



Walden Asset Management

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Shareholder Pressure on Layne Christensen Prompts Board Action on Sustainability Reporting

In the 2010 proxy season Walden Asset Management (Walden) was the sponsor of a shareholder proposal requesting Layne Christensen to begin the process of sustainability reporting. The resolution asked for more information describing the company's policies, programs and performance with respect to environmental concerns such as climate change and water scarcity, impacts on communities, workplace practices and corporate governance. The resolution was supported by a record-breaking 60 percent of the vote.

Despite the majority vote, company management rebuffed attempts by investors to discuss the importance of sustainability reporting and to find common ground. As a result Walden and Christian Brothers Investment Services re-filed the proposal in 2011. In a surprising turn of events, however, management recommended that shareholders vote "For" this resolution, resulting in overwhelming support of 93 percent. Moreover, in advance of the meeting, an inaugural report was posted on the company website, "A History of Sustainable Value."

"This is a curious chapter with a company," stated Timothy Smith, Director of ESG Shareowner Engagement at Walden. "They get a failing grade for investor relations, refusing even a courtesy call with investors who led a resolution receiving a majority vote of 60 percent. Nor was Walden informed of Layne's plans to publish the requested report. Notwithstanding the poor communication, we are certainly thrilled that Layne appears to understand the value of increased transparency on environmental, social and governance policies and performance. The report is wide ranging and comprehensive for a first-time publication. Without a doubt, shareholder interest prompted the company to make this 180 degree change."

"This report is a great start for Layne. A deliberate and thoughtful internal assessment of ESG impacts can uncover long-term opportunities and risks in the company's business practices and enables investors to more fully evaluate and compare company performance," said Marcela Pinilla, ESG Analyst at Walden. "Clearly one future area for improvement is to institute a stakeholder engagement process," she added.

Layne Christensen's inaugural sustainability report is informed by the Global Reporting Initiative (GRI) guidelines, which recommend annual updates and a commitment to continuous improvement.

The report is located at: <http://www.laynesustainability.com/index.html>

As is stated in the report:

"We want to share the ways in which we practice sustainability every day at Layne Christensen. We also want to explore areas where we have an opportunity to improve our performance. Fundamentally, Layne Christensen delivers products and services that help support the world's greatest sustainability challenges — from water resources to energy to minerals for economic development and more...This report enables us to not only discuss the ways in which we are a solution provider, but to consider how we might more strategically integrate sustainability into our organizational objectives."

Layne Christensen Corporation (NASDAQ:LAYN) provides drilling and construction services in two principal markets: water infrastructure (its main business) and mineral exploration, as well as providing unconventional natural gas services for the energy market. The company's customers include municipalities, industrial companies, mining companies, oil and gas companies, and consulting and engineering firms.



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Layne Christensen resolution voting result was **92.8 percent support**.

The exact figures from their legal filing appear below:

Proposal No. 5: Stockholder proposal regarding the preparation of a sustainability report

Final Results: The stockholder proposal regarding the preparation of a sustainability report has been approved by the stockholders.

Stockholder Proposal	For	Against	Abstain	Broker Non Votes
	14,873,784	1,147,321	1,611,235	0

(Source: Layne Christensen's June 14, 2011 8-K Filing)