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## **Group of Investors Urge European Union to Adopt Stronger Conflict Minerals Legislation**

### ***Investors Representing More Than €855 Billion Recommend Changes to Proposed EU Regulation***

**BRUSSELS, BELGIUM / SAN FRANCISCO, U.S.A.** – Yesterday, global sustainable and responsible investors and investment organisations representing more than €855 billion in assets under management sent a joint statement to the European Commission, the European Parliament, and the European Council. The statement urges EU policy makers to ensure more compatibility between the proposed EU conflict minerals regulation and Section 1502 of the US Wall Street Reform and Consumer Protection Act (known informally as “Dodd-Frank Section 1502”), which aims to prevent mineral sourcing revenues from fuelling the armed conflict in the Democratic Republic of Congo (DRC). The statement was initiated by a working group composed of Boston Common Asset Management, Calvert Investments, Eurosif, Responsible Sourcing Network, Trillium Asset Management, Triodos Investment Management, and US SIF: The Forum for Sustainable and Responsible Investment and has been signed by other organisations.

As the new European Commission will be inaugurated in the coming weeks and the European Parliament is scheduled to discuss the proposed regulation in December 2014, the statement signatories are expressing their concern about human rights risks related to mineral sourcing and their views on how regulation can help to limit this risk. To reinforce positive developments following the U.S. rules and to maximize effectiveness, the proposed EU regulation requires two key changes. In their statement, investors call on the European legislative bodies to better align the proposed EU regulation with Section 1502, by making the regulation mandatory and including in its scope all companies that manufacture products containing “conflict minerals.”<sup>1</sup>

Eric Holterhues, Head of Socially Responsible Investments at Dutch Triodos Investment Management, regards the US conflict minerals disclosure rule as a ground-breaking example of mandatory human rights impact reporting. “It has turned conflict minerals disclosure in the United States from a reputation issue for a few leading brands to a multi-sector reporting requirement,” said Holterhues. “We believe that European regulation of at least comparable strength is needed to make sure that both investors and consumers can make informed choices to avoid complicity in human rights abuses.”

Alignment of the European and US regulations would set a strong unified international standard for conflict minerals due diligence and disclosure. This would stimulate widespread, robust supply chain due diligence and

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<sup>1</sup> Dodd-Frank Section 1502 mandates that all US publicly-traded companies that manufacture or contract to manufacture products containing so-called “conflict minerals” must conduct due diligence and report on the origins of these minerals. More specifically, companies must indicate whether the conflict minerals—tin, tantalum, tungsten, or gold, also known as “3TG”—in their products derive from the DRC or surrounding countries and therefore may have links to that region’s ongoing conflict. A regulatory proposal currently before the EU also aims to address conflict minerals, but, if adopted, would establish a voluntary, rather than mandatory, framework and would apply only to companies that import 3TG or their ore into the European Union.



reporting that will limit investor risk, enhance the region’s legitimate extractives sector revenue streams, and help bring an end to the conflict in the DRC.

“The EU regulation should prompt broad due diligence and reporting on company ties, however indirect, to the DRC’s continuing conflict, building on the successes of Dodd-Frank Section 1502,” said Bennett Freeman, Senior Vice President for Sustainability Research and Policy at Calvert Investments. “But with its voluntary framework and limited scope, the current proposal may create a confusing double standard and miss this opportunity to promote effective transparency and accountability.”

“These disclosures are fundamental to investors’ evaluation of corporate risk management and to the investment decision-making process in relevant sectors,” said Lauren Compere, Managing Director of Boston Common Asset Management. “Although we commend the European Commission’s focus on various geographies where the trade in tin, tantalum, tungsten, and gold fuels conflict, we believe that a mandatory character is essential to maximize the regulation’s efficacy.”

The investor group urges the European Commission, the European Parliament, and the European Council to adapt the EU legislation to better fit with the precedent set by the US rules to promote companies’ broad adoption of robust conflict minerals due diligence and reporting.

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[Link to Investor Statement](#) and full list of 24 signatories.

### Press Release issued by Investor Statement Working Group:

Boston Common Asset Management  
<http://www.bostoncommonasset.com/>

Trillium Asset Management  
<http://www.trilliuminvest.com/>

Calvert Investments  
<http://www.calvert.com/>

Triodos Investment Management  
<http://www.triodos.com/en/investment-management/>

Eurosif  
<http://www.eurosif.org/>

US SIF: The Forum for Sustainable and Responsible Investment  
<http://www.ussif.org/>

Responsible Sourcing Network  
<http://www.sourcingnetwork.org/>