

FOR IMMEDIATE RELEASE: June 2, 2014

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Stakeholders Applaud As First Round of SEC Conflict Minerals Reports Filed

‘Expectations Shortlist’ Aids Evaluation of Companies’ Disclosures

OAKLAND, CA - With the inaugural round of conflict minerals disclosure reports submitted to the Securities and Exchange Commission (SEC), a coalition of NGOs and sustainable and responsible investors has released a list of criteria to assist in evaluating the reports. [*Expectations Shortlist: Company Conflict Mineral Reporting and Activities*](#) features information that stakeholders expect to see in the SEC filings, on the issuers' websites, or in sustainability reports.

June 2 marks the reporting due date for the initial conflict minerals disclosure submissions, which are a requirement of the 2010 Dodd-Frank Section 1502 legislation and the first required SEC disclosures regarding an environmental, social, or governance issue. Submission of these reports represents a momentous achievement for all those working to end the trade in conflict minerals from the Democratic Republic of Congo (DRC) and Great Lakes Region (GLR). The reports also will shed light on operational risks that are material to investor interests.

The Responsible Sourcing Network (RSN) has organized multi-stakeholder comments regarding Section 1502 since 2010. In 2013, together with the Enough Project, RSN released a white paper, [*Expectations for Companies’ Conflict Minerals Reporting*](#). The new *Expectations Shortlist* offers more guidance to companies in order to advance and improve the hopes of advancing corporate due diligence activities and improving the scope and quality of information that will be disclosed in future reports.

“As reports become available to review, we wanted to publicly share the criteria numerous groups agree are the key points. Applauding companies for reporting on the OECD’s due diligence framework, participating in the [*Conflict-Free Sourcing Initiative*](#), and sourcing conflict-free from the GLR will encourage companies to take action that will make a difference in-region,” said Patricia Jurewicz, RSN Director and lead author of *Expectations Shortlist*. “Stakeholders will look poorly upon issuers that postpone robust reporting or file a report that simply ticks a box.”

Calvert Investments played a leading role among investors in the Section 1502 rule-making process and has continued to organize investor voices as the details of rule implementation have developed in recent months. “We commend companies’ efforts to conduct thorough supply chain due diligence and submit timely reports,” said Bennett Freeman, Calvert’s Senior Vice President for Sustainability Research and Policy. “The information in this year’s filings should establish a floor for increasingly comprehensive, effective conflict minerals due diligence, to support investor decisions and, more importantly, to promote peace in the DRC and surrounding region.”

Although companies subject to the 1502 disclosure rules are not required to designate whether or not their products are “conflict-free”, these companies must perform supply chain due diligence and take proactive actions to address conflict minerals from the DRC. Investors and other stakeholder groups need this information to evaluate companies’ operational and reputational risks and to make sound investment decisions.

RSN, Calvert Investments, and the endorsers of *Expectations Shortlist* encourage others to draw on this list of criteria and commend the leading companies accordingly. Transparency disclosures such as those required for Section 1502 will not only improve and expand conflict-free sourcing efforts from DRC and the broader GLR, but are also setting a precedent for disclosures involving human rights risks embedded in raw materials globally.

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Responsible Sourcing Network (www.sourcingnetwork.org) is a project of the nonprofit organization As You Sow (www.asyousow.org). RSN is dedicated to ending human rights abuses and forced labor associated with the raw materials found in products we use every day. RSN supports network participants in leveraging their influence to achieve significant and measurable solutions in the areas of conflict minerals and slave labor.

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