

RELEASE RESS

Corporate Sustainability Due Diligence Directive: European Parliament vote strikes the right balance

Brussels, 25 April 2023: "Today's agreement reached in the JURI Committee is an important step towards an effective Corporate Sustainability Due Diligence Directive that will ensure a level playing field for European companies", said Guy Thiran, Director General of Eurometaux (European metals association), on the day Members of the European Parliament reached a political agreement in the JURI Committee on the Corporate Sustainability Due Diligence Directive proposal.

"We have advocated for a risk-based due diligence legislation that strengthens sustainable and responsible sourcing of minerals and metals throughout global value chains. Our ongoing goal as the metals industry is to ensure resilient and ethical supply chains for the raw materials that Europe's green and energy transitions will increasingly require."

The European Parliament's JURI Committee confirmed several important points for the metals industry, including a recognition of the role of existing industry certification schemes in place for our sectors, a new, more detailed definition of the value chain, the responsible disengagement in Art. 7(5) and 8(6), the practical guidelines that the European Commission will develop to support businesses' compliance with this Directive (Art. 13), and provisions for civil liability, with the reversal of the burden of proof that has been taken out from Art. 22.

Guy Thiran continued "MEPs in the JURI Committee have reached a balanced opinion overall. We're especially pleased they have recognized the validity of industry certification schemes, which are of critical importance to ensure efficiency and avoid double work to meet the Directive's requirements. Our sector and others have taken a lot of steps forward towards increased transparency in responsible sourcing. There is now a strong foundation of existing schemes, programs and standards for the EU's due-diligence policies to build on."

"Our one remaining ask is for the recycling of secondary raw materials to be excluded from the scope of this Directive. It is not possible for companies to trace back the source of secondary raw materials beyond their immediate supplier, as this is where information is obtained to demonstrate the material is recycled. We still hope to clarify with regulators that due diligence obligations should not go beyond that point."

The metals industry has consistently advocated for a proportionate risk-based due diligence in the EU's due diligence framework, in line with the OECD acquis, having as wide coverage as possible to avoid any loopholes. Further work needs to be done on alignment of the various due diligence provisions in other legislative acts and international standards to increase regulatory coherence and to avoid any unintended consequences.

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About Eurometaux: Eurometaux is a trade association representing the collective European non-ferrous metals industry, including miners, smelters, refiners, fabricators and recyclers.

