters and refiners, which makes them reluctant to source materials originating from artisanal mining sites. If and when they do, they pass on associated costs along the supply chain as a discount on the value returned to mining actors. This translates into less income for local communities, constrains local development and potentially affects long-term stability. Particularly in the gold sector, due diligence costs and potential premiums from money laundering can create disincentives to comply and incentives for fraud.

Downstream due diligence activities also have limitations: they do not demonstrate provenance, leaving supply chain due diligence fundamentally incomplete. As a result, no reliable data exists on the local impact of due diligence actions, from unintended negative consequences to the further evolution of challenging issues. Brands lack the tools and information they need to reliably demonstrate and communicate about the origin and local impact of the gold and minerals contained in their products.

Current regulations provide a guiding light but existing initiatives have yet to reconcile costly upstream efforts with downstream risk management expectations. There remain crucial gaps in accountability and information access, which means mineral supply chains are untraceable and local communities miss out on potential collaboration and development opportunities.

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The BetterChain paradigm

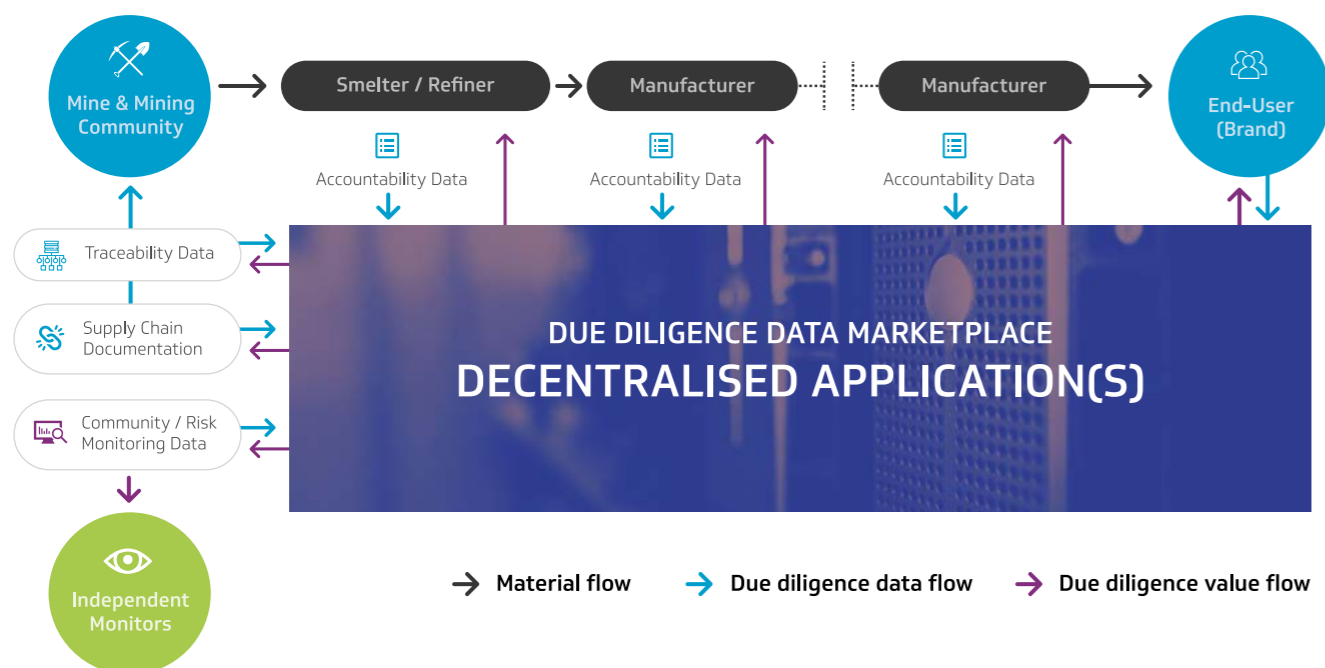
The BetterChain framework rewards the provision of due diligence information along the supply chain. This can then incentivise and increase exports of compliant minerals, fund artisanal mine formalisation measures and foster local communities' resilience to conflict through enhanced, transparent economic activity.

Our Data Valuation Framework transforms due diligence data from being an economic burden to a resource that generates value for local stakeholders.

The BetterChain framework incorporates an assessment system for reliable upstream data, including traceability, risk management, KYC data and supply chain documentation, as well as a blockchain-based accountability mechanism. Once a supply chain link from mine to brand is established, end-users get to access mine-level data, which creates a potential reward mechanism for compliant miners to offset due diligence costs. When scaled, this approach can directly support end-to-end supply chain due diligence and facilitate targeted engagement to solve local development challenges.

Where no institutionalised upstream due diligence program exists, we support local actors with standard reporting tools and the **Autonomous Due Diligence (ADD)** process. It is designed to enable as many sources as possible to share and find a market for local data onto the platform.

By decentralising upstream due diligence reporting, our framework can also gradually improve the credibility of information collected. This mitigates the risk of over-reliance on single-party verification and provides an avenue for truly independent monitoring and risk reporting at community level. The ADD is also scalable: the approach can be expanded to all geographies and minerals, in line with OECD-inspired due diligence expectations.



BETTERCHAIN COMMODITISES UPSTREAM DUE DILIGENCE DATA, PROMOTES DECENTRALISED REPORTING AND FACILITATES ITS FUNDING THROUGH DOWNSTREAM SUPPLY CHAIN ACCOUNTABILITY AND A DISTRIBUTED REWARD SYSTEM.

Unlocking reciprocal value from the due diligence process

The BetterChain framework generates incentives for upstream compliance. By attaching a value to data, it encourages stakeholders at the local level to provide more and better structured data, thereby increasing overall transparency. This attracts interest from other local operators who see the financial benefits from compliant reporting. We anticipate that local stakeholders themselves will drive scaling, because it will enable them to earn extra income.

Access to better data allows participants to engage transparently and verifiably in stigmatised areas. Downstream supply chain participants will be able to validate the origin of their mineral supply chain and demonstrate first-mile compliance with international procurement standards and regulations. End-users - like brands - can demonstrate accountability for a specific mine of origin and the surrounding community. This provides support to smelters and refiners - the traditional supply chain "choke point" - as it supports their own compliance efforts.

As the network of participants grows, the approach can add extra value beyond the cost of local data collection and reporting, which can then be allocated towards addressing key local challenges.

It gives users access to upstream due diligence, risk and community data. No current due diligence model provides full visibility to source. Our framework creates unprecedented access to *relevant* mine-level information.

GET INVOLVED



To mining operators, international traders, smelters and refiners in all minerals and all geographies we recommend due diligence programs or implement Autonomous Due Diligence solutions.



Brands are also invited to join active supply chain projects on cobalt, tin, tungsten and gold.



Stakeholders such as **consumer-facing brands, standard-setting organisations, industry associations, civil society groups and development partners** can join the Data Valuation Consultation Committee, and provide input into how relevant upstream data is valued and can effectively contribute to local development.



BetterChain is constantly looking for **supporters, partners and collaborators** to further pilot, develop and scale this innovative approach. So whether you're a brand, a development agency, a technology company or sustainability expert, contact us.



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