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"Conflict Minerals: Tackling Your Next Form SD"

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Audio Archive

You spent a lot of time & effort on conflict minerals due diligence. Now it's time to once again prepare your Form SD. Learn the latest developments before you go back to the drawing board.

Join our experts:

- **Lawrence Heim**, Director of Innovation & Partnerships, Responsible Business Alliance/Responsible Minerals Initiative
- **Michael Littenberg**, Partner, Ropes & Gray LLP
- **Dave Lynn**, Partner, Morrison & Foerster LLP and Editor of TheCorporateCounsel.net
- **Christine Robinson**, Senior Manager, Deloitte & Touche LLP

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Dave Lynn, *Senior Editor*, *TheCorporateCounsel.net*: Hello, everyone. This is Dave Lynn, Senior Editor of TheCorporateCounsel.net and partner of Morrison & Foerster. Welcome to today's webcast, "Conflict Minerals: Tackling Your Next Form SD."

Let me introduce the panel today. We've done this webcast a number of times in the past and I'm always very pleased to hear the insights of the group that we have assembled.

We have Lawrence Heim, who's Director of Innovation and Partnerships, Responsible Business Alliance/Responsible Minerals Initiative; Michael Littenberg, who's a partner at Ropes & Gray; and Christine Robinson, a Senior Manager at Deloitte & Touche. Thank you, all, for joining us here for the webcast.

Rule Status & Current SEC Guidance

Lynn: As we've done over the past few years, today we're going to try to go through the latest considerations for your disclosure and your due diligence as you're putting together your Form SD for the 2019 calendar year. I'm going to get us started by just going over the status of the conflict minerals disclosure rule at the SEC and the current state of SEC and Staff guidance on the topic, and then offer whatever predictions I can about where things will be going in the future, which may or may not be accurate, I'll say at the outset.

It was interesting to note for me that, in the summer of this year, it'll be 10 years since the Dodd-Frank Act was enacted. As everyone knows, the conflict minerals disclosure rule came out of the controversial specialized corporate disclosure portion of the Dodd-Frank Act, and, to this day, the SEC has still failed to comply with some of the rulemaking mandates that are specified in the Dodd-

Frank Act. Unfortunately, conflict minerals disclosure wasn't one of those, and was actually brought to rulemaking and came about.

I say "unfortunately" because the rule itself has been fraught with some difficulties stemming from the language of the Dodd-Frank Act itself, and then the SEC's following that statutory framework when it adopted the rule. That problem from the outset, from 10 years ago, has really shaped the evolution of Form SD reporting, and in many ways has prevented the disclosure framework from achieving its objectives in a lot of ways, in that what was originally contemplated by Congress never reached its full potential as a result of all the issues we'll talk about today.

That said, I think one thing we can all agree on is there's a great deal more transparency on this topic than there ever was before the Dodd-Frank Act came along, and that transparency leads to attention to the very important issues that need to be taken into account and addressed in this realm. But ultimately, it's hard to believe that it's actually the seventh year of Form SD filings, that the requirement's been in basically various stages of disrepair since the 2014 filing year.

In terms of stepping back and trying to assess where we are with the conflict minerals disclosure rule, we're really sort of trapped in a regulatory purgatory where neither the SEC nor Congress seems willing to advance the ball forward to resolve the issues that the courts have identified with the rule.

While over the last few years, we've seen some legislation introduced that would seek to repeal the rule or defund the SEC's ability to enforce the rule, at this point in time, there just doesn't really seem to be any sort of political will to eliminate the rule or to actually fix the rule and as the court expected it to be fixed.

So, back in 2018, we saw activity in the House where H.R. 4248 was advanced, and that was basically a piece of legislation that contemplated the elimination of the requirement to provide conflict minerals disclosure. The Financial CHOICE Act 2.0 was a piece of legislation that a few years ago was moving around through Congress, and that also contemplated a repeal of all of the specialized disclosure requirements.

You saw the U.S. Treasury weigh in a few years ago, back in October of 2017, with recommendations that basically said that, as part of improving capital markets and public company disclosures, the conflict minerals disclosure requirement should be revisited and repealed. All of these efforts didn't really come to pass in terms of making any changes to the actual statutory provision or to the SEC's rules.

Where the SEC has stood for the last few years has been really shaped by the outcome of the *National Association of Manufacturers v. SEC* litigation. Going back to April of 2017, the U.S. District Court for the District of Columbia remanded the rule to the SEC to address the decision that had been made in the Court of Appeals, which, as a bottom line, found a portion of the rule unconstitutional.

Basically, the Court of Appeals had found that Section 1502 of the Dodd-Frank Act and the rule violated the First Amendment to the U.S. Constitution, to the extent the statute and the rule require companies to report to the SEC and state on their websites that any of their products had "not been found to be 'DRC conflict-free'." The court held that the rule was unlawful and set aside the rule to the extent that it required companies to report to the SEC and state on their websites that products have "not been found to be 'DRC conflict-free'."

That was the pickle that the court put the SEC in, because it adopted a rule based on the language that Section 1502 provided. Obviously, the court decision and the District Court put things back squarely in the SEC's court. From everything we've seen and observed over the last couple of years, there really hasn't been any sort of sense of urgency about dealing with that remand situation.

If you follow the Reg Flex agenda that the SEC puts out, which we often blog about here on TheCorporateCounsel.net, going back to the fall of 2019, they didn't list the conflict minerals disclosure rules in the proposed or final rule category, and instead listed it in the long term actions category. That is where it's been living for the last few years.

As I've alluded to, I don't think that the lack of urgency here is necessarily all the SEC's fault, because the court specifically called out the language of 1502 of the Dodd-Frank Act and the SEC adopted its rules based on that statutory provision. That really puts the SEC in a bind as to whether it could, on its own through the notice and comment rulemaking process, actually address the court's concern without any sort of changes to the statutory language.

That leaves us with where we've been for the last few years of the reporting cycle with the SEC's guidance. The SEC Staff has tried, as is often the case, to come up with some sort of practical solution when faced with a difficult situation with a rule such as this, which in large part is unprecedented that you have a rule with this level of uncertainty.

What we've really been living under for the last few reporting seasons has been that Staff's April 2017 guidance, in which, the SEC's Division of Corporation Finance said that, in light of the court's decision, they weren't going to recommend any enforcement action to the Commission if an issuer were to only file the disclosure that's required under paragraphs (a) and (b) of Item 1.01 of Form SD, and that would include those issuers who are actually subject to the requirement to provide a conflict minerals report under paragraph (c) of Item 1.01 of Form SD. What that ultimately meant was that issuers had the option to not provide as much disclosure about their diligence on the source and chain of custody of minerals that are covered by the rule.

That basically meant that a conflict minerals report was effectively no longer required because the SEC wasn't going to enforce that particular aspect of the rule.

The guidance didn't do away with the obligation for the issuer to conduct in good faith a reasonable country of origin inquiry and provide the disclosure about that, and it didn't eliminate an issuer's obligation to exercise due diligence on the source and chain of custody of the conflict minerals. It basically provided a path forward in light of the remand. The April 2017 guidance also didn't address the April 2014 guidance that had been in place before that, which went to the point of what you actually could say about the status your conflict minerals in your conflict minerals report.

That April 2014 guidance to this day remains in effect for those issuers who elect to actually include a conflict minerals report, notwithstanding the April 2017 guidance. That boils down to effectively that you don't have to state your conclusion as to whether your products would fit within the category of "not found to be 'DRC conflict-free'."

The guidance, particularly the April 2017 guidance, was subject to some level of controversy both inside the SEC and externally. We saw intervention by members of Congress, and we saw a variety of people drawing attention to the conclusion and questioning the wisdom of the Staff's guidance in that regard. But despite all of that, the guidance still very much remains in effect and has not been revisited by the Staff.

With the benefit of time, some of the original concerns about the limited nature of the guidance, basically the fact that it was a blanket no-action type of guidance that wasn't any sort of statement of the Commission itself or how a court might interpret things and was ultimately subject to change. People have become comfortable with the guidance by the fact that things haven't changed, and that hasn't been revisited and the Commission has been silent on the rule and any of the guidance.

So, just by virtue of the passage of time, this guidance has remained in effect and, to some extent, become accepted and people have become more comfortable with it and accepting of it as a result of

that; however, that hasn't necessarily resulted in more issuers taking advantage of the guidance and not filing a conflict minerals report.

With that, I'm going to turn it over to Christine to talk about what we've actually seen people do in their latest Form SD filing.

Observations from 2019 Form SD Filings

Christine Robinson, *Senior Manager*, *Deloitte & Touche*: Thanks, Dave. Hi, everyone. Good to be here again. The observations from the filings last May, first and foremost, we're still here preparing for the upcoming filing deadline. Dave mentioned this rule hasn't gone away.

If I had to sum up the filings in one word, I would use the term "autopilot." For context, the total number of filings continued to drop although from this reporting year to the last, it was a minimal drop. We're looking at around 1,100 filings.

What we saw in the filings that came out last May is that companies are still reporting that they're taking similar actions to what they have in the past to improve their supply chain data collection. They're using the standardized tools like the CMRT and conducting surveys and things like that. There doesn't necessarily seem to be anything different evolving out of that.

Companies are still reporting difficulties in determining the country of origin of conflict minerals in large part because of the complexity of supply chains and lack of access to suppliers, let alone supplier responses, et cetera. The disclosures continue to be similar to prior years, so much so that it's becoming more noticeable that companies are using the exact same disclosure year-over-year. I know there was a report by the Responsible Sourcing Network that came out in the fall last year that specifically called out that point that some companies are using the same disclosure year-over-year.

In terms of some of the leading practices in the disclosures from companies that are doing it well, these are the companies that are taking a proactive and integrated approach. So, what I mean by that is expanding the supplier due diligence program beyond conflict minerals, whether that's including other minerals like cobalt or other raw materials like palm oil and mica in supply chains to really leverage what companies started doing back at the onset of conflict minerals to help determine what's going on in other areas of the supply chain. To be able to connect those supplier touch points to understand more about the supply chain and take a more risk-based approach to understanding, "well, this is our supply chain", depending on the industry, location and type of supplier, what could be the risks that are presented whether that be human rights risks or sourcing risks, et cetera.

Companies that are doing it well are also not going it alone. Being part of the RMI and PPA and actively participating in those initiatives, those continue to be leading practices that we're seeing come through in the disclosures.

As far as the filings, it's important to connect the conflict minerals filing to the broader disclosures that companies make with respect to sustainability and ESG. Recently, there's been heightened attention on the SASB standards and largely coming from BlackRock's CEO, Larry Fink, last month that specifically called out companies to report on the SASB standards.

Now, as this relates to conflict minerals, during the SASB standard provisional phase prior to their codification, there were industry standards that explicitly mentioned conflict minerals. During the codification process, the standards were updated as they relate to conflict minerals. They're a bit more qualitative in nature and more ask companies to disclose, for example, a description of the management of risks associated with the use of critical materials. There are specific definitions of critical materials that are included within the standard that include the relevant conflict minerals.

That's an increasing focal point for companies to be able to connect the dots and not necessarily just look at the conflict minerals due diligence reporting requirements in a silo. On that point, too, though the pressure that companies are feeling increases the pressure on companies who are GRI reporters. GRI is a separate set of standards from the SASB. There are GRI standards that have been in existence for a few years now that address supply chain and human rights and connect these conflict mineral themes.

To that extent with the heightened attention on all of these disclosures, we're seeing more and more companies seek assurance on their disclosures both SASB and GRI in an effort to enhance their disclosure quality. So, that's my summary of the 2018 filings, that as it relates to the SEC regulatory filing, it's a bit of an autopilot year where companies are going through their processes similar to how they have in the past and even in some cases as called out by RSN making the exact same disclosure.

More broadly companies in the ESG and sustainability space are facing more pressure to be transparent and make disclosures based on existing credible standards like SASB and GRI. All of this needs to be integrated if companies are going to keep their sanity, because it's not necessarily efficient to undergo a conflict mineral due diligence in a vacuum, both due diligence and the reporting aspect.

I get the sense from many of my clients that they're just trying to keep their head above water with alphabet soup of reporting that is sustainability in addition to the regulatory reporting requirements that they have to adhere to.

That sums up my observations, but I'd love to hear the perspectives of some of my co-panelists on this, too. Lawrence, maybe this is a good segue into how the disclosures should be changed for the coming year and what can be done from that perspective.

How Disclosure Should Be Changed for 2020

Lawrence Heim, *Director of Innovation and Partnerships*, *Responsible Business Alliance*: Thanks, Christine. You couldn't have teed it up any better. The word "autopilot" is exactly right. But I would also say that's probably not unique to this past year. I think you could use that word to describe the past couple of years.

There are some things that are worth talking about and you touched on a number of them. One of them is the Responsible Sourcing Network, the RSN, and their Mining the Disclosures report scoring and rating of individual companies.

One of the things that seemed to be, I'm not sure I want to say prevalent, but it was certainly visible in the most recent year's report, is a number of companies did find errors were made in the rating and the scoring.

What I would say to that is, that for those companies who may not necessarily agree with that score, if you have not already done so, reach out directly to RSN and ask for a copy of your score sheet.

That's the actual sheet that they went through to do the scoring. That's where you can see exactly where the gaps were between your calendar year 2018 report and what their expectations are.

That gives you two things. Number one, if you disagree with certain things where you feel there were errors and omissions then that's certainly how you can bring that up. But the other thing is – and this is really what RSN's intent is, it's to try to provide insight into where improvements can be made. They highlight that by showing where the gaps are against their expectations. As we look towards this coming year filing, calendar year 2019 filing, again, RSN has got some benchmarks that perhaps companies may look to and find out ways to improve their filing and their scoring as well.

As in past years, that's some helpful information. You know what I would say, and perhaps Michael and Christine would agree, that some of the gaps that we saw last year are gaps that we've seen in previous years.

One of the things that comes to mind and, again, I'm hoping this is something that we'll see an improvement in for this coming year filing, is the disclosure of smelter names as well as the countries of origin.

There has certainly been some variability there even for those companies who do file full CMRs, some of those CMRs just actually are incomplete. The rub is that, as Dave said earlier, there's the SEC's non-enforcement policy, and there becomes the question of "what's the downside to not filing a complete conflict minerals report?"

We're still seeing those similar gaps year-over-year. A lot of it does have to do with the autopilot kind of mentality of many, many companies. But again, to Christine's point, that's probably something that should be reevaluated in companies.

There has been a lot that has happened, certainly the focus on environmental, social, and governance, ESG, and the major investors – BlackRock, State Street, Vanguard, Vanguard perhaps to a somewhat lesser extent – moving towards, at least stating publicly and emphasizing publicly their views on, using ESG metrics and indicators as part of their investment decision-making criteria.

That leads us to a whole realm of, again, as Christine said and teed up very, very well, we have this alphabet of different kind of standards and programs and frameworks and this and that. The matter of whether conflict minerals due diligence processes and the related reports that come out of that should continue to be standalone or whether it makes sense to perhaps take a broader more integrated look at overall supply chain sustainability in ESG issues, that's a very valid question.

To be real honest with you, it's something that I think that with the RMI and conflict minerals and with the number of years that we've got under our belt with conflict minerals, we can say there's been a lot of success that has been achieved where it was thought not possible originally.

There's an opportunity there to leverage the success that we've seen and achieved in conflict minerals due diligence traceability, tracking, reporting, data management, et cetera, and be able to leverage that beyond just conflict minerals into other aspects within the supply chain.

Responsible Minerals Initiative is actively moving in that direction as a result of feedback from the members to support exactly those pressures that our members are hearing from their customers and their investors as well.

Finally, I believe Jay Clayton, it was two weeks ago or maybe last week, put out a position or made some guidance and, Michael, I hope you'll talk about this a little bit more on ESG, guidance on using non-financial metrics and indicators within financial reports.

One of the takeaways from that is, is that if – as I read it, the implication or the assumption is that if any company chooses to report non-required, non-financial data within their 10-K filing in the MD&A component, that by definition is therefore material to that company.

This is starting to bring a whole other kind of realm to how this information gets reported, if you're going to choose to pursue integrated reporting, then this position that the SEC has just put out maybe something to look into before you go down that road.

With that I'll turn it over to Michael.

NGO Expectations & Surveys

Michael Littenberg, *Partner*, *Ropes & Gray*: Thanks a lot Lawrence. I agree with everything Lawrence and Christine have said. This year, many companies are somewhat on autopilot. However, I think we will nevertheless see some changes to disclosure and compliance for the reasons that I'll mention toward the end of my remarks.

In my piece of today's webinar, I will talk a bit about NGO expectations and surveys. We've already mentioned RSN [Responsible Sourcing Network] a couple of times. I will drill down a bit more on RSN's scoring and some of the takeaways from their last report.

As in prior years, RSN, published its "Mining the Disclosures" report. "Mining the Disclosures 2019" was their 6th annual report in this area. RSN's report is supported by a group called As You Sow, which some of you on today's call may know from their ESG shareholder proposals on various topics.

The RSN report has largely followed the same methodology and question set for the last three years. In the 2019 report, RSN ranked a total of 215 companies across 26 different industry groups. The population set increased slightly from the prior year, in which RSN reviewed 206 companies. The slight year-over-year increase was because RSN for the first time this past year included in its rankings several large technology sector companies that were not subject to the Conflict Minerals Rule. Because those companies do not file a Form SD and Conflict Minerals Report, RSN instead based its scoring on other public disclosures, outside of SEC reporting that those companies made.

Other than the addition of a handful of non-reporting companies, RSN for the most part reviewed the same companies as in the prior year, focusing on the largest companies in each of 26 industry groups. The SEC reporting companies changed slightly year-over-year due to mergers and acquisitions activity. Some companies combined into other companies or went private, so they came out of the rankings. A couple of companies had changes in product lines and were no longer subject to the Conflict Minerals Rule since they did not have any in-scope products. But overall, the companies included in the rankings did not change much. One hundred and ninety-nine of the same reporting companies out of 206 were included in the RSN sample set for both of the last two years.

That begs the question: what is RSN looking at when they are scoring companies? The indicators assessed by RSN fall into three broad categories: "Risk Management;" "Human Rights Impact;" and "Effective Reporting." The relative weighting of the three categories was 60% for Risk Management, 20% for Human Rights Impact and 20% for Effective Reporting. The maximum score a company could achieve in the RSN ranking was 100 points. Not surprisingly, there have not in any given year been any perfect scores. In the last year, only one company that was reviewed scored above the 90th percentile. It was a large technology company.

In addition to showing a point score, RSN's report ranked each company against the rest of its industry group. It also grouped companies into qualitative 10-point performance bands, classifying them from "Superior," – to have a superior score you had 90 plus points – to "Weak," which was under 40 points.

Today, I will highlight three themes from the RSN report. First, in terms of overall compliance, in RSN's view, most companies continue to underperform, with respect to both their disclosure and compliance. Lawrence and Christine highlighted this in their remarks as well.

Sixty-three percent of the ranked companies were in the "Minimal" or "Weak" categories in the last report, meaning that those companies had scores below 50 points. Most of these companies, or approximately 120 in total of the companies that were ranked, were in the "Weak" category, meaning that they scored below 40 points.

However, there were some bright spots highlighted in the report. RSN did positively note the compliance and disclosure practices by several leading companies in the tech sector. If you are

trying to discern what are leading practices in this area, a good starting point generally is large technology companies, including those featured in the RSN report.

The second theme from the RSN report that I want to highlight – and this is piggybacking on RSN's view that most companies continue to underperform – is that a majority of the scores declined modestly year-over-year. The average score dropped to 39.8 last year, from 40.3 points for the prior year. Approximately 120 companies in the population set saw a decline, or what RSN characterized as "stagnation," in their scores year-over-year. RSN did not use the word "autopilot," but used the word "stagnation" instead.

Last year's survey results aren't surprising. Going into the most recent compliance period, many companies already were of the view that their disclosure practices and compliance programs were aligned with not only the requirements of the Conflict Minerals Rule, but also with current stakeholder pressures around reporting and compliance. As a result, many companies felt that minimal, if any, changes to their disclosure practices and compliance programs were required. We are going to see that same dynamic this year, although for reasons I'll talk about at the end, I think we are going to start to see that change over the next one to two years.

Consistent with the approach taken by many companies, RSN noted that its "continuous improvement" indicator, which is part of the Reporting pillar, saw a 6-percentage point drop last year, after already dropping by eleven percentage points the prior year. That shows that there has not been much organic improvement in compliance programs of companies in this area.

Somewhat more surprising, another indicator that experienced a drop – and this was a drop of 5 percentage points – was public availability of a conflict minerals policy, meaning that less companies had publicly posted policies than in the prior year.

Nevertheless, there were some indicators that saw sizeable percentage point increases. "Conflict sourcing," which is part of the Human Rights pillar, increased by 9 percentage points. That increase was due to there being more conformant smelters and refiners for companies to disclose. Also, "description of processing facilities," which is part of the Risk Management pillar, increased by 4 percentage points. That increase was due to somewhat more robust discussions of identified smelters and refiners by some companies.

The third theme from the RSN report that I want to highlight is cobalt, which Christine also mentioned in her remarks. Cobalt is not a "conflict mineral" within the meaning of the Conflict Minerals Rule. However, responsible cobalt sourcing is an increasing focus of not only the NGO community, but also of commercial users as well as, increasingly. consumers and investors.

As some of you are aware, the focus on responsible cobalt sourcing was brought into mainstream consciousness in early 2016. At that time, an influential Amnesty International report was published, which described widespread child labor and forced labor issues associated with cobalt mining in the Democratic Republic of the Congo. Since that time, many companies have started to set responsible cobalt sourcing expectations for their supply chains. Many companies also have started to trace their cobalt supply chains, in particular utilizing tools that have been developed by RMI for these purposes.

We also are seeing other pressures adding to the focus on responsible cobalt sourcing. Most recently, in mid-December, a group called International Rights Advocates brought a class-action lawsuit on behalf of child miners in the DRC against 5 large, publicly traded technology companies. That complaint alleges that the companies participated in a venture engaged in forced labor that was in violation of the Trafficking Victims Protection Reauthorization Act.

To tie this back to the RSN report, since 2016, cobalt has been a focus of RSN's reporting. It is not a new topic in the most recent Mining the Disclosures report. However, each year, RSN has stepped

up its engagement relating to cobalt. In the 2019 report, RSN for the first time introduced a scored analysis of cobalt due diligence disclosures. It scored 27 companies from 3 industrial sectors – technology, automotive and jet engines.

I expect that cobalt will be an even larger area of focus in the next RSN report. However, though, cobalt disclosures will continue to largely sit outside of SEC reporting, which I think is the appropriate manner in which to handle those disclosures.

Let's briefly turn to other NGO surveys and reports addressing conflict minerals. For a number of years, a group called Development International, based out of Germany, published an annual survey scoring Conflict Minerals Rule filings. DI did not publish a survey in 2019. They instead shifted to a consulting model, meaning that DI would send companies their scores for a fee and then also providing consulting for an additional fee.

There also have been a few additional one-off surveys. For example, in late 2017, the Enough Project published a conflict minerals ranking. Enough took a different approach than RSN. It looked at 20, mostly large, consumer electronics and jewelry retailers, and the Enough Project survey included both public and private companies. As part of its review, Enough did look at Form SD and CMR disclosures, but it also sent questionnaires to companies to solicit information and also looked at other information on company websites.

Before I turn thing back over to Dave to close out the program, I will close with a few observations that are important to keep in mind going forward, not only for this year but also for beyond.

First, although year-over-year changes to conflict minerals compliance and disclosure practices have overall been modest, as indicated not only by RSN's report, but also by the panelists today, we have been seeing more significant enhancements at some companies. Not all companies have been "stagnant" or have been on "autopilot." I'm especially seeing year-over-year impetus for change coming from new program managers or new legal counsel at companies. In many cases, they are rethinking the approach taken by a predecessor, looking to see if there are perhaps some easy disclosure and compliance enhancements that can be made to materially increase their RSN ranking or that otherwise are responsive to ESG scoring. For example, last year, one of our clients was able to increase its RSN score by a pretty significant number of points through a more thoughtful approach to their disclosure.

The second observation that I want to make is that we are going to start to see renewed attention to conflict minerals starting in 2021. At the beginning of 2021, the long-awaited EU conflict minerals regulation takes effect.

That regulation which applies further upstream, to direct importers into the EU of 3TG ores and metals, is going to apply to very few U.S. public companies directly. However, the EU regulation also has a voluntary reporting provision for the downstream.

As downstream EU companies start to publish voluntary reporting pertaining to conflict minerals compliance, that is going to draw attention to U.S. compliance and disclosure practices. In addition, I expect that, in the next couple of years, as a result of EU developments, we will start to see global rankings of conflict minerals compliance and disclosure practices. To the extent that European companies take a more expansive approach to compliance and disclosure, those factors are likely to pull U.S. practice in the same direction.

Also, in Europe, another change that we may see affect both disclosure and compliance is proposed mandatory human rights due diligence legislation in Switzerland, which is making its way through the legislative process. Among other things, at least as currently proposed, the legislation would require non-financial disclosures and due diligence relating to conflict minerals. The legislation only would apply directly to Swiss companies, but it would indirectly pick up companies in their supply chains.

My third and final observation for the day, which Christine also noted, is that the focus on responsible supply chains is increasing. Notwithstanding the relatively steady state of conflict minerals reporting and compliance over the past few years, we have been seeing a lot more focus, for all the reasons that have been discussed today, on responsible sourcing more broadly. This increased focus is driving responsible sourcing, compliance and disclosure practices across a wide range of different commodities and issues. The focus on responsible sourcing, of course, goes well beyond conflict minerals. It also goes beyond cobalt, with that just being one example. A couple of other examples Christine mentioned were palm oil and mica, for example.

To sum things up, not much change this year. But in future years, I think we are going to see conflict minerals disclosures and compliance continue to evolve for the reasons that I mentioned, probably starting as early as next year. Also, more broadly, we are going to see the continued evolution of other areas of responsible sourcing disclosure and compliance, due to all of the different stakeholder pressures that we have talked about today. This probably will come under the responsibility of many of you on today's call, which is going to mean many new compliance and disclosure challenges in the years ahead.

Dave, I'll turn things back over to you to wrap up our program today.

Lynn: Great. Thanks very much, Michael. And thanks to the rest of panel. It was really helpful to revisit where things stand and to realize that things continue to evolve in this area and that's important for people to keep that in mind.

Thank you, all, for joining us today. We look forward to talking to you again soon.