

# Conflict minerals: MEPs secure mandatory due diligence for importers

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All but the smallest EU importers of tin, tungsten, tantalum, gold and their ores will have to do "due diligence" checks on their suppliers, and big manufacturers will also have to disclose how they plan to monitor their sources to comply with the rules, under a draft EU regulation on "conflict minerals" agreed by MEPs, ministers and the EU Commission on Tuesday in Strasbourg. It aims to stop the financing of armed groups and human rights abuses through trade in minerals from conflict areas.

"We have laid the groundwork for an effective tool to break the link between conflicts, human rights abuses and our consumption of everyday goods", said International Trade Committee chair Bernd Lange (S&D, DE). "It is high time that we took action and stopped turning a blind eye to the harm we cause in other parts of the world. This is not the end of the road. Due diligence requires continuous learning and that the systems we put in place stay flexible to ensure their effectiveness", he added.

"The interests of communities and people caught in war and conflict must be our priority", said rapporteur Iuliu Winkler (EPP, RO). "Those interests can only be served through an efficient and workable regulation, and after long and sometimes difficult discussions, we have succeeded in our quest. The new conflict minerals regulation has the power to improve realities on the ground in war zones, and its power to bring about change comes from the shared responsibility approach on which it is built", he stressed.

## MEPs win mandatory due diligence rules for importers

MEPs persuaded EU ministers that due diligence checks, in accordance with [OECD 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 had initially proposed only voluntary checks. Authorities in EU member states will be responsible for ensuring compliance by companies and also for determining penalties for non-compliance, to be monitored by the Commission.

## No burden on small importers

MEPs and ministers, aiming for almost full coverage of the imported minerals and metals, agreed that the smallest importers (e.g. dentists and jewellers) should not be obliged to comply with the scheme, so as to avoid unreasonable bureaucratic burdens. Recycled metals, existing EU stocks and by-products are also excluded from the regulation. Parliament secured a Commission declaration ensuring close monitoring of the gold market and EU gold imports to mitigate negative side effects.

## Disclosure requirements for big EU manufacturers and sellers

In negotiations in July, Parliament also secured an undertaking that big EU firms - i.e. those subject to [EU law on "non-financial reporting"](#) (above 500 employees) - that buy tin, tantalum, tungsten and gold to use in their products will be encouraged to report on their sourcing practices based on new performance indicators. These businesses will be able to join an EU registry and report voluntarily on their "due diligence" practices.

## High standards

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The Regulation stipulates that existing industry control schemes will be used in order to avoid double burdens. But Parliament ensured that these schemes will be regularly checked so that the high international standards of the OECD Guidance will be maintained.

## Review clause

The deal also requires the Commission to review and report to Parliament and Council on the effectiveness of the new law two years after the date from which it applies and every three years thereafter. This covers both its impact on the ground and compliance by EU firms, as well as possible additional mandatory measures should the application of due diligence by companies prove unsatisfactory.

## Next steps

The International Trade Committee and the full House will vote on the final agreement early next year.

## Background

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 region are the most obvious examples. The Commission will select experts via a tender procedure to draw up a non-exhaustive list of areas and other due diligence issues to be addressed in a “Handbook” for operators. As requested by Parliament, country of origin is not the only indicator: information on transit or an irresponsible supplier should also prompt a background check. Companies sourcing from areas that are not on the list will therefore still be responsible for doing due diligence checks on sources.

## Definitions

*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 jewellery.

*Due diligence:* as defined by international [OECD guidelines](#) to help companies respect human rights and avoid contributing to conflict through their trade in minerals. Currently they have the status of recommendations.

## 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>
- Background: Conflict minerals at a glance (May 2015): [http://www.europarl.europa.eu/RegData/etudes/ATAG/2015/556993/EPRS\\_ATA%282015%29556993\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/ATAG/2015/556993/EPRS_ATA%282015%29556993_EN.pdf)
- Audiovisual material for professionals: <http://audiovisual.europarl.europa.eu/Page.aspx?id=2870>

## Political groups

- News pages of the EPP group  
: <http://bit.ly/1WuQLqB>
- News pages of the S&D group  
: <http://bit.ly/2fE9NbP>

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- News pages of the ECR group  
: <http://bit.ly/1Y0YF7j>
- News pages of the ALDE group  
: <http://bit.ly/1XbSQs6>
- News pages of the GUE/NGL group  
: <http://bit.ly/1UrAIM9>
- News pages of the Greens/EFA group  
: <http://bit.ly/1TV9vvr>
- News pages of the EFDD group  
: <http://bit.ly/1TUnDFU>
- News pages of the ENF group  
: <http://bit.ly/2cxzxcR>

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