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Joint Industry Recommendations

EU Draft Regulation on Responsible Sourcing of Minerals

Brussels, 30 March 2015

AmCham EU, CECED, DIGITALEUROPE, IPC, JBCE, JEITA, KEA, SEMI, TABC and TechAmerica Europe would like to underline their support for Mr. Winkler's report. We feel that it adopts a balanced approach to what is a complex, challenging and important topic.

While there are many good ideas in the proposed amendments, we cannot support any new concepts that do not adhere to the OECD framework or have not been subject to adequate regulatory impact assessment.

In the run-up to the INTA vote and the subsequent vote in Plenary, we strongly urge Members to consider the following:

Acknowledge existing industry schemes: several industry schemes have been established over a number of years specifically to help break the link between conflict financing and the sourcing of 3TG, allowing companies to make informed choices about conflict minerals in their supply chains. Complementing the Union system, schemes like the London Bullion Market Association Gold Standard (LBMA), the Responsible Jewellery Council Certification Programme (RJC) and the Conflict Free Sourcing Initiative (CFSI) focus on the same "pinch point" in the global metals supply chain as the Union does. These schemes use independent third-party audits to certify smelters and refiners with systems in place to assure sourcing of only conflict-free materials. There is mutual recognition between these schemes and the Union should also include provisions to allow for the accreditation of these schemes, to avoid duplication of efforts and reinforce their impact. These schemes have proved successful in increasing the transparency across the minerals supply chain. They should all be supported in order to continue to expand the number of compliant smelters and refiners.

Common list of smelters/refiners: a white list of smelters and refiners should be produced at EU level by the Commission in consultation with the OECD and in conjunction with the LBMA, CFSI, RJC and equivalent schemes in order to prevent duplication of effort, administrative and financial burden on companies and SMEs as well as confusion in the global marketplace.

Maintain focus on 3TG and exclude recycled materials: the majority of stakeholders are of the view that the Union system should follow or mirror the OECD due diligence framework. This means maintaining the current focus on tin, tungsten, tantalum and gold and excluding recycled materials, as well as following the OECD process to identify and address additional minerals. Each of the 3TG is dealt with in a dedicated supplement that has been prepared as a result of consultation with all relevant stakeholders. Consequently, additional minerals should only be considered within the Union system once the OECD process to identify and deal with such minerals has been completed.



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Keep focus upstream: concentrating on upstream supply chain operators and on facilitating the transmission of quality information in the supply chain leverages the appropriate point in the supply chain, is consistent with the OECD guidance and with industry initiatives, and complements the Dodd-Frank Act Section 1502. Beyond the pinch point of smelters/refiners, it becomes exponentially more difficult to identify the origins of metals.

Supply chain due diligence information: In line with the OECD Guidance and in particular Step 5, downstream companies should be allowed the flexibility to identify the most appropriate ways to provide information on supply chain due diligence to their supply chains and customers. The EU Directive on disclosure of non-financial and diversity information could serve this purpose.

Defining conflict zones and high-risk areas: We do not feel that it should be up to companies to define conflict zones and high-risk areas. Definitions should adhere to internationally recognized definitions such as the OECD and the International Red Cross.

We look forward to working with Members to successfully conclude the process in Parliament towards a first reading agreement.



ABOUT AMCHAM EU The American Chamber of Commerce to the European Union (AmCham EU) speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €2 trillion in 2013 and directly supports more than 4.3 million jobs in Europe.

ABOUT CECED CECED is a Brussels-based association representing household appliance manufacturers in Europe. Its members, European producers and non-EU companies that have operations in the EU, cover around 90% of the European market of household appliances. The products manufactured range from large (refrigerators, washing machines), small (vacuum cleaners, coffee machines) to heating ventilation and air conditioning appliances (heaters, heat pumps). With a turnover of 35 billion euros and half a million employees, this is a major sector for the EU economy. CECED has 19 Direct Members, and its national associations cover 25 European countries.

ABOUT DIGITALEUROPE DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 58 corporate members and 37 national trade associations from across Europe. Our website provides further information on our recent news and activities: <http://www.digitaleurope.org>

ABOUT IPC (www.IPC.org) is a global industry association based in Bannockburn, Ill., dedicated to the competitive excellence and financial success of its 3,600 member companies which represent all facets of the electronics industry, including design, printed board manufacturing, electronics assembly and test. As a member-driven organization and leading source for industry standards, training, market research and public policy advocacy, IPC supports programs to meet the needs of an estimated \$2 trillion global electronics industry. IPC maintains additional offices in Taos, N.M.; Washington, D.C.; Stockholm, Sweden; Moscow, Russia; Bangalore and New Delhi, India; Bangkok, Thailand; and Qingdao, Shanghai, Shenzhen, Chengdu, Suzhou and Beijing, China.

ABOUT JBCE Created in 1999, the Japan Business Council in Europe (JBCE) is a leading European organisation representing the interests of almost 70 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, railway, textiles and glass products. Together, our member companies represented in 2013 global sales of 1.4 trillion euros. Building a new era of cooperation between the European Union (EU) and Japan is the core of our activities.

ABOUT JEITA The Japan Electronics and Information Technology Industries Association (JEITA), ranging from materials to electronic components and semiconductors, from consumer electronics to industrial system devices, from IT products to solution services. JEITA represents a large number of companies (over 400) in these sectors, many of which are active on the European market, both through local manufacturing plants and research centers and through trade with the European Union. EU Transparency Register : 519590015267-92



ABOUT KEA The Korea Electronics Association (KEA) was established in 1976 and the Korean government (Ministry of Trade, Industry and Energy) designated it as an electronics industry promotion organization in the same year. KEA constructed the Digital Innovation Center in Sangam-dong, Seoul in September 2007. In the next year, KEA celebrated the milestone of the exports of Korean electronic products reaching the USD 100 billion mark and held the Electronics Day in every October since that year. Now KEA is one of largest industry associations in Korea with 800 member companies in the IT & electronics industry. KEA helps to advance IT & electronic companies’ needs and interests. In addition, KEA also proposes policies, deregulation and publicity work under the government planning. KEA’s website provides further information on its activities, recent industry and news: <http://www.gokea.org>

ABOUT SEMI SEMI (Semiconductor Equipment and Materials International) is the global industry association serving the manufacturing supply chain for the micro- and nano-electronics and related industries (e.g. Photovoltaic (solar), LED, Flat Panel Displays etc.). SEMI represents 1900 companies globally, with 290 member companies headquartered in Europe, and over 80% of our members are SMEs. The industries, companies and people SEMI speaks for are the architects of the electronics revolution, providing the innovations and technologies that enable smarter, faster, more powerful and more affordable electronic products and devices that bring the power of the digital age to more people every day. www.semi.org/eu

ABOUT TABC The Trans-Atlantic Business Council (TABC) is a cross-sectorial business association representing 60+ global companies headquartered in the U.S. and EU. TABC works with companies across multiple sectors and policy levels, including the strategic level with the Trans-Atlantic Business Dialogue (TABD), a program which brings together C-suite executives and high level government officials. TABC stands out as the only transatlantic business organization uniquely placed to provide one voice for EU and U.S. companies and to advocate for a barrier-free transatlantic market that will contribute to growth, employment, innovation and sustainability in the global economy.

ABOUT TECHAMERICA EUROPE TechAmerica Europe represents leading European high-tech operations with U.S. parentage. TechAmerica Europe member companies are active throughout the technology spectrum, from software, semiconductors and computers to Internet technology, advanced electronics and telecommunications systems and services. TechAmerica Europe is an assumed name of CompTIA EU, a Belgian branch of The Computing Technology Industry Association, Inc.