

# Conflict minerals: MEPs secure mandatory due diligence for importers

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**All but the smallest EU firms importing tin, tungsten, tantalum, gold and their ores will have to do "due diligence" checks on their suppliers, to stop this trade being used to help fund conflicts and human rights abuses, says a political understanding reached by MEPs, ministers and the EU Commission on Wednesday. Due diligence will also be mandatory for smelters and refiners. The EU Commission will press big manufacturers to disclose details of products that might contain conflict minerals.**

"We need to finally break the vicious cycle between trade in minerals and the financing of conflicts - today marks an important waypoint towards achieving this goal. It is a first step for the EU to make a real difference for people on the ground. We need to end the suffering of people being forced to mine precious metals and do our utmost to prevent violent conflicts. We succeeded in pushing for mandatory measures instead of a voluntary system – a huge success achieved by the European Parliament", said Trade Committee Chair Bernd Lange (S&D, DE)

"I note with great satisfaction that the shared-responsibility approach, promoted by me as a Rapporteur, has prevailed during the very difficult and highly technical negotiations. It is extremely important that the recognition of existing and future due diligence industry schemes has become the central element of the Conflict Minerals Regulation. I stand committed to the agreement that has been reached between the co-legislators on the way forward. This common understanding is an excellent basis for continuing the work towards an efficient and workable regulation, truly serving the interests of people and communities caught in war and conflict", said rapporteur Luliu Winkler (EPP, RO).

## MEPs win mandatory due diligence rules for importers

MEPs persuaded ministers that due diligence checks, conducted according to [OECD due diligence guidelines](#), should be mandatory for importers of tin, tungsten, tantalum and gold and their ores from conflict and high-risk areas. The Commission and Council initially proposed only voluntary checks. EU member states' competent authorities will be responsible for ensuring compliance by companies, and also for determining penalties for non-compliance, to be monitored by the EU Commission.

## No burden on small firms

MEPs and ministers, aiming for almost full coverage of the imported minerals and metals, agreed that the smallest importers (e.g. for dentistry) should not be obliged to comply with a due diligence scheme, so as to avoid encumbering their businesses with unreasonable bureaucratic burdens. Recycled metals, existing EU stocks and by-products are excluded from the regulation.

## Disclosure requirements for big EU manufacturers and sellers

Parliament also secured an EU push for due diligence by companies whose products contain tin, tungsten, tantalum or gold in their supply chain. Big EU firms that make or sell such goods - i.e. those subject to [EU law on "non-financial reporting"](#) (above 500 employees) - will be encouraged to report on their sourcing practices based on a new set

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of performance indicators to be developed by the EU Commission. Moreover, these businesses will be able to join a registry to be set up by the Commission and report voluntarily on their due diligence practices.

## Review clause

The deal also requires the EU Commission to review and report to Parliament and the Council on the effectiveness of the new law – both its impact on the ground and the compliance by the EU firms, and, should it not suffice to induce the desired effect, consider additional mandatory measures.

## Next steps

The technical details of the legislation agreed in principle on Wednesday still need to be worked out. The Dutch Presidency of the Council has pledged to conclude the informal legislative negotiations with the MEPs before its term ends on 1 July. Further political "trilogues" (three-way talks) under the Slovak presidency might be needed to seal the final text of the legislation before it is approved by Parliament in plenary session.

## Background: definitions

**Due diligence:** as defined by international [OECD due diligence guidelines](#) to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. Currently they have the status of recommendations. The recognition of existing and future industry due diligence schemes became a central element of the regulation. Conditions for recognition of such schemes should be robust and aligned with the OECD guidelines.

**Conflict minerals** – Tin, tantalum, tungsten and gold are used in the production of many high-tech devices, in *the automotive, electronics, aerospace, packaging, construction, lighting, industrial machinery and tooling industries, as well as in jewelry.*

**Conflict-affected and high-risk areas**– The regulation applies to all conflict-affected and high risk areas in the world, of which the Democratic Republic of the Congo and the Great Lakes area are the most obvious example. According to the political understanding, the Commission will select experts via a tender procedure to draw up an indicative and non-exhaustive list of areas and other due diligence issues to be addressed in a "Handbook for the operators" to be developed by the EU Commission. Companies sourcing from areas that are not on the list will nonetheless be responsible for doing due diligence checks on sources.

## Further information

- Steps of the procedure: [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2014/0059\(COD\)&l=en](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2014/0059(COD)&l=en)
- Committee on International Trade: <http://www.europarl.europa.eu/committees/en/inta/home.html>
- Rapporteur Iuliu Winkler (EPP, RO): <http://www.europarl.europa.eu/meps/en/39725.html>
- Press conference: video summary for media professionals: <http://audiovisual.europarl.europa.eu/Assetdetail.aspx?ref=1122994>
- LIVE replay of the press conference: <http://audiovisual.europarl.europa.eu/Package.aspx?id=46157&asset=V&type=L>
- Background: conflict minerals at a glance (EP think tank): [http://www.europarl.europa.eu/RegData/etudes/ATAG/2015/556993/EPRS\\_ATA\(2015\)556993\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/ATAG/2015/556993/EPRS_ATA(2015)556993_EN.pdf)

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