

August 22, 2011

The Honourable Mary L. Schapiro Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

RE: Additional Comments Regarding File Number S7-40-10 on Conflict Minerals

Dear Chairman Schapiro,

In addition to the comments we submitted as a Multi-Stakeholder Group (MSG) on November 17, 2010 ([link here](#)) and March 2, 2011 ([link here](#)) we are submitting additional comments regarding three topics we feel have high significance: timing, stockpiles and labeling. We are a diverse set of stakeholders that represent companies, socially responsible and faith-based investors, and non-governmental organizations, and felt it was important to share our consensus position with you and others at the SEC as you finalize the rules for Section 1502 on Conflict Minerals.

Because we are a dynamic, informal group, the stakeholders who signed the first and second letters submitted in November and March differ slightly from those who signed this one.<sup>1</sup>

We appreciate the opportunity to submit these comments, and we look forward to providing any additional information you may need for the rule-making process. If you need to contact us for any reason, Patricia Jurewicz ([patricia@sourcingnetwork.org](mailto:patricia@sourcingnetwork.org) and 415.692.0724) is our point of contact.

Sincerely,

Co-chairs:

Darren Fenwick  
Senior Government Affairs Manager  
Enough Project

Tim Mohin  
Director, Corporate Responsibility  
Advanced Micro Devices

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<sup>1</sup> Organizations that are signing on to one of our Multi-Stakeholder letters for the first time are: Global Witness, Mercy Investment Services, Inc., and Royal Philips Electronics.

Confirmed signatures for the Multi-Stakeholder letter:

Advanced Micro Devices, Inc.  
Africa Faith and Justice Network  
Boston Common Asset Management, LLC  
Calvert Asset Management Co., Inc.  
Congo Global Action  
Enough Project  
Falling Whistles  
Free the Slaves  
Future 500  
General Electric Company  
Global Witness  
Hewlett-Packard Company  
Interfaith Center on Corporate Responsibility  
Jantzi-Sustainalytics  
Jesuit Conference  
Jewish World Watch  
Mercy Investment Services, Inc.  
Microsoft Corporation  
Responsible Sourcing Network, a project of As You Sow  
Royal Philips Electronics  
Trillium Asset Management  
Unity Minerals  
US SIF: The Forum for Sustainable and Responsible Investment



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### Timing – Issuance of SEC Rules

The MSG recommends that there should be no delay in the issuance of the rule to implement Section 1502. The prompt issuance of this rule will facilitate the ability of companies to engage their supply chains.

### Timing – Tracking Due Diligence

We respectfully request that the SEC rule synchronize the timing for the information contained in the Conflict Minerals Reports from all issuers on a calendar year basis. The MSG recommends that all issuers begin exercising and reporting due diligence on the source and chain of custody for the subject minerals used in their products on a common calendar date.

Having one date when all companies begin exercising the necessary due diligence of their minerals would offer integrity and consistency throughout the various supply chains. Since component manufacturers and others throughout the supply chain provide products for many customers who have different fiscal years, it would be more efficient and more accurate if the whole supply chain worked towards a common deadline.

Regardless of specifically when or where a Conflict Minerals Report is submitted to the SEC, the rule should require each filer to make the Conflict Minerals Report easily accessible to investors through a variety of means (e.g. a prominently displayed link on a corporate website, etc.).

### Stockpiles

Stockpiled minerals and other existing minerals in inventory on hand or at a warehouse prior to January 1, 2012, should be exempt from due diligence reporting. Issuers must be able to document that the minerals in the stockpiles pre-dated the start date of January 1, 2012. These stockpiled minerals should not be allowed to be designated “conflict-free” unless there is sufficient proof that the stockpiled minerals did not originate from the DRC or adjoining countries.

### Labeling

In our March multi-stakeholder letter, we outlined our recommendations for issuers who seek to label their products “DRC conflict free.” There have been several conversations with our peers, SEC staff and the U.S. State Department that have focused on labeling as a potential incentive for issuers. Our previous comments (repeated below) are intended to reserve the label “DRC conflict free” for issuers

who are using conflict free minerals sourced from the DRC as opposed to avoiding all minerals sourced from the area. For these reasons, we felt it important to reiterate our position on the requirements under which this type of labeling could take place:

*If companies do wish to label their products, the MSG requests that the Commission expressly reserve the use of a “DRC conflict free” label as an advertising claim **only**<sup>2</sup> for products that contain **at least some** minerals sourced within the DRC region that are conflict free. The MSG recommends that the SEC affirm that any such claims or labels are subject to Federal Trade Commission (FTC) regulations and guidance in regards to substantiation and to guard against deceptive claims that a product is “DRC conflict free” under Section 5 of the Federal Trade Commission Act (FTCA). This approach would provide incentive for those companies that meet the FTC substantiation regulations to source conflict free minerals from the region and reward those that encourage legitimate minerals trade that does not directly or indirectly finance or benefit armed groups in the DRC or adjoining countries.*

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<sup>2</sup> Bolded words added for clarification. The remainder of the language contained in this paragraph originates in the multi-stakeholder comment letter submitted on March 2, 2011, pages 9 and 10.