

Political Understanding following the 15 June trilogue

1. The OECD due diligence guidelines must serve as the overarching principle of this regulation and should in no way be undermined. In particular articles 5 (risk management obligations) and 6 (third-party audit obligations) will be adapted to this end.
2. The recognition of existing and future due diligence schemes is a central element of the regulation. Conditions for recognition of such schemes should be robust and aligned with the OECD guidelines. The criteria for recognition should be based on the OECD methodology and will be included in the regulation or as a package adopted by means of a delegated act.
3. The regulation covers mandatory due diligence for importers of minerals and metals of 3TG, whose imports exceed a specified annual threshold to ensure an effective and workable regulation. The initial coverage of total imports will vary per mineral and metal depending on the distribution of the imports per company. The vast majority of the imported volumes of each mineral and metal should be covered by due diligence requirements, preferably reaching full coverage of the imports of minerals and metals.
4. The proposals on grandfathering, recycled metals and by-products as laid down in the Commission proposal for compromise, are agreed upon.
5. External expertise will be called upon to provide an indicative list of conflict-affected and high-risk areas, based on existing information from amongst others academia and due diligence schemes. Such expertise will complete the guidelines on the identification of conflict-affected and high risk areas and other red flags developed by the Commission in the Handbook for the operators. Any list that could be produced would only be of an indicative nature and considered to be non-exhaustive. The Commission will select by tender procedure the best quality external expertise that will conduct its work in consultation with interested parties. Companies that source from areas which are not on the indicative list maintain their responsibility to comply with the due diligence obligations.
6. The Commission shall review the functioning and effectiveness of the Regulation and discuss the review report with European Parliament and Council. The Commission shall base any additional legislative proposals on these consultations and the review. The review shall include an independent assessment of the proportion of total downstream operators in the EU with 3TG in their supply chain, having due diligence systems in place. The review shall assess the adequacy and implementation of these due diligence systems and the latest impact of the scheme on the ground as well as the need of additional mandatory measures in order to ensure sufficient leverage of the total EU market on the responsible global supply chain of minerals.
7. An appropriate transitional period will be set after the conclusion of the negotiation on all other elements of this regulation.

It is understood that nothing is agreed, until everything is agreed.

DECLARATION BY THE COMMISSION

8. The Commission will develop performance indicators specific to the responsible sourcing of conflict minerals. By means of such guidelines, relevant companies with more than 500 employees that are required to disclose non-financial information in conformity with Directive 2014/95/EU would be encouraged to disclose specific information in relation to products containing 3T&G. Furthermore, the Commission will create additional tools to increase, on a voluntary basis, the transparency and visibility of conflict minerals supply chain due diligence practices by all interested downstream companies.

9. The Commission will declare in a written statement at the adoption of the Regulation in the European Parliament that it will consider making additional legislative proposals targeted at EU companies with products containing 3T&G in their supply chain should it assess that the aggregate efforts of EU market on the responsible global supply chain of minerals is insufficient to leverage responsible supply behaviour in producer countries, or should it assess that the buy-in of downstream operators that have in place supply chain due diligence systems in line with the OECD guidance is insufficient