

March 7, 2017

Mr. Michael S. Piwowar  
Acting Chairman  
United States Securities and Exchange Commission  
100 F Street, NE Washington, DC 20549

Re: Comments on Reconsideration of Conflict Minerals Rule Implementation – Supplemental Submission to February 17, 2017

Dear Mr. Piwowar,

As 127 investors and investor groups with over \$4.8 trillion in assets under management, we are writing to express our continued support for Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the U.S. Securities and Exchange Commission's Conflict Minerals Rule. No single law can solve all the underlying problems that are causing conflict in the Democratic Republic of Congo (DRC) region, but since 2010, Section 1502 has demonstrated success in diminishing revenue flows to militia groups. The law has also been a catalyst for positive change in the region's mining sector, a vital step toward a more effective response by U.S. companies to address material risk in their supply chains, and has contributed to responsible economic development in the DRC.

As fiduciaries, with a long-term view of capital appreciation, assessing and integrating environmental, social, and governance (ESG) data into our investment decision-making process is necessary and prudent. Sustainable investors value companies' responsible management of global supply chain risks and have been particularly concerned in recent years by the use of four minerals, referred to as "conflict minerals" to fund the continuing violence in the DRC.

Conflict minerals disclosure is material to investors and has informed and improved investors' ability to:

- Assess social (i.e., human rights) and reputational risks in a company's supply chain.
- Assess a company's long-term mitigation of risks related to the supply of minerals, liability, and other material risks.

The current Conflict Minerals Rule's disclosures are consistent and accessible to all investors, thereby improving efficiency in U.S. markets in allocating capital to issuers with the best overall prospects for long-term shareholder value. We understand that the transformation to a peaceful and prosperous mining industry in the DRC region has been slow and challenging. Company disclosures on sourcing practices, combined with analysis provided by groups like Responsible Sourcing Network on the quality of such disclosures, has provided investors with important transparency into relevant and material human rights risks. We consider that in order to ensure that implementation with this rule achieves maximum impact, it is critical for the SEC to pursue robust enforcement of the requirements.

We believe that continued engagement and reporting on corporate activities related to conflict minerals under Section 1502 are vital for improvement on the ground. In fact the most recent study conducted by the International Peace Information Service (IPIS) found that 79% of tin, tantalum, and tungsten miners surveyed now work in conflict-free mines; 204 mines have been officially certified as conflict-free; and 75% of smelters/refiners worldwide, for the four conflict minerals, have passed audits by the Conflict-Free Sourcing Initiative or associated programs.

We support that the SEC appropriately considered the costs and benefits involved and charted a workable path forward for companies to report on the source of and due diligence processes associated with conflict minerals. During the SEC rulemaking process, estimated costs for implementation ranged from \$390 million to \$8 billion. There has only been one report by Dr. Chris Bayer, at Tulane University, on the actual cost of implementation. The report, which relied on data from 112 companies, calculated the total cost to be \$709 million, far below the estimated \$3 to 4 billion highlighted in the proposed Executive Order. Consulting firm Claigan Environmental now estimates that the average cost of compliance per company is around \$20,000 per year. Another 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.”

Companies worldwide are under increasing scrutiny and regulation on conflict minerals from the DRC with the EU's Conflict Minerals Due Diligence which is mandatory for importers of conflict minerals and even some signals from China on possible regulation. Spurred by American leadership on this issue, which goes back to disclosure amendment 3997 championed by Senator Brownback (R-KS) and a bipartisan coalition of nine senators, supply chain due diligence is becoming a global norm for responsible sourcing.

As sustainable and responsible investors, 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.

For any questions on the comment submission, please contact Lauren Compere, Boston Common Asset Management at [lcompere@bostoncommonasset.com](mailto:lcompere@bostoncommonasset.com) on behalf of this investor group.

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