



March 17, 2017

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

Via email to rule-comments@sec.gov

RE: Comment on Reconsideration of Conflict Minerals Rule Implementation

Dear Mr. Piwowar:

Trillium Asset Management submits this letter in response to the January 31, 2017 *Statement on the Commission's Conflict Minerals Rule*. We believe the Conflict Mineral Rule ("the Rule") provides important disclosures to investors, has not produced burdensome costs to issuers, and in its short history has served to reduce illicit trade of tin, tantalum, tungsten and gold in the DRC and surrounding regions

Trillium Asset Management, LLC ("Trillium") is an independent investment advisor focused exclusively on sustainable and responsible investing (SRI). Since 1982 Trillium has integrate corporate performance on environmental, social and governance (ESG) factors into the investment decision making process for individuals and institutions collectively with \$2.2 billion in assets under management.

- **Investors are incorporating these disclosures into their investment decision making process.** How well a company manages its conflict minerals program can act as a marker of how well it manages key supply chain managements functions. Trillium's semi-conductor industry analyst articulates this point in an August 5, 2015 Wall Street Journal article, along with other stakeholders, in discussing the merits of conflict mineral disclosures.¹ Company disclosures, combined with analysis provided by NGOs, including the Responsible Sourcing Network have provided investors with important information with which to assess corporate efforts to mitigate relevant and material human rights risks.² Further, by making disclosures consistent and accessible to all

¹ <http://blogs.wsj.com/cfo/2015/08/05/in-conflict-minerals-ethical-investors-gain-ability-to-rank-companies/>

² <http://www.sourcingnetwork.org/mining-the-disclosures/>

investors the Rule provides efficiencies, in other words, allows investors to allocate capital to issuers with the best overall prospects for long-term shareholder value.

- **The Rule is has not proven detrimental to business operations.** Several companies have publicly and privately expressed support for the Rule, and costs have not proven to be as burdensome as originally estimated. According to an analysis by ELM Sustainability Partners, of 1220 companies reporting in the 2015 reporting year compliance with the Rule was estimated to be \$600-800 million in total compared to \$3-4 billion originally estimated at the time of the Rule's release.³
- **Evidence suggests that the Rule has helped to address the conflict on the ground, undermining illegal activity and the corruption that have fueled the violence.** According to an October, 2016 study by the International Peace Information Services, for example, 79% of miners at tin, tantalum and tungsten mines surveyed in eastern DRC now work at conflict-free mines.⁴

Although much can be done to improve Rule, on balance we believe the Rule has provided clear evidence of contributing to an improved business and investment climate in the DRC and surrounding region. Repealing or staying the rule could invite more corruption in the DRC, weaken economic stability, and therefore weaken important protections the Rule now offers investors.

Thank you for this opportunity to provide comments to the Commission at this time.

Sincerely,



Susan Baker
Vice President, Shareholder Advocacy
Trillium Asset Management, LLC

³ <https://www.sec.gov/comments/statement-013117/cll2-1565701-131655.pdf>

⁴ http://ipisresearch.be/wp-content/uploads/2016/10/Analysis-and-map-artisanal-mining-DR-Congo_v005-1.pdf