

December 21, 2017

The Honorable Mitch McConnell
Senate Majority Leader
Room S-230, The Capitol
Washington, D.C. 20510

The Honorable Thad Cochran
Chairman, Senate Appropriations Committee
113 Dirksen Senate Office Building
Washington, D.C. 20510-2402

The Honorable Paul Ryan
Speaker of the House
Room H-232, The Capitol
Washington, DC 20515

The Honorable Rodney P. Frelinghuysen
Chairman, House Appropriations Committee
2306 Rayburn House Office Building
Washington, DC 20515-3011

The Honorable Charles Schumer
Senate Minority Leader
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Patrick Leahy
Vice Chair, Senate Appropriations Committee
437 Russell Senate Building
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
House Minority Leader
233 Cannon House Office Building
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member, House Appropriations Committee
2365 Rayburn House Office Building
Washington, DC 20515

Dear Leader McConnell, Speaker Ryan, Leader Schumer, Leader Pelosi, Chairman Cochran, Chairman Frelinghuysen, Senator Leahy, and Representative Lowey:

On behalf of 107 institutional investors representing over \$2.2 trillion dollars in assets under management, we respectfully request that as you work to prepare any fiscal year 2018 appropriations bills or continuing resolutions, you reject any language that would limit the Securities and Exchange Commission's (SEC) ability to implement the Conflict Minerals reporting requirements of Dodd Frank §1502.

Congress, with 19 bi-partisan Senate co-sponsors, led by former Senators Sam Brownback and Russ Feingold, wisely enacted §1502 to protect human rights and promote American business.

Human rights and Conflict Minerals disclosures are both cost-effective and good for America's leading businesses and investors. Indeed, Apple, Intel, and Tiffany & Co. have repeatedly called upon the SEC and Congress to continue widespread and comprehensive implementation of §1502.¹

¹ "Why Apple and Intel don't want to see the conflict minerals rule rolled back," Washington Post, February 23, 2017, available at <https://www.washingtonpost.com/business/economy/why-apple-and-intel-dont-want-to-see->

These disclosures have significantly improved the ability of companies and investors to assess human rights and reputational risks in corporate supply chains. Moreover, the disclosures are critical to companies and investors as they assess long-term mitigation of risks related to the supply of minerals, liability, and other material risks.

Costs to implement §1502 have been vastly overstated by industry groups and are far below the claims of \$3 to 4 billion cited by opponents. The consulting firm, Elm Sustainability, recently reported that actual compliance costs have “dropped significantly, in large part due to innovations and efficient tools available to issuers and suppliers at no cost.”

Previously, in a letter dated March 7, 2017 to then Acting SEC Chairman Mr. Michael S. Piwowar, leading asset managers and investors representing trillions of dollars in assets under management, strongly supported §1502. Signers included: APG Investment Management, Boston Common Asset Management, Hermes EOS, Legal & General Investment Management, Mercy Investment Services, Inc., MN, NEI Investments, PGGM, Robeco, Trillium Asset Management, Triodos Investment Management and pension funds, such as New York City’s and Sweden’s.²

There is no credible evidence from corporate performance, industry groups or the Government Accountability Office (GAO) to support any restriction on the SEC’s ability to implement this vital human rights reporting requirement. Simply put, companies are making steady progress—exactly as Congress intended — reporting on Conflict Minerals.

Consider the facts: Apple, the world’s most valuable company, currently works with 242 suppliers in the Democratic Republic of the Congo and adjoining nations, where violent conflict plays a role in how conflict minerals such as gold, tin, tungsten, and tantalum are extracted and sold. Since §1502 reporting went into effect in 2014, Apple has made great strides and today reports that 100% of its “conflict minerals and cobalt smelter/refiner partners are now participating in independent third-party audits to ensure their own business practices are conducted responsibly.”³ Apple also makes its conflict minerals reporting methods and procedures available to all companies affected by §1502:

[the-conflict-minerals-rule-rolled-back/2017/02/23/b027671e-f565-11e6-8d72-263470bf0401_story.html?utm_term=.6f722f11db59](http://www.iccr.org/sites/default/files/resources_attachments/conflictmineralsrulesection1502investorstatement.pdf)

“A Progress Report on Conflict Minerals,” Statement submitted to the US Senate Committee on Foreign Affairs Subcommittee on Africa and Global Health Policy by Lauren Compere, Managing Director, Boston Common Asset Management and Patricia Jurewicz, Responsible Sourcing Network, April 5, 2017.

² “Comments on Reconsideration of Conflict Minerals Rule Implementation—Supplemental Submission to February 17, 2017” available at:

http://www.iccr.org/sites/default/files/resources_attachments/conflictmineralsrulesection1502investorstatement.pdf

³ Apple, “Supplier Responsibility 2017 Progress Report,” available at

<https://images.apple.com/supplier-responsibility/pdf/Apple-Progress-Report-2017.pdf>

We believe every company should have access to a comprehensive methodology for reporting their supply chain risk management. We presented the RRA [Risk Readiness Assessment] methodology at the 2016 EICC [Electronic Industry Citizenship Coalition] and Conflict-Free Sourcing Initiative (“CFSI,” recently renamed the Responsible Minerals Initiative or “RMI”) annual conferences. Through the EICC’s platform, the RRA will be made available for all members and interested parties. The RRA was designed for companies at all tiers within a supply chain and can be applied across industries. We aim to help other companies make informed sourcing choices as part of their own responsible sourcing.⁴

In fact the most recent report on §1502 from the GAO stated that, “in 2015...companies reported a range of actions they had taken, or planned to take, to build on or improve their due diligence efforts, such as shifting operations or encouraging those in their supply chain to shift from current suppliers to suppliers who are certified as conflict free.”⁵

In addition, industry groups such as the Responsible Business Alliance (formerly the *Electronic Industry Citizenship Coalition*), the Global E-Sustainability Initiative, and the Automotive Industry Action Group have made substantial progress in identifying conflict-free smelters in the region, which enables their suppliers to shift to these smelters.⁶

As investors representing trillions of dollars in assets, we look to the U.S. Administration and the SEC to continue their essential role in promoting responsible management and sourcing of raw materials. Through regulated disclosures, not only do companies and investors benefit, but we all indirectly contribute to a peaceful, prosperous, and stable conflict-free minerals trade in the DRC region, thereby further advancing respect for human rights in the global supply chains of U.S. companies.

We strongly urge you to reject any language that would limit the Securities and Exchange Commission’s ability to implement the Conflict Minerals reporting requirements of Dodd Frank §1502.

Sincerely,



Josh Zinner, CEO,
Interfaith Center on Corporate Responsibility



Lisa Woll, CEO,
US SIF: The Forum for Sustainable and
Responsible Investment

⁴ Id.

⁵ Government Accountability Office, “CONFLICT MINERALS Insights from Company Disclosures and Agency Actions,” <https://www.gao.gov/assets/690/684244.pdf>

⁶ Harvard Business Review, Op.cit.



Lauren Compere, Managing Director,
Boston Common Asset Management



Patricia Jurewicz, Director,
Responsible Sourcing Network

Total: Assets under Management: over \$2.2 Trillion USD
Co-signatories: 107

ACTIAM N.V.

Aquinas Associates

As You Sow

Aviva Investors

Bailard, Inc.

Brethren Foundation Funds Inc.

CCOO, FP

Church of the Brethren Benefit Trust

Clean Yield Asset Management

Conference for Corporate Responsibility
Indiana and Michigan

Congregation of Holy Cross, Moreau
Province

Congregation of St. Joseph

Congregation of Sisters of St. Agnes

Dana Investment Advisors

Daughters of Charity, Province of St. Louise

Dietel Partners

Dignity Health

Diocese of Springfield, IL

Dominican Sisters

Dominican Sisters ~ Grand Rapids

Dominican Sisters of Hope

Dominican Sisters of San Rafael

Domini Impact Investments LLC

Dreilinden gGmbH

Environment Agency Pension Fund

Ethos Foundation, Switzerland

Everence and the Praxis Mutual Funds

Fattail Financial Advisory Group Inc.

First Affirmative Financial Network

Priests of the Sacred Heart, US Province

Progressive Asset Management

Province of St. Mary of the Capuchin Order

Region VI Coalition for Responsible Investment

Religious of the Sacred Heart of Mary

Religious of the Sacred Heart of Mary,
Western American Province

Reynders, McVeigh Capital Management

Robeco

SCC Corporate Responsibility Committee

School Sisters of St. Francis

School Sisters of Notre Dame Cooperative
Investment Fund

Seventh Generation Interfaith

SHARE (Shareholder Association for Research
and Education)

Sisters of Bon Secours, USA

Sisters of Charity of Cincinnati, Ohio

Sisters of Charity of New York

Sisters of Mary Reparatrix

Sisters of Notre Dame Base Communities

Sisters of Notre Dame de Namur

Sisters of Providence - MJP

Sisters of St. Dominic/Racine Dominicans

Sisters of St. Dominic of Blauvelt, NY

Sisters of St. Francis Charitable Trust, Dubuque

Sisters of St. Francis of Philadelphia

Sisters of St. Francis, Rochester, MN

Sisters of St. Joseph of Boston

Sisters of St. Joseph of Orange

Sisters of the Good Shepherd

Franciscan Sisters of Allegany NY
Franciscan Sisters of Perpetual Adoration
Friends Fiduciary Corporation
Hermes EOS
Hermes Investment Management
Hexavest
IHM Justice, Peace and Sustainability Office
IVM Caring Capital
Kempen Capital Management
Legal & General Investment Management
Marist Fathers and Brothers
Maryknoll Sisters
Mennonite Education Agency
Mercy Health
Mercy Investment Services
Midwest Coalition Responsible Investment
Miller/Howard Investments, Inc.
Missionary Oblates of Mary Immaculate
MN
Natural Investments
NEI Investments
Northwest Coalition for Responsible
Investment
Our Lady of Victory Missionary Sisters
Pax World Management LLC
Portfolio Advisory Board, Adrian
Dominican Sisters

Sisters of the Holy Cross
Sisters of the Holy Names of Jesus and Mary
Sisters of the Humility of Mary
Sisters of the Precious Blood
Sisters of the Presentation
Sisters of the Presentation, Aberdeen SD
Sisters of Providence of St. Mary-of-the-
Woods Indiana
Socially Responsible Investment Coalition
Stance Capital
The Paulist Center Endowment, Boston
The Sustainability Group of Loring,
Wolcott & Coolidge
Three Corners Capital
Total Impact Capital
Trillium Asset Management
Triodos Investment Management
Tri-State Coalition for Responsible Investment
Trustees of Donations to the Protestant
Episcopal Church
United Church of Canada
Ursuline Sisters of Tildonk, U.S. Province
Veris Wealth Partners
VIP (Vereinigung Institutionelle Privatanleger)
eV Association of Institutional
Shareholders Association des Actionnaires
Institutionnels
Walden Asset Management
Zevin Asset Management