OAKLAND, CA – Sept. 22, 2015 – Most U.S. large cap companies are still lagging in efforts to affect positive change with regard to global humanitarian issues, according to research released today by a leading non-profit organization, Responsible Sourcing Network (RSN). However, there are also high performers, which are typically in industries where companies collaborate, proving that the right policies and practices yield increased mineral traceability and in-region benefits.

Mineral the Disclosures 2015: An Investor Guide to Conflict Minerals Reporting in Year Two is RSN’s deep analysis of U.S. Securities and Exchange Commission (SEC) filings and other publicly available documents. The publication, the second by RSN to compare social performance regarding conflict minerals, ranks 155 individual companies across 20 industry groups.

“The report pioneers performance indicators for investors and stakeholders regarding a companies’ efforts to make positive social impact,” said Patricia Jurewicz, founder and Director of RSN and co-author of the report. “Too often there is a huge gap between what a company says it’s doing to be socially responsible and its real actions.”

Among the research findings:

- Despite some claims that Section 1502 of the Dodd-Frank Act is a failure and is inherently impossible to implement, leading companies are proving that it’s possible to thoroughly trace the source of raw materials and declare their products “conflict-free.” Most of the original 51 sample companies listed in last year’s report achieved higher scores this year.

- The best performers have been subjected to the most public/investor scrutiny, while the worst performers have been subjected to the least scrutiny.

- Split industries, such as automobile manufacturers and energy services, show potential for collaboration. Following the model of the IT industry, which founded the conflict-free smelter program (CFSP), low-performing companies can learn how high-scorers in their own industry are successfully tackling this issue.

- Traceability and responsible sourcing are a good investment; conflict minerals are only the tip of the iceberg for social and human rights reporting. There is a growing wave of investor and public demand for global supply chain responsibility. Creating strong due diligence systems, adopting transparency practices, and building relationships with suppliers, raw mineral processing facilities, and mining communities are actions that will prove to be a wise investment in the long-term.
Industries with the highest performance rankings largely came from the Information Technology sector, including companies like Intel, Philips, EMC, and Qualcomm. Lower-performing industries were in Oil and Gas, Containers and Packaging, Pharmaceuticals, and Textiles/Apparel.

The report and ranking come at a time of growing evidence that suggest ESG (Environmental, Social and Governance) factors, when integrated into investment analysis and decision-making, offers investors long-term performance advantages.

Andrew Arriaga, lead author of the report stated, “We talked with leaders at the companies that are coming up with solutions and thinking very seriously about how to source conflict-free from the Democratic Republic of Congo (DRC). Unfortunately, some companies are just not pulling their weight, so we developed performance-oriented indicators to identify which companies could do more.”

Conflict minerals reporting is a central part of a strategy adopted by governments and multiple stakeholders across the globe to help free the minerals trade in the DRC and the broader Great Lakes region of Africa from the grip of armed groups. RSN’s report developed 21 key performance indicators across five measurement areas as a guide for investors and others to properly assess companies’ commitments to social impact. The transparent methodology was designed to encourage higher quality reporting, incentivize companies to support in-region conflict-free certification efforts, and set a precedent for comparing social performance.

Today’s report also confirms that many companies are increasing their due diligence to fully investigate their global supply chains through increased internal efforts, taking advantage of existing frameworks, as well as by utilizing new technologies and outside experts.

“It is one thing to assess supplier risk, and another to act on your findings,” said Jess Kraus, chief executive officer of Source Intelligence, a sponsor of RSN’s research and a leading supply chain investigation resource. “The RSN report is an exhaustive study that highlights how companies can affect change through commitment and the right resources. The tools exist to increase transparency.”

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Responsible Sourcing Network (www.sourcingnetwork.org) is a project of the nonprofit organization As You Sow (www.asyousow.org). RSN is dedicated to ending human rights abuses and forced labor associated with the raw materials found in products we use every day. RSN supports network participants in leveraging their influence to achieve significant and measurable solutions in the areas of conflict minerals and slave labor.