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#### EU political agreement on conflict minerals risks allowing a deadly trade to continue

Despite its rhetoric on responsible business Europe has prioritised profit over people, said civil society organisations after European Union (EU) institutions agreed on a new law intended to tackle the European conflict minerals trade.

The extraction and trade of minerals has been linked to conflict and human rights abuses around the world. The EU is a major destination for minerals, with companies bringing them into Europe in both their raw form and as part of everyday products from laptops and mobile phones to engines and jewellery.

After months of negotiations, EU institutions have reached agreement on a law designed to make sure that minerals entering the EU have been sourced responsibly and without funding conflict and human rights abuses. The agreement represents a first step in the right direction, but the law ultimately risks falling well short of its intended objective. EU policy makers have caved in to the demands of big business by exempting the vast majority of EU companies trading in minerals from the law.

"Today's decision leaves companies that import minerals in their products entirely off the hook. It's a half-hearted attempt to tackle the trade in conflict minerals which will only hold companies importing the raw materials to basic checks," said Iverna McGowan, Head of Amnesty International's European Institutions Office. "The EU has international obligations to protect human rights but went only half way to meet them. EU investors and consumers still won't have any certainty that the companies they deal with are behaving responsibly. This law will change little – too little."

By agreeing to exempt these corporations from the law, the EU has instead put its faith in the hope that companies will choose to source minerals responsibly without being required to do so. This has been tried before, through voluntary standards. These have had minimal impact, as there are still far too few companies taking steps to check their supply chains for conflict and human rights risks.

"While we recognise the efforts of those, especially within Parliament, who have fought for a Europe in which 'business as usual' means responsible business," said Michael Gibb of Global Witness, "we are disappointed the EU has not matched its words with action. With EU laws now falling behind those in other countries, the EU is rapidly becoming the weak link in the mineral supply chain. While this is an important step, the EU should have gone much further to make full use of a unique opportunity to make a real difference."

The agreement promises a review of the law's effectiveness few years after application.

"This law can only be a first step. It must be implemented swiftly so that it can soon be extended to companies that import these minerals as part of manufactured goods" said Maria van der Heide from ActionAid. "Communities in conflict-affected and high risk areas will only be able to benefit from their resource wealth and be freed from the cycle of violence related to the trade in conflict minerals if companies along the entire supply chain follow responsible sourcing practices."

Communities that continue to bear the cost of irresponsible trading, as well as civil society organisations across the world, will now be looking to Europe's governments to prove that the law delivers on their promise to ensure that European businesses source responsibly. Only then will Europe and its companies be part of global progress towards making mineral supply chains more transparent, responsible, and sustainable.

#### **Notes to the Editor**

International standards do not aim to discourage sourcing from fragile and high-risk areas. Rather, they encourage companies to do so with the appropriate levels of care and vigilance. Yet EU policy makers have opted to develop an indicative list of conflict affected and high-risk areas, risking market distortions and overlooking risks that arise outside of such areas.

In addition to limiting the number of companies covered by the law to just a few hundred, EU Member States have also sought to outsource their enforcement responsibilities by placing private industry initiatives at the centre of the law. Companies that join recognised schemes are automatically deemed compliant with the Regulation and are assumed to be "low risk" by enforcement authorities.

On the basis of the political agreement, the three institutions will continue negotiations on the technical implementation. This process is expected to last several months.

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