WASHINGTON, D.C., August 23, 2012 - A coalition of sustainable, socially responsible, and faith-based investors welcomes yesterday’s Securities and Exchange Commission (SEC) rule on Section 1502, the “Conflict Minerals” provision, of the Dodd-Frank Act.

The final rule details how corporations will need to report to the SEC on their use of “conflict minerals” from the Eastern Democratic Republic of the Congo (DRC), where a violent conflict has been raging for 14 years, claiming over five million lives. The four conflict minerals—tin, tantalum, tungsten, and gold—are used in large quantities in electronic components, jewelry, automobiles, and many other manufactured products.

“Although we are pleased this unprecedented rule has finally been issued and now has the potential to drive transparency and accountability in product supply chains, the rule falls short in the timing of implementation and depth of reporting,” said Patricia Jurewicz, Director of the Responsible Sourcing Network.

Investors commend the SEC in passing this far-reaching rule that requires issuers traded on US stock exchanges to take steps to accurately determine the origin of their conflict minerals, conduct supply chain due diligence that must conform to a nationally or internationally recognized due diligence framework, such as OECD, and to commission an independent third party audit of their due diligence. Further, investors appreciate that this rule does not discriminate: the disclosure requirements are the same for all four minerals, there is no de minimis requirement, and domestic and foreign issuers must exercise the same due diligence processes. Mandating that the Conflict Mineral Reports have to be filed and available on the internet to the public is another attribute the investors were pushing for that was included in the final rule.

"Investors will benefit from this rule, since it promotes transparency at all levels of a company’s operations. We see mandatory reporting to the SEC on raw material sourcing as a much needed step for highlighting risks in the most vulnerable area of a company’s supply chain,” said Lauren Compere, Managing Director at Boston Common Asset Management, LLC.
The group made additional recommendations to the SEC prior to the release, several of which were included in the final rule. Copies of the recommendations to the SEC and a list of the 82 investor organizations that signed on to the letters are available at www.sourcingnetwork.org/sec.

Although the rule will eventually provide greater certainty and clarity for investors, giving companies two or four years (depending on size) to uncover where all of their “indeterminate” minerals come from is too long, especially when coupled with no requirement of an audit during this time. In addition, investors were disappointed mining companies are excluded from the reporting requirements.

“The final rule will give investors consistent disclosures that they deserve when making investment decisions,” said Susan Baker, Manager Social and Environmental Advocacy at Trillium Asset Management. “We’ve already seen some companies take meaningful steps to trace their supply chains, but due to the ‘phase in’ investors will have to press companies over the next four years for continuous and rapid improvement in addressing these human rights risks.”

Bennett Freeman, SVP for Sustainability Research and Policy at Calvert Investments stated, “While the disclosure provided by the rule is not as extensive as we had hoped, nonetheless investors will be able for the first time to assess one of the most critical human right-related risks they face in the world.”

Lisa Woll, CEO of US SIF, commented: “We welcome the new rule. While we believe some of the provisions could have been stronger, it will still help advance disclosure on material issues and enhance the ability of investors to assess investment risks.”

As a result of the rule-making process, the investors appreciated having the opportunity to work with a Multi-stakeholder Group, which included companies and human rights activists. Investors brought a vital perspective working with companies such as AMD, GE, HP, Intel, and Motorola Solutions, and non-governmental organizations such as Africa Faith and Justice Network, Enough Project, Free the Slaves, and Global Witness. This group submitted a letter commending the SEC for issuing the Conflict Mineral rule. Investors look forward to continued work together on future public policy issues that will support corporate responsibility and sustainability with stakeholders such as these.

“Faith-based investors are encouraged by the SEC rule mandating corporate disclosure that will shine a light on human rights violations in the DRC,” said David Schilling, program director, ICCR. “It is crucial that companies begin now to put in place human rights due diligence processes based on international standards, such as the UN Guiding Principles on Business and Human Rights, and the OECD Conflict Mineral Guidance.”

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About the Organizations:

Boston Common Asset Management, LLC (http://www.bostoncommonasset.com/) is an investment manager and a leader in global sustainability initiatives, specializing in long-only International equity, US equity, and US balanced strategies. We are an independent, employee-owned firm and as of June 30, 2012, managed over $1.6 billion, including subadvised assets.

Calvert Investments (http://www.calvert.com/) offers equity, bond, cash, and asset allocation strategies, many of which feature integrated environmental, social, and governance research. Calvert’s disciplined approach to money management goes beyond traditional factors to discover investment opportunities with greater long-term potential.

Interfaith Center on Corporate Responsibility (http://www.iccr.org) is currently celebrating its 41st year. ICCR is the pioneer coalition of active shareholders who view the management of their investments as a catalyst for change. Its 300 member organizations with over $100 billion in AUM have an enduring
record of corporate engagement that has demonstrated influence on policies promoting justice and sustainability in the world.

**Responsible Sourcing Network** ([http://www.sourcingnetwork.org](http://www.sourcingnetwork.org)) is a project of the non-profit organization As You Sow ([www.asyousow.org](http://www.asyousow.org)). RSN addresses human rights violations and environmental destruction in the supply chains of consumer products at the raw commodity level. RSN supports network participants in leveraging their influence to achieve significant and measurable solutions in the areas of conflict minerals and child slave labor.

**Trillium Asset Management, LLC** ([http://www.trilliuminvest.com/](http://www.trilliuminvest.com/)) is the oldest independent investment advisor focused exclusively on sustainable and responsible investing. Trillium manages over $1 billion in assets for clients including high net worth individuals, foundations, endowments, religious institutions, and other non-profits. A leader in shareholder advocacy and public policy work, Trillium works to deliver both impact and performance to our investors.

**US SIF: The Forum for Sustainable and Responsible Investment** ([http://www.ussif.org](http://www.ussif.org)) is the US membership association for professionals, firms, institutions and organizations engaged in sustainable and responsible investing. US SIF and its members advance investment practices that consider environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact.