

## Investor Statement regarding Conflict Minerals from the Democratic Republic of the Congo

For over two decades, faith-based institutional investors, socially responsible investors and others in the investment community have addressed some of the most egregious human rights violations in the developing world. Working in tandem with constituents on the ground, we have witnessed the consequences of civil war, poor governance and extreme poverty. Sadly, perhaps no situation has been more severe than the civil war that continues to plague the Democratic Republic of the Congo (DRC).

### Background

This conflict, which claims approximately 45,000 lives each month, is fuelled by various militias who reap their profits from controlling the country's vast natural resources. Since the conflict began, more than 5.4 million have lost their lives. The DRC is one of the most mineral-rich countries in the world, with sizeable deposits of gold, tantalum, tin and tungsten. According to the United Nations, over 50% of the mines in eastern Congo are controlled by warring armed groups, who solicit "taxes", bribes or other payments for the minerals being extracted out of the mines. In addition, the majority of the minerals are smuggled out to neighboring countries, where they are sold to smelters and ultimately find their way into finished consumer products. This practice directly hinders repatriation and disarmament efforts, as it provides armed groups with a robust funding source.

These DRC minerals enter a complex supply chain and subsequently make their way into products such as cell phones, laptops, and video game systems, as well as components for automobiles, airplane engines, medical devices, and other products. As such, a group of investors is initiating dialogue with many of the largest electronics companies, seeking efforts to ensure they are not inadvertently supporting one of the world's longest-lasting and deadliest conflicts.

Since 2001, some electronic companies have taken initial steps to address sourcing minerals from the DRC, including verbal assurances from their suppliers not to purchase conflict minerals. We applaud these initial steps along with the recent EICC (Electronic Industry Citizenship Coalition) and GeSI (Global e-Sustainability Initiative) commitment to address this issue, and their members' participation in the metals mapping project through RESOLVE. However, we believe additional individual company action is urgently needed to achieve concrete change in the DRC.

### Investor Statement

The signatories of this letter believe it is essential that companies acknowledge and address this egregious human rights issue on a more systematic basis throughout their global supply chains. To do their part to stop the continuing violence, investors recommend that companies take immediate and decisive action to:

- Make a public statement condemning the use of mineral revenue to fuel the ongoing conflict in the DRC and explain the steps the company is taking to address the issue;
- Develop policies and procedures to identify where the raw metals in their products originate from and ensure conflict minerals are not entering into their supply chain;
- Work with suppliers throughout their entire supply chain to ensure internal policies on sourcing conflict minerals are being adhered to;
- Work with NGOs, industry associations, investors and other stakeholders to support various CSR, legislative and diplomatic strategies that will help end the exchange of minerals from the DRC that finance the ongoing conflict.

The reputational risk faced by companies if they are associated with conflict minerals from the DRC poses significant financial risk to investors. Simultaneously, there exists a moral imperative for both investors and companies alike to ensure they are not inadvertently complicit in the systemic rape, torture and killing of innocent civilians in the Congo. The disclosure of sourcing policies and practices by companies throughout their entire supply chains is essential for investors in evaluating the social, environmental and moral impacts associated with a company and inform investors' decision-making practices.