

**FOR IMMEDIATE RELEASE:** 13 May 2015

**CONTACT:**

Europe: Dimitrios Mavridis, Eurosif, +32(0)2.274.14.35, [dimitrios.mavridis@eurosif.org](mailto:dimitrios.mavridis@eurosif.org)

US: Andrew Montes, As You Sow/Responsible Sourcing Network, +1.510.735.8144, [amontes@asyousow.org](mailto:amontes@asyousow.org)

## **Global Investors Urge European Parliament to Adopt Stronger Conflict Minerals Regulation**

### **Investors call for important changes to proposed EU regulation**

**Brussels, Belgium / San Francisco, USA, 13 May** – Today, with the European Parliament preparing for its final vote on the European conflict minerals regulations next week Wednesday, a group of 24 global, sustainable, and responsible investors and investment organisations call upon the Parliament to make the proposed regulation stronger by expanding the scope of the legislation to ensure that all companies placing minerals on the market, in raw form or contained in semi-finished or finished goods, are legally required to source responsibly.

In response to the recent regulation proposed by the European Parliament's International Trade Committee (INTA) the 24 signatories urge Members of Parliament to strengthen the regulation in key areas. By focusing solely on smelters and refiners, the proposed mandatory regime currently does not capture the majority of European companies importing conflict minerals in raw form or contained within products. On the other hand, a mandatory approach for a broader pool of companies could stimulate a level of robust supply chain due diligence and reporting that a narrow, voluntary opt-in scheme simply cannot inspire.

Eric Holterhues, Head of Socially Responsible Investments at Dutch Triodos Investment Management, is pleased to see that the investor's view has become part of the European debate on conflict minerals. "We firmly believe that it is in the interest of investors that the conflict minerals regulation also applies to the user companies of these minerals, as we have seen insufficient voluntary supply chain due diligence in the EU so far. Conflict minerals disclosures ensure that investors and other stakeholders can make informed choices to avoid the risk of complicity in human rights abuses."

The statement signatories advocate for robust EU conflict minerals legislation in light of the informational benefits provided thus far in the disclosures mandated by Dodd-Frank Act's Section 1502 on Conflict Minerals. These disclosures have proven fundamental to investors' evaluation of corporate risk management and to the investment decision-making process in relevant sectors. The 2014 U.S. disclosure filings by 1,315 companies account for a combined market capitalization of over \$14.5 trillion USD, or approximately 56% of U.S (and 22% of world) market capitalization.

Lauren Compere, Managing Director at Boston Common Asset Management, stated, "The improved awareness and resulting capacity to mitigate a material risk benefits both companies and their shareholders. We need robust and impactful EU legislation to reinforce and build upon the progress made by Dodd-Frank."

The investor signatories urge the European Parliament to strengthen the EU draft legislation to better serve the need for increased supply chain transparency, to enhance business compliance with the OECD Due Diligence Guidance, and to add to the positive effects of the U.S. Conflict Minerals Rule.

A mandatory scheme applicable to companies throughout the entire supply chain could generate adequate company reaction to limit investor risk, increase legitimate extractive sector revenue streams in conflict-affected and high-risk areas, and help end resource-tied conflicts around the world.

###

[Link to investor statement with full list of 24 signatories](#)

\*Notes for the editor\*

Dodd-Frank Section 1502 mandates that all U.S. publicly-traded companies that manufacture or contract to manufacture products containing "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, and gold, also known as "3TG"—in their products derive from the Democratic Republic of the Congo (DRC) or adjoining countries and therefore may have links to that region's ongoing conflict.

The EU regulatory proposal\* currently before the European Parliament also aims to address conflict minerals, but, misses mandatory supply chain due diligence for the companies that use the minerals and/or place final products containing the minerals on the market.

\* Proposal for a Regulation of the European Parliament and of the Council setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict affected and high-risk areas (COM(2014) 111 final, 2014/0059 (COD))