



NOVEMBER 2000
VOLUME 9, No. 3

Values

Walden Asset Management * Investing for Social Change Since 1975

Investing in Innovators

The Next Generation of Socially Screened Portfolios

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Microsoft, Cisco, Intel, Home Depot, Coca-Cola. Throw a dart at a random sample of socially responsive investment (SRI) portfolios, or for that matter conventional portfolios, and you are likely to see these names among the top holdings. While each company has noteworthy social attributes, none offers a product or management that directly addresses social issues important to the typical SRI investor. Indeed, some are embroiled in social controversy.

Can't an SRI portfolio invest in alternative energy, community banks, natural foods, women-run businesses, and other innovators that offer a direct social benefit? Walden's experience is that such portfolios can indeed be developed and included prudently as part of the social investor's asset allocation strategy. The challenge for the portfolio manager is not *whether* her picks meet the client's social objectives, but *which* picks meet the client's social objectives.

Consider the following social leaders:

Ballard Power Systems, based in British Columbia, is developing fuel cells for use in the transportation market. Fuel cells generate power through chemical reactions, rather than through combustion, making them virtually pollution free. In 1999, Ford Motor Company debuted a Ballard fuel cell-powered concept sedan (P2000) and a Ballard fuel cell-powered sport utility vehicle

(P2000 SUV).

Horizon Organic Dairy, based in Colorado, is the only national distributor of organic dairy products. The company's products are available in more than 5,000 stores. All of Horizon's products are free of antibiotics, hormones, and pes-

portfolio can address the risks of including these social innovators and offer the diversification potential of smaller company investing.

Identifying Themes for a Portfolio of Innovators

The world faces a host of problems as it commences the new millennium: In America alone, 40 percent of us breathe unhealthy levels of air pollution, women represent only slightly more than 10 percent of corporate officers and board directors, and lower-income and minority communities lack sufficient financial capital for development. While solutions to many of these problems will require the participation of many people, innovative companies can play a major role. Whether the problem is lack of credit and banking services to poor, inner-city neighborhoods, or finding a way to utilize natural resources more efficiently, some companies are making a difference.

It is appropriate to consider several themes in order to build a diversified portfolio of innovators. Some thematic options include building community, promoting diversity, education, a clean environment, good employers, healthy living, decent and affordable housing, medical care, and resource conservation (see Figure 1). There is no right or wrong list of social issues. How-

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Ken Scott is a social research analyst and portfolio manager of Walden's Innovations portfolios.

ticides.

Keystone Financial, a Pennsylvania-based bank, received "outstanding" Community Reinvestment Act ratings in four of its five subsidiary banks. Keystone offers market rate loans of as little as \$250 to help first-time borrowers establish a credit history.

These companies are publicly traded. Why aren't they included in many SRI portfolios? Some may find them too small or too risky. Could these companies crash tomorrow? Yes. Could they be tomorrow's Microsoft? Maybe. But, a well diversified, prudently invested

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About Walden Asset Management

Walden Asset Management is the socially responsive investment division of United States Trust Company of Boston. Walden began offering socially responsive investment services in 1975. We are among the largest and most experienced investment managers specializing in services for individual and institutional investors with social concerns.

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About This Newsletter

This newsletter is designed to share our thinking about trends and issues in socially responsive investing and to generate dialogue with our readers. We invite you to comment on any article in the newsletter by calling your portfolio manager (617-726-7250) or by writing Jane Chase or Heidi Soumerai, co-editors, at the following address: Walden Asset Management, 40 Court St., Boston, MA 02108. FAX: (617) 695-4775.

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Innovators

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ever, there are possible investment ideas associated with each theme. For example:

Resource Conservation. Fossil fuels are burned to move vehicles, generate electricity, and to run industrial boilers. The pollutants produced during their combustion contribute to climate change, acid rain, and urban smog. Energy conservation and renewable energy sources lessen the environmental damage of power production. But collectively, solar and wind power represent only a fraction of one percent of the electric generating capacity and production of U.S. electric utilities. Deregulation of the electric power industry, and increasing oil prices may increase the amount of "green" power consumed in the U.S.

There are a few publicly traded companies that focus on alternative energy. For example, Delaware-based **Astropower** is the world's seventh largest photovoltaic (PV) manufacturer. The company makes PV solar cells, modules, and panels for generating solar electric power. AstroPower uses a proprietary, continuous sheet manufacturing process to make silicon wafers, and has technology to recycle discarded wafers from the semiconductor industry.

Diversity. According to the nonprofit research group Catalyst, there are only two female CEOs in the Fortune 500. While women were 46 percent of labor force participants in 1997, only 11.9 percent of corporate officers (and board directors) at Fortune 500

companies in 1999 were women. In fact, 25 percent of Fortune 500 companies have *no* women corporate officers.

A different model exists at California-based **Autodesk**, which supplies *AutoCAD* and other software and multimedia tools for design, geographic information systems, and other applications. Led by Chair and CEO Carol Bartz, half of Autodesk's senior executives and VPs are women.

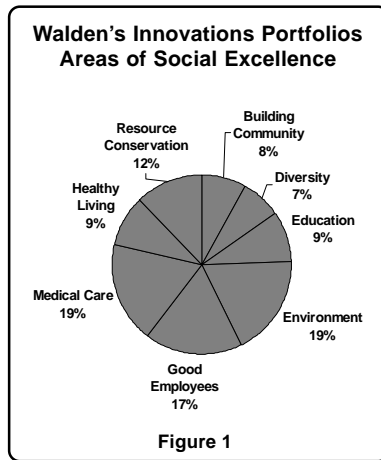


Figure 1

Constructing a Portfolio of

Innovators

Here's what we have done at Walden to build a portfolio that maximizes social objectives while providing a high quality investment option.

Many of the social themes lead to the selection of smaller companies, usually suggesting a riskier portfolio. But by targeting a range of innovative companies, the portfolio manager increases the opportunity to develop a portfolio diversified by economic sector (see Figure 2). In order to optimize the portfolio's social quality, while retaining broad sector representation, Walden has followed these guidelines for its Innovations portfolios:

- Hold a large number of companies in order to reduce stock specific risk.

- Closely align economic sectors with the sector breakdown of an established small-capitalization benchmark that represents the range of small companies in the economy.

- Select a core set of innovators from an established index or with characteristics similar to such companies.

- Set an acceptable band of market capitalization with an eye toward maximizing social performance and sector diversification.

- Use financial optimization techniques to help guide stock selections that reduce portfolio risk.

- Manage the portfolio with a long-term time horizon and keep portfolio turnover relatively low.

A Competitive Portfolio of Innovators

Over long-term investment horizons, small-cap stock universes have generally outperformed large-cap stock universes. Although investors should expect additional return for the extra risk associated with owning smaller size companies, the bull market of the past few years has been driven by a relatively narrow segment of the large-cap market. However, this market trend may be shift-

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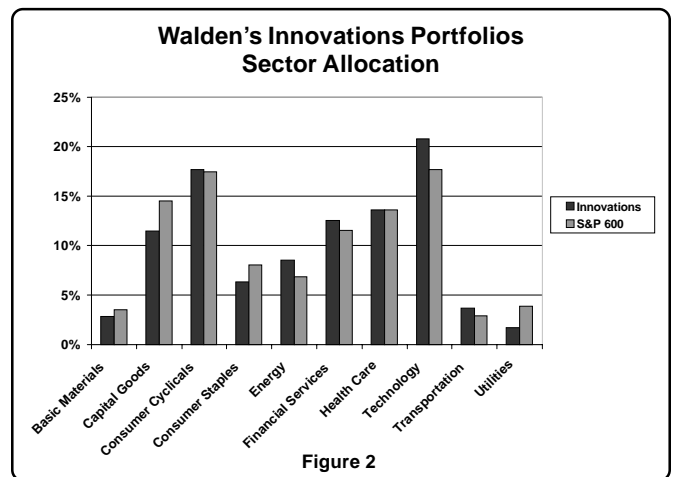


Figure 2



Northern California Community Loan Fund

by Jason Lazott

“I had a major drug history and had been in and out of jail because I was willing to do what it took to support my habit,” said Zoe W. “I had no choice but to go to a residential drug treatment program, or Child Protective Services was going to take my daughter. I got out of jail, and two weeks later I went to Malaika House.”

Malaika House is an inpatient drug treatment center for women and their children that was created by Free At Last, a nonprofit agency founded by the residents of East Palo Alto (California) in response to the epidemic of drugs in their community. While at Malaika House, Zoe W. was reunited with her three-year-old daughter, who joined her in living at the facility. “They taught us to be parents again,” she said. “We went to clean and sober functions and on outings for the kids.” Zoe W. has remained drug-free for 17 months, and after nearly a year in Malaika House has moved into her own apartment with her daughter and 15-year-old son.

Free At Last has forever altered the bleak future of many East Palo Alto residents. Founded on the principle that substance abuse treatment should be accessible on a neighborhood level, Free At Last strives to improve health, reduce crime, and prevent the spread of AIDS in this impoverished community.

Established in the midst of Silicon Valley—one of the country’s most economically thriving areas—

Free At Last is surrounded immediately by poverty, liquor stores and drug-trafficking. Because of wildly fluctuating property values and the high cost of living all over the region, Free At Last was fearful of becoming “homeless” itself. Even with its limited history, leaders decided it was in the organization’s best interest to purchase Malaika House. Development of Free At

mitments totaling more than \$17 million, and has many repeat borrowers. NCCLF funds have also allowed Free At Last to purchase a second residential treatment facility in East Palo Alto. In fact, since 1993, Free At Last has established four residential substance abuse treatment facilities, outpatient substance abuse treatment programs, and youth education and outreach services.

Mary A. Rogier, NCCLF president, stated, “We’re happy to use the capital we receive from investors in our Fund to support innovative groups—like Free At Last—that provide such important and effective services to their community.”

Effectively utilizing below-market loans from NCCLF, Free At Last has made a huge difference for the community of East Palo Alto. Haji concluded, “The idea of hope and the possibility of change have become a real part of the community in a way that didn’t exist before in East Palo Alto. With the assistance of NCCLF we are able to assist the most vulnerable families in the community get an opportunity to change and become part of the changing, successful atmosphere here in Silicon Valley.”

Jason B. Lazott is the Development Director at the Northern California Community Loan Fund. If you would like more information about NCCLF, phone 415-392-8215, or view their website at www.ncclf.org. To learn more about Free At Last, call 650-462-6999.



Walden clients have invested \$5.5 million in community development banks, credit unions and loan funds.

Last’s first residential treatment facility for women substance abusers was made possible by a \$200,000 loan from the Northern California Community Loan Fund (NCCLF).

Priya Haji, Free at Last’s Executive Director, has stated, “Working with NCCLF was really a strategically important partnership for us. Folks there are helping us develop a credit history, and being able to own the building has made a critical difference to the sustainability of our work.”

NCCLF provides vital funding to nonprofits that provide low-income housing, economic development, and the restoration of opportunities and services to northern California’s poorest communities. Since its inception in 1987, NCCLF has made 132 loan com-



Gender Equality Means Business

According to national public opinion data, the biggest challenges facing women at work today are balancing work and family priorities and receiving equal pay. Women comprise over 45 percent of the U.S. labor force and their numbers are growing. The Hudson Institute's book, *Workforce 2020: Work and Workers in the 21st Century*, indicates that 62 percent of new entrants to the U.S. workforce between now and 2005 will be women. Although women are slowly gaining economic parity with men, gaps in wages and struggles with work-life benefits still exist. These inequalities compel us to examine the workplace divide and what we can do to bridge it.

War of the Wage

According to the 1999 Census Bureau report, women, on average, earned 75.7 cents for each dollar earned by a man. The wage gap is related, in part, to women's concentration in lower-paying occupations. In 1999, 57.4 percent of all employed women worked in technical, sales, service, and administrative support/clerical jobs. Minimum wage workers, 60 percent of whom are women, barely make more than \$10,000 annually. But even adjustments for professional, economic and educational status do not eliminate the difference in wages. And while the

wage gap has decreased over the last five years, critics argue that this shift can be attributed largely to men's wages falling in certain job categories rather than women's wages rising.

Government regulations seek to bridge the gap, most notably the *Equal Pay Act of 1963*, *Title VII of the Civil Rights Act of 1964*, and the amendment to *Title VII* in the *Civil Rights Acts of 1991*. These rules have led to a number of high-profile legal victories for women, including this year's award of \$3.1 million in back

pay for workers who share salary information with one another. The Fair Pay Act prohibits wage discrimination based on race and national origin as well as gender. Concurrently, the White House has called for an extra \$14 million to enforce existing laws.

The Work-Life Seesaw

Money isn't the panacea for gender imbalances in the workplace. Over the past 40 years, the

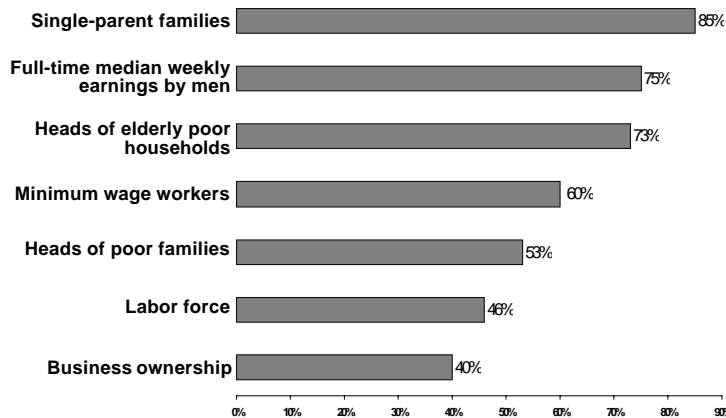
number of working women with preschool children has quadrupled. Today nearly two-thirds of American mothers with children age three or less are working. These women want to be able to have families but also remain committed to their careers.

Achieving a work-life balance is growing in im-

portance, and now rightly includes the needs of all employees, including working fathers, single parents, caregivers, and childfree and low-income workers. In fact, over the past year men comprised 42 percent of applicants requesting leave under the Family and Medical Leave Act, which provides full-time employees with up to 12 workweeks of unpaid, job-protected leave.

Businesses are discovering that work-life initiatives such as flexible work scheduling, dependent care services, time-off policies, financial assistance, health and

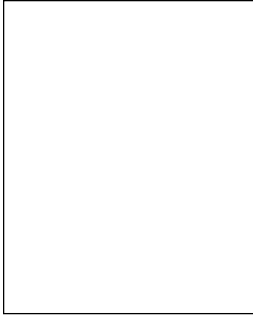
U.S. Women's Share of...



Sources: Catalyst; U.S. Census Bureau; DOL, Women's Bureau; Bureau of Labor Statistics; Center for American Women in Politics, Rutgers University; National Foundation of Women Business Owners; AFL-CIO; Institute for Women's Policy Research

pay and salary adjustments to female employees of Texaco. Damages in a wage-based sex discrimination settlement against Merrill Lynch are still pending. And Kodak, responding to internal complaints, recently agreed to pay women employees retroactive raises, totaling several million dollars.

Meanwhile, further government regulation is being considered. Two equal-pay measures are currently mired in Congress: the Paycheck Fairness Act and the Fair Pay Act. The Paycheck Fairness Act would forbid employers from pe-



Stefanie Haug is an associate portfolio manager and participates in shareholder activism initiatives. Steff's work focuses on international, child labor, and gender issues.



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 wellness programs, and concierge services are linked to real business goals. In today's tight labor market, companies have to make themselves as attractive as possible to secure the best and brightest of workers. Furthermore, work-life programs have been shown to improve overall job performance by enhancing productivity, reducing absenteeism and turnover, attracting and retaining talented workers, and enhancing employee commitment. In 1997, a Hewlett-Packard Financial Services processing center sharply increased its productivity when some workers chose to work four 10-hour days. The center began completing 252 transactions a week versus 185 transactions previously.

Some work-life initiatives, however, like part-time work, remain inadequate. Part-time work typically does not offer pension or health insurance benefits. Working women whose spouses earn high salaries and who have greater family assets are more likely than others to work part-time. This suggests that for the majority of families, part-time work is not a viable financial strategy for balancing work and family responsibilities.

Family Business

Wage regulations and work-life balance offerings come in tandem with a growing recognition that wage inequities impact not only women but their families as well. Worldwide, women make up three-fifths of all adults living in poverty. In the United States, 53 percent of all families living in poverty are headed by single women.

Clearly, if women were paid equitably, families would benefit directly. Organizations have

worked to quantify this argument. A study for the Institute for Women's Policy Research and the AFL-CIO revealed that the average family loses \$4,229 annually due to the wage gap. The study predicts that poverty rates would drop by more than 50 percent if women received equal pay.

Still, management looks at women and sees moms. When Pepsi-Cola Co. North America chief executive Brenda Barnes resigned in September 1997 in order to spend more time with her family, her story hit the prime-time media. Notes *Working Woman*, "[It was] funny that when she got the top job ... no video crew was on hand to capture the moment. After 22 years of corporate life, Barnes was famous coast-to-coast not for her professional achievements, but for being a mother." Increasingly, men are in the spotlight for similar reasons.

SRI: Working Toward a Solution

Walden recognizes that workplace inequalities are not an issue exclusively about women, but about families and society. Without fair pay, women and families lose. Lower lifetime earnings translate into lower pensions. The fact that women on average live longer than men only increases the loss of income for women in their lifetimes.

Walden strives to bring these issues to the forefront of public awareness and company board agendas. Annually, we survey our major domestic holdings to review employment data to understand better their hiring and promotion practices. In 2000, Walden filed several resolutions related to gender in the workplace. We filed one resolution with commercial printer, R.R. Donnelley, to request a review of

wage equity issues and withdrew one with MBNA when the company agreed to provide, for the first time, a diversity report. We also take a stand through proxy voting and routinely vote against board slates without women. Our Community Development Investment Service enables clients to support directly organizations led by and focusing on women. Meanwhile, Walden continues to collaborate with nonprofits and other social investors to educate and act on issues related to gender diversity and workplace inequalities. Given women's significant role in the workplace and in families, there is, without a doubt, a need for action.—SHaug

Innovators

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 ing. In the year ending September 30, 2000, the S&P SmallCap 600 outperformed the S&P 500, 24.2 percent to 13.3 percent. While past results are no guarantee of future performance, Walden's Innovations portfolios have significantly outperformed their small-cap benchmark over 1, 3 and 5 year periods.

The results are in. Indeed, an Innovations portfolio can complement a client's existing portfolio both socially and financially. A prudent asset allocation strategy for socially responsive investors can include a portfolio of true innovators—companies that are not only responding to society's greatest challenges, but are actively working to solve them.—KScott

Wage Equity

Seeking the Questions to Ask

Walden is working on a project to learn how corporate leaders think and act on issues of wage equity. We are asking several dozen companies that have strong employment policies and benefits to answer questions on: wage growth of low and mid-level wage earners, employee stake and growth in stock ownership programs, minimum wage policies and lobbying, equal wage policies and practices, and standards for international (developing economies) compensation. Our aim is to determine an appropriate set of questions to ask of companies generally, and to provide a benchmark standard of practice.

We will report on our findings in the next issue of Values.



**GMOs:
Essentially
Unnecessary?**

Proponents of genetically engineered crops, or genetically modified organisms (GMOs), claim the products are essential to addressing world hunger by producing greater yields on less land. According to Miguel A. Altieri of U.C. Berkeley, and Peter Rosset of Food First/Institute for Food and Development Policy, however, maldistribution of land and income, not underproduction of food, causes hunger. Further, USDA data for 1998 showed yields in many areas of the United States were not significantly better with GMO crops. New agroecological techniques are helping small farmers in Asia, Africa, and Latin America boost production and reduce ties to proprietary seed and herbicide packages, as well as helping them avoid genetic monocultures susceptible to pest resistance and new diseases.

See <http://www.foodfirst.org> for more information.

Engineered Food for Thought

In the past year, genetically engineered (GE) foods and crops have become a hot issue for socially concerned investors, fueling the biggest growth in shareholder resolutions filed at companies since the South Africa divestment campaign. Twenty U.S. companies were the targets of GE-related resolutions from more than 30 institutional investors. The resolutions called for the companies to stop producing genetically engineered seeds or to remove genetically engineered ingredients from their products, until they are found safe for humans, animals, and the environment. By contrast, no resolutions were filed with companies on this topic in 1999.

Of the 20 resolutions, all companies except Monsanto challenged them before the Securities Exchange Commission (SEC) in an attempt to prevent their shareholders from voting on them. In a major victory, the SEC ruled in favor of proponents of the resolutions. The SEC agreed with shareholders on key points:

- 1) the use of genetically engineered foods and crops is a major policy issue, not just "ordinary business" for management to deal with;
- 2) companies could reasonably implement the resolutions;
- 3) the shareholders' statements in the resolutions were truthful.

The shareholder initiatives were led by the Interfaith Center on Corporate Responsibility (ICCR) with support from Walden and others in the SRI community. Walden helped draft the text of the resolutions used by investors, par-



Steven Heim is a Social Research Analyst. Since 1994, he has also worked closely with Rural Vermont, a family farm and environmental advocacy group.

ticipated in strategic planning, and helped defend the resolutions with the SEC. Shareholders, in their dialogues with companies, were supported by technical experts from the Friends of the Earth, Council on Responsible Genetics, Rural Advancement Foundation International, Consumers Union, and National Wildlife Federation.

Walden led shareholder initiatives with six companies this past year: Kroger, ConAgra, Tricon Global Restaurants (KFC, Taco Bell,

Pizza Hut), Campbell Soup, Novartis, and Schering AG. Walden's shareholder resolution with Kroger, the largest supermarket chain in the United States, won just over 3 percent of the vote by its shareholders, just enough to bring the issue before the company in the coming year. Walden withdrew its resolutions with Tricon and ConAgra to pursue dialogue with the companies on the issue, and filed a resolution with Campbell for 2001. Campbell is also the target of a national campaign led by Genetic Engineering Food Alert, a coalition of seven national environmental and consumer groups.

In the coming year, shareholders led by ICCR will target more than 30 companies on genetically engineered foods and seeds, almost a 50 percent increase from the 2000 proxy season. To garner more votes from institutional investors, some resolutions will call for reports from companies on how they can phase out genetically engineered ingredients, and others will call for companies to label these products. Walden hopes that large institutional shareholders will vote in favor of the resolutions and so allow further opportunity for dialogue with companies on this important issue.—SHeim

1999-2000 SRI INDUSTRY SHAREHOLDER INITIATIVES RELATED TO GE FOODS AND SEEDS

Resolutions Presented at Annual General Meetings	Resolutions Withdrawn for Dialogue or Other Reasons	Resolutions to be Voted On	Dialogues with Foreign Companies
Coca Cola, General Mills, Kroger, McDonald's, Pharmacia (Monsanto), Pepsi, Philip Morris, Procter & Gamble, Quaker Oats, Safeway	Albertson's, ConAgra, Dow Chemical, DuPont, H.J. Heinz, Tricon Global Restaurants	Archer Daniels Midland, Campbell Soup (2001), Sara Lee	Novartis, Schering



A Blueprint for International Shareholder Advocacy

Social investors have embraced the diversification benefits of international investing but are grappling with the challenge of how to effectively carry out their advocacy objectives abroad. Many have felt overwhelmed by differences in company bylaws, levels of disclosure, proxy voting procedures, shareholder rights, and government regulations pertaining to employment and environmental practices.

Indeed, challenges to effective international shareholder activism are real. Shareholder rights vary from country to country, particularly as they pertain to the shareholder resolution process. Many countries limit access to company proxies via the resolution by requiring ownership thresholds that are too high for most investors, ranging from 1 percent (Germany and Japan) to 5 percent of outstanding shares (France). Furthermore, restrictions are sometimes placed on what types of issues can be addressed. In Japan, ballot items must concern profit allocation, election or compensation of directors or statutory auditors, selection of public auditors, or amendments to the articles of association. Finally, there is the cost hurdle. In the U.K., for example, a company may require petitioners to deposit funds to cover the cost of circulating notices and shareholder statements.

Walden is working hard to surmount these barriers. Our greatest successes have come outside the realm of shareholder resolutions. We have modeled our approach after, and partnered with, strategic shareholder groups in Europe that have a long history of involvement. For example, we have worked with the Critical Shareholders Group of Germany (DKAA), which has addressed concerns on social issues through private

dialogue, counterproposals on the proxy agenda (in lieu of the ballot), voicing concerns at annual general meetings (AGMs), and through the German courts.

How Can U.S. Investors Get Involved?

Learn the rules of the game. Armed with knowledge of country specific markets, one can better maneuver through the maze of different rules and regulations.

Develop global proxy voting guidelines and vote your proxies. Walden incorporates best board practices, such as independence and accountability, as well as social issues in our country-specific proxy guidelines. For example, we automatically vote against director slates with no disclosure of professional affiliation or ties to the company, and, in the U.K., if the board consists of less than one-third nonexecutives.

Pursue alternatives to the shareholder resolution process. Letter writing, surveys, face-to-face meetings, and partnerships with nongovernmental organizations (NGOs) and local shareholder groups form Walden's core approach to company dialogue. This is consistent with our U.S.-based activism, which favors dialogue over proxy resolutions unless we reach an impasse. Letter writing is most effective when addressing a specific issue, such as investment ties to the China Development Bank, which funds the Three Gorges Dam in China. A survey of Walden's top 20 Japanese holdings inquiring about their policies on director and statutory auditor independence and board size received an 80 percent response rate. Visits with company management outside the U.S., particularly when

accompanied by a local partner, have helped us establish ongoing relationships with a number of companies.

Develop a network of local partners to gain legal representation at AGMs. For example, Walden's representation in France at the 2000 AGM of Imerys by the PACE labor union helped workers campaign successfully for union representation (see sidebar). In 1999 DKAA represented Walden in Germany at the Hypo Vereinsbank's AGM to voice our shared concern about the flooding of arable land and the displacement of farmers resulting from the construction of the Maheswhar Dam in India.

The Road Ahead

We have reason to be optimistic. Emerging abroad in support of corporate social responsibility is a new regulatory environment, such as the recently enacted Turnbull Code in the U.K. that requires companies and pension funds to address social and environmental concerns. We also observe a sizable increase in social investors and funds in the U.K., France, and Germany. No doubt, these factors have contributed to a higher level of company receptivity on issues ranging from social and environmental criteria in project financing at Credit Suisse, to sexual harassment prevention at Astra AB, to alternative energy commitments at British Petroleum. The creation of a blueprint for international shareholder activism is well underway at Walden.—LCompere

In our last issue of Values, we wrote that Walden had been represented at the annual general meeting of Imerys, a French-based minerals and materials company. We were concerned with the company's alleged union-busting activities at an Alabama plant.

We are glad to report that this summer, the PACE Union won representation at the Alabama plant.

Walden provided entry for PACE's international union affiliate to the Imerys shareholders' meeting in Paris this past May. A union delegate delivered a statement on our behalf expressing strong support for the rights of workers to choose union representation. That event, subsequent media attention, and continued pressure on the company, prompted a major announcement to employees in Alabama that the company would not discriminate against workers for being pro-union. The vote to unionize soon followed.

Lauren Compere is a client relationship manager. She also helps coordinate our international proxy and shareholder advocacy initiatives.



Walden Welcomes Tim Smith

Walden Asset Management is very happy to welcome **Timothy Smith** to our team. Tim has been appointed Senior Vice President and Director of Socially Responsive Investing. Tim's primary responsibilities at Walden include shareholder activism initiatives and client service activities.

Tim has served as Executive Director of the Interfaith Center on Corporate Responsibility (ICCR) for the past 24 years. ICCR provides research and coordinates shareholder action for some 275 religious institutions and other social investors. Tim has led many of ICCR's innovative programs using shareholder leverage in pursuit of social justice and responsible corporate conduct.

Since Walden's inception in 1975, we've collaborated with Tim and ICCR—building and leading initiatives to promote social change. Geeta Aiyer, President of Walden Asset Management, commented: "Tim's energy, commitment to social justice, and collaborative style of leadership are a great match for the Walden team."

Tim has a Masters in Divinity from Union Theological Seminary and a BA from University of Toronto. He will continue to serve on the board of Shared Interest, a Development Fund for South Africa, and on the Advisory Council for the Foundation Partnership on Corporate Responsibility, of which Tim was a founder.

"I am absolutely delighted to be part of the Walden team. During my almost 30 years at ICCR, I had the opportunity to work very closely with Walden/USTC. I experienced first hand their marks of leadership in SRI. Walden does thorough, comprehensive, and professional screening, creatively assists clients in making community development investments, is a public educator of SRI, and is a leader in shareholder advocacy. Walden takes action with both U.S. and international companies

and is a recognized leader in international SRI.

Walden and the individuals who work for it are committed to blending a passion for social and economic justice with their responsibilities as investment professionals. I believe Walden has been, and will continue to be, a force for change in the world and I look forward to being a key player in helping us be this catalyst for change."

—Timothy Smith

Printed on 100% post-consumer recycled paper with soy ink.



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