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China's biggest cobalt producer is to stop buying from individuals in the Democratic Republic of Congo, bowing to pressure from customers and rights groups concerned about child labour in the country's informal mining sector.

Huayou Cobalt, one of the top global suppliers of the metal used in batteries for electric cars and mobile devices, has faced growing scrutiny in recent years over human rights violations in the DRC, which accounts for more than two-thirds of global output.

In December it was named alongside technology companies including Apple, Dell and Microsoft in a US class-action lawsuit filed on behalf of families of children killed or injured while mining cobalt in the central African nation.

The legal filing in Washington by International Rights Advocates alleged that Huayou plays "a major role in managing the purchase of cobalt from child miners . . . who are forced to work under hazardous, severely dangerous, conditions".

Huayou has said it has cut child labour out of its supply chain and is working to help formalise small-scale mining in the Congo through efforts to improve safety and better trace cobalt.

"In order to ensure the daily operation of Huayou Cobalt, we can only temporarily stop sourcing artisanal cobalt until relevant standards can be recognised and supported by the whole industry," Huayou said in a statement. "At the meantime, Huayou Cobalt is committed to continue to support the cobalt formalisation projects."

Shanghai-listed Huayou is a key supplier to the electric vehicle industry, providing cobalt to battery makers LG Chem of South Korea and CATL of China, as well as Chinese carmaker BYD and Germany's Volkswagen.

Most of the DRC's cobalt is shipped to China to be refined and processed. Up to 20 per cent of its output comes from individual miners, who dig for the metal by hand without safety protection.

Despite the pullback, Huayou aims to produce 30,000 tonnes of cobalt this year, mainly from its industrial mines in the DRC but also through recycling used batteries. It is also looking to raise Rmb6.25bn (\$870m) from a private placement of shares to expand nickel production in Indonesia.

Over the past year Huayou has been working with Berlin-based auditing company RCS Global and carmaker Volvo to improve monitoring of conditions at artisanal mining sites in the DRC, tracking accidents and deaths.

However, Mark Dummett, head of business, security and human rights at Amnesty, warned of unintended consequences from the company's decision to stop buying from individual miners.

"Artisanal mining is a lifeline for millions of impoverished people in the DRC," he said. "We need to see companies working with the authorities to formalise it -- make it safer, remove children, provide miners with a fair price. By refusing to buy from artisanal miners, Huayou risks making the situation for these miners worse, not better."

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