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MINERAL TRADE HELPED FUND REBELS

A minerals company failed to make sure its activities did not support armed conflict and forced labour in Democratic Republic of Congo (DRC), a British government investigation has found.

Afrimex sourced minerals from an area of eastern DRC occupied by rebel troops until 2003. The firm has now been criticised for failing to make sure its trading activities were not contributing to conflict and human rights abuses.

The government investigation found that rebel soldiers extracted money from the firm's supply chain, helping them fund their campaign.

Through its lack of diligence, the firm failed to contribute towards ending the use of child labour and forced labour.

Trade minister Gareth Thomas said:

“We are determined to promote the highest ethical standards and companies trading in conflict areas should take all possible steps to meet them.

“By operating ethically, British firms investing in developing countries will contribute to peace and prosperity – not to war and human rights abuses.”

A complaint against Afrimex's activities between 1998 and 2007 was made last year by campaign organisation Global Witness, triggering an investigation by the UK National Contact Point (NCP).

The NCP's final statement on the complaint against Afrimex made four recommendations:

- The government expects all UK businesses to be able to prove they meet the OECD guidelines
- UK companies should use their influence over trading partners in DRC to ensure due diligence is applied to the supply chain
- Afrimex should create a corporate responsibility document based on an assessment of its supply chain's impact on human rights. This should be integrated into their operations
- The company should use the OECD's Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones to help stay within the rules

Notes to Editors

1. The National Contact Point's final statement on the case will be published at www.csr.gov.uk/ncp_comp4.htm on Thursday 28th August.
2. The OECD Guidelines on Multinational Enterprises set out standards that member states expect business to adhere to, wherever they are trading and operating overseas. The Guidelines cover a broad range of issues in business ethics, including industrial relations, the environment, and corruption.
3. The UK National Contact Point initially brings parties together to mediate a solution to complaints brought against companies registered in or

operating from the UK. It is only if mediation fails that the NCP investigates. If it considers that a company has not met the requirements of the guidelines it will issue a statement detailing this decision and making recommendations on how the firm can come into line with the guidelines in future.

4. Global Witness brought the complaint against Afrimex in February 2007, alleging breaches of the rules dating back to 1998. The NCP investigation covered the period since June 2000, when the current guidelines came into effect.
5. The guidelines are not legally binding, but all OECD members and a number of non-members are committed to promoting adherence to them.
6. The Department for Business Enterprise and Regulatory Reform helps UK business succeed in an increasingly competitive world. It promotes business growth and a strong enterprise economy, leads the better regulation agenda and champions free and fair markets. It is the shareholder in a number of Government-owned assets and it works to secure, clean and competitively priced energy supplies

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