



2010

US SIF and  
US SIF Foundation  
Annual Sustainability  
and Financial Report

*Advancing Sustainable and  
Responsible Investing (SRI)  
in the United States*



The Forum for Sustainable and Responsible Investment



## About US SIF

US SIF: The Forum for Sustainable and Responsible Investment is the US membership association for professionals, firms, institutions and organizations engaged in socially responsible and sustainable investing. US SIF and its members advance investment practices that consider environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact. Our vision is a world in which investment capital helps build a sustainable and equitable economy.

US SIF's members include investment management and advisory firms, mutual fund companies, research firms, financial planners and advisors, broker-dealers, banks, credit unions, community development organizations, non-profit associations, and pension funds, foundations and other asset owners. US SIF members practice SRI through methods such as portfolio selection analysis, shareholder advocacy and community investing. US SIF is a non-profit 501(c)(6) organization.

US SIF Foundation is a nonprofit 501(c)(3) organization. The objective and purpose of the Foundation is to support the activities and purpose of US SIF, its sole member, by assuming the responsibilities for, and the management of, certain educational, research and programmatic activities.

### Report Overview and Boundary

US SIF and US SIF Foundation were called the Social Investment Forum Ltd. and the Social Investment Forum Foundation in 2010. However, this report was issued in 2011 after our names were changed and we have reflected the name changes in this report.

The following annual report covers the 2010 calendar year, which also correlates to the fiscal year for the Social Investment Forum Ltd. and the Social Investment Forum Foundation. For the purposes of the Global Reporting Initiative (GRI), this report is a self-declared A-level GRI report completed in accordance with the GRI's third generation G3 Guidelines and GRI's sector supplement for non-governmental organizations. A complete GRI Index appears at the end of this report.

### Contact Us

US SIF: The Forum for Sustainable & Responsible Investment  
910 17th Street NW, Suite 1000  
Washington, DC 20006  
P 1+202-872-5361  
F 1+202-775-8686  
Website: [www.ussif.org](http://www.ussif.org)

*To submit comments on or to ask questions about this report, please contact Alya Kayal, Director of Policy and Programs, at [akayal@ussif.org](mailto:akayal@ussif.org).*

# Table of Contents

CEO and Chair Letter . . . . .	2
Research . . . . .	4
Advocacy . . . . .	6
Media and Events. . . . .	10
Working Groups . . . . .	12
Financials . . . . .	15
Governance . . . . .	27
Policies and Practices. . . . .	31
GRI Index . . . . .	35

## CEO and Chair Letter

Dear Members and Other Stakeholders:

Our fiscal 2010 year marked many milestones for US SIF as it worked to advance sustainable and responsible investing (SRI). We launched the year with a new strategic plan, for years 2010 through 2012, that presented a revised mission statement and vision for US SIF along with the key goals for the next three years. The mission statement declares that US SIF “advances investment practices that consider environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact.” The vision statement announces that “Our vision is a world in which investment capital helps build a sustainable and equitable economy.” The plan presents five strategic goals for the organization. These are to:

- Support members’ professional and educational development.
- Create greater public awareness of SRI through research, media and public policy advocacy.
- Substantially increase the number of individuals and institutions engaged in SRI.
- Increase US SIF membership.
- Create a financially viable business model for US SIF.

Each of our major program areas this year are measured against these goals in this report.

Our commitment to an integrated format for this annual report—one that incorporates sustainability and financial metrics—continues from our first report of this type last year and our pledge to practice what our members advocate for at companies. We welcomed comments on our 2009 report and received much praise, along with suggestions of areas for improvement. Better reporting means giving you a clearer explanation of how we view sustainability and its impact on our organizational development and bottom line. Because US SIF represents the sustainable and responsible investment movement in the United States, our future success is tied to, and depends on, greater public understanding and implementation of sustainable development. We also view as critical how our own operations affect our employees, community and the environment, and we sought to address these issues directly in this report through expanded metrics and disclosures of information on policies and practices. This includes our first calculation of our carbon footprint.

**FINANCES:** A clear challenge for US SIF is growing its budget and diversifying its funding, even while understanding that member dues will always be our primary revenue source. In 2010, US SIF tapped additional sponsorship support and foundation funding, and expanded the events it hosted throughout the year. After operating at a deficit in 2009 due in large part to the difficult economic climate, US SIF essentially recognized a break-even year in 2010 on a consolidated basis. US SIF is continuing to pursue revenue diversification and growth in 2011 with additional fee-for-service activities, events and foundation support, including our inaugural conference in June 2011 in Washington, DC.



LISA WOLL



CHERYL SMITH

**MEMBERSHIP:** As anticipated, membership dues were US SIF's primary source of revenues in 2010 and accounted for 67 percent of its total revenue. US SIF focused on expanding its membership ranks, and succeeded in recruiting 30 new members in 2010.

**RESEARCH:** US SIF Foundation published its flagship *Report on Socially Responsible Investing Trends in the United States* in 2010 after a one-year delay, due to fundraising challenges in 2009 associated with the financial crisis. The Foundation used the additional time to further refine the report's methods and expand its scope. For the first time, the Trends survey asked institutional investors and money managers about the reasons for their incorporation of environmental, social and governance (ESG) factors into investment analysis or decisionmaking, and the responses provided new insights that we shared with the media and general public. The 2010 edition also provided more detail on alternative investment vehicles incorporating ESG criteria. During the year, US SIF also expanded and improved the research it includes in its Mutual Fund Performance Chart, which tracks member funds' performance.

**ADVOCACY:** The year 2010 marked US SIF's most active year on the public policy front. US SIF staff advocated on members' behalf for financial reform and the passage of the *Dodd-Frank Financial Reform and Consumer Protection Act*, signed into law by President Barack Obama in July 2010. It also included work at the Securities and Exchange Commission to implement the provisions of this sweeping legislation and to champion mandatory ESG disclosure. At the Department of Labor, we continued to challenge staff bulletins from 2008 that appear to caution fiduciaries for private pension funds away from SRI strategies. Our efforts also included a bill proposing a no-fee SRI option for federal employees in their retirement plan.

**MEDIA:** US SIF launched a social media plan in 2010 and created a Twitter account, Facebook page and dedicated LinkedIn facility to enable members to champion their affiliation with US SIF. The staff at US SIF also engaged numerous media outlets throughout the year to raise awareness of US SIF and SRI.

**PROGRAMS:** US SIF continued to support its members' individual interests through its working groups, which, with assistance from US SIF staff, refocused efforts to channel activities toward meeting US SIF's strategic goals. These and other efforts are discussed throughout this report.

Sincerely,



Lisa N. Woll  
CEO



Cheryl Smith  
Board Chair

# Research

STRATEGIC GOAL	ACHIEVEMENTS
Support members' professional and educational development.	US SIF Foundation produced the <i>2010 Report on Socially Responsible Investing Trends in the United States</i> and <i>Creating a Sustainable World: A Guide to Responsible Stewardship of American Indian Assets</i> in 2010 and made these resources available to members through its website. US SIF updated and added features to the mutual fund performance chart offering research on members' mutual fund offerings.
Create greater public awareness of SRI through research, media and public policy advocacy.	The publication of Trends and the Guide raised awareness of SRI among the general republic, with more than 100 references in press articles for both reports.
Substantially increase the number of individuals and institutions engaged in SRI.	US SIF updated its Top Ten Questions About SRI factsheet to better reflect advances made in SRI product offerings. The updates to the mutual fund performance chart also forwarded the goal of raising awareness of SRI.
Increase US SIF membership.	These resources were a key selling point to attract new members in 2010.
Create a financially viable business model for US SIF.	The <i>2010 Trends Report</i> and <i>A Guide to Responsible Stewardship of American Indian Assets</i> received significant funding through foundations and member sponsorships.



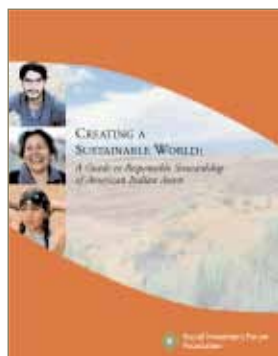
**2010 TRENDS REPORT:** After delaying release of the *Trends Report* in 2009, the US SIF Foundation, under the leadership of Research Director Meg Voorhes, Project Director Joshua Humphreys and the US SIF Research committee, was pleased to debut the publication of the *2010 Report on Socially Responsible Investing Trends in the United States* in November following a tele-news event with more than 20 media outlets. In addition, the *2010 Trends Report* was featured in special webinars with the report's sponsors and members.

The 2010 report improves upon previous editions in several ways. For the first time, the Trends survey asked institutional investors and money managers about the reasons for their incorporation of environmental, social and governance (ESG) factors into investment analysis or decisionmaking, and the responses provided new insights that we shared with the media and general public. The

2010 edition provided more detail on alternative investment vehicles incorporating ESG criteria, with a special section on responsible property investing. It covered a broader range of governance issues that are incorporated into investment strategies or shareholder advocacy campaigns and provided more background on the reasons for growth in the field of community investing.

US SIF Foundation received two foundation grants for the report, from The Rockefeller Foundation and Wallace Global Fund. Several US SIF members were generous sponsors of the 2010 Trends Report:

Bloomberg, Calvert Investments, Christian Brothers Investment Services, Clearbridge Advisors, Legg Mason Investment Counsel, MSCI, Neuberger Berman, Sentinel Investments, Towers Watson Investment Services, TIAA-CREF, Trillium Asset Management, United Methodist Church General Board of Pension and Health Benefits and Walden Asset Management. US SIF also would like to thank the research committee members for their input in refining our research methods and defining the report parameters: Mark Bateman, Sarah Cleveland, Justin Conway, Joanne Dowdell, Kimberly Gladman, Paul Hilton, Amy Muska O'Brien, David Wood and Tim Smith. (For more information, visit <http://www.ussif.org/trends>.)



**SRI GUIDE FOR AMERICAN INDIANS:** In April, US SIF Foundation published *Creating a Sustainable World: A Guide to Responsible Stewardship of American Indian Assets*. The first publication of its kind, the handbook details how American Indian financial portfolios can integrate socially responsible investment strategies into the management of tribal and other Native American assets. US SIF staff member Sylvia Panek, the program coordinator for the Indigenous Peoples Working Group (IPWG), and several US SIF members presented the guide at the SRI in Oneida conference in Green Bay, Wisconsin, in August. The guide was co-authored by US SIF Director of Programs Peter DeSimone and Donald Trone, CEO of Strategic Ethos and president of the Foundation for Fiduciary Studies. Sylvia Panek also contributed to the report. The publication was supported by grants from the J.A. & H.G. Woodruff, Jr. Charitable Trust and the Oneida Tribe of Indians of Wisconsin. (See <http://www.ussif.org/resources/pubs/>.)

**RESOURCES FOR US SIF MEMBERS:** US SIF also released several publications and updates to its website as a benefit to members. The US SIF staff released four editions of The SIF Scoop in 2010, an electronic newsletter. An archive of all editions is available in the Member Center of the website. US SIF also updated its *Socially Responsible Investing: Top 10 Frequently Asked Questions and Answers*, including new data from the *2010 Trends Report*. Finally, US SIF added a page to its website to feature research reports released by its member organizations, as well as a download tracking system to help assess the popularity and educational value of US SIF's free publications.

**SRI MUTUAL FUND PERFORMANCE:** With data from US SIF member Bloomberg, US SIF updated SRI mutual fund performance for its members' funds throughout 2010, offering useful data to retail investors and financial advisors. The data was the basis for a tele-news event in January unveiling enhancements to the chart, which now allows users to sort through mutual fund investment options from our members based on asset class, performance record, approaches to integrating sustainability criteria into investment approaches, and proxy voting guidelines. The press event also highlighted that two thirds of US SIF's member mutual funds outperformed their benchmarks during the 2009 economic downturn. (See <http://www.ussif.org/resources/mfpc/>.)

**PLANNING:** During 2010, US SIF Foundation made plans to produce an update to *Defined Contribution Plans and Socially Responsible Investing in the United States*, last produced in 2007.



# Advocacy

STRATEGIC GOAL	ACHIEVEMENTS
Support members' professional and educational development.	<p>US SIF met with Commissioners and staff of the Securities and Exchange Commission (SEC) as well as with numerous Congressional representatives in 2010 to advance the policy priorities of US SIF members. These included:</p> <ul style="list-style-type: none"> <li>• advocacy for financial reform as enacted by the Dodd-Frank Financial Reform and Consumer Protection Act and support for implementation at the SEC.</li> <li>• pressing for passage of the Federal Employees Responsible Investment Act (FERIA), a bill to give federal employees an SRI option in their non-fee retirement investment offerings.</li> <li>• communicating with senior Department of Labor officials on ERISA guidance on SRI strategies and fiduciary duty, and</li> <li>• formally commenting to the Environmental Protection Agency to support its proposed amendment to the Mandatory Greenhouse Gas Reporting Rule to require facilities and suppliers to identify their US parent companies.</li> </ul>
Create greater public awareness of SRI through research, media and public policy advocacy.	<p>US SIF issued nine policy-related press releases in 2010 on financial reform legislation, FERIA and other priorities, and published an op-ed in the Huffington Post on financial reform. US SIF hosted a Policy Symposium in Washington, DC, in 2010 that was open to the public, as well as its annual Capitol Hill advocacy day for members. In all meetings with government officials, US SIF staff highlighted developments in SRI to raise awareness about the field and US SIF member activities.</p>
Substantially increase the number of individuals and institutions engaged in SRI.	<p>US SIF held numerous meetings with Congressional and SEC staff members in 2010 to provide our insights on SRI-related issues, including on Dodd-Frank provisions for say on pay, proxy access and compensation disclosure.</p>
Increase US SIF membership.	<p>US SIF's public policy and advocacy work attracted attention and helped in recruiting members in 2010.</p>
Create a financially viable business model for US SIF.	<p>Through these efforts, US SIF attracted members and member support.</p>



US SIF staff advocated on behalf of its members and in furtherance of the US SIF mission throughout the year. It met with the staffs of members of the US Congress, as well as at the Securities and Exchange Commission (SEC) and the Department of Labor (DOL), on several fronts during 2010. Public policy priorities during the year included winning passage of comprehensive financial reform legislation, commenting to the SEC on rulemaking, championing mandatory ESG disclosure, building support for the Federal Employees Responsible Investment Act (FERIA), and addressing SRI strategies and fiduciary duty under the Employee Retirement Income Security Act of 1974 (ERISA). Direct efforts by staff to advocate on behalf of US SIF members on Capitol Hill and in the executive branch were supplemented by its events in Washington, DC, to raise awareness about SRI, including US SIF's policy symposium hosted at the Pew Charitable Trusts in September 2010 and its member advocacy day on Capitol Hill in May.

**FINANCIAL REFORM:** US SIF staff held numerous meetings with Congressional staff from both parties, initiated several rounds of phone and letter-writing campaigns, and engaged media to highlight key issues to secure passage of the *Dodd-Frank Financial Reform and Consumer Protection Act* and to ensure the final bill included key corporate governance reforms and additional disclosures important to our members. US SIF and its members championed a series of measures to combat the loopholes and weaknesses in regulation of US financial markets:

- improved corporate governance (granting shareholders rights to nominate alternative candidates to boards or “proxy access,” requiring a majority voting standard for the election of board directors, and mandating a shareholder advisory vote on executive compensation or “say on pay”);
- creation of a financial regulator dedicated to protecting consumers (the Consumer Financial Protection Bureau);
- regulation and oversight of all investment products including hedge funds and derivatives;
- sufficient resources for regulators, with a particular focus on adequate funding for the Securities and Exchange Commission (SEC);
- creation of a systemic risk regulator;
- enhanced oversight and higher standards of accountability for credit rating agencies; and
- a “clawback” provision for shareholders to recoup executive compensation wrongly awarded based on misstated financial statements or under other circumstances.

President Barack Obama signed the final bill into law in July 2010.

While US SIF could point to many victories in the final law, several issues it strongly supported did not make it into the final legislation. These included a majority voting standard for directors of corporate boards. Under most state laws, including in Delaware where most US corporations are registered, the default standard for uncontested corporate elections remains a plurality vote. Therefore, directors can be elected or reelected even if a majority of votes are withheld from them. US SIF continued to push for a majority voting standard throughout 2010. In addition, while the financial reform bill requires companies to hold a “say on pay” vote, they will have the option of holding votes only once every three years. US SIF members continued to press companies to hold annual votes throughout 2010. Finally, US SIF had advocated for SEC self-funding, so that the commission would have the funding it needed to fully implement its mandate under Dodd-Frank to complete key rulemaking and studies, as well as to be a strong regulator for many years to come. US SIF continues to press Congress for sufficient funding for the SEC.

**SECURITIES AND EXCHANGE COMMISSION RULEMAKING:** US SIF's job was not done when Dodd-Frank was enacted. The legislation spurred rulemaking at the SEC to implement various provisions. US SIF issued preliminary and final comments to the SEC in 2010 and continuing into 2011 on proxy access (Section 971), say on pay (Section 951), pay disparity disclosures (Section 953-b), conflict minerals (Section 1501), mine safety (Section 1502), and resource extraction company payments to host governments (Section 1503). US SIF also engaged SEC Commissioners and staff in highlighting its recommendations for implementing these provisions. US SIF issued a statement in opposition to the filing by the Business Roundtable and the US Chamber of Commerce of a lawsuit seeking to overturn the SEC's proxy access rule. In addition, US SIF staff sent comments to the SEC on its concept release for reforms of the US proxy voting system in October 2010.

**INVESTOR ADVISORY COMMITTEE:** The SEC established the Investor Advisory Committee (IAC) in 2009 to advise the commission on matters of concern to investors in the securities markets, as well as on investors' perspectives on non-enforcement and evolving regulatory issues. The SEC selected representatives from US SIF members AFL-CIO Office of Investments (Damon Silver), Domini Social Investments (Adam Kanzer) and TIAA-CREF (Hye-Won Choi) to sit on the committee. Through the IAC's Investor as Shareholder Subcommittee, US SIF sought to raise the issue of mandatory environmental, social and governance (ESG) disclosure in 2010. The committee heard from several experts on this matter, and US SIF furnished copies of its 2009 letter to the SEC's commissioners on a blueprint for implementing such reforms. However, passage of *Dodd-Frank* gave a legal mandate for a permanent Investor Advisory Committee (IAC) at the SEC to be formed. Since then, US SIF has been pressing the SEC to reconstitute the committee under this new legal mandate and to once again appoint representatives to it from the socially responsible and sustainable investment movement.

**ESG DISCLOSURE:** In addition to sending communications to the IAC on ESG disclosure, US SIF continued to press the issue in meetings with SEC commissioners and staff throughout 2010. US SIF staff also pushed for a requirement to be included in financial reform legislation for the SEC to study and take action on this issue, although this effort failed.

**SRI OPTION FOR FEDERAL EMPLOYEES:** In September 2010, Rep. Jim Langevin (D-RI) and co-sponsors Reps. Patrick Kennedy (D-RI), Dennis Kucinich (D-OH), Nita Lowey (D-NY) and James McGovern (D-MA) introduced the Federal Employees Responsible Investment Act (FERIA), following numerous Hill meetings initiated by US SIF staff. A significant milestone for US SIF members and the SRI industry, FERIA directs the Federal Retirement Thrift Investment Board to select a "Corporate Responsibility Index" (CRI) as an option for Thrift Savings Plan (TSP) investment purposes. The new CRI would include companies that meet strict financial criteria, in addition to having strong corporate governance, sustainable environmental policies and practices, solid workplace relations, positive community involvement, safe products, and respect for human rights around the world. The TSP, a retirement savings plan for members of the uniformed services and civilians employed by the US government, currently offers federal employees a choice of 10 funds. Five are dedicated to fixed asset classes—one dealing with government bonds and the other four tracking specific market indices—while the other five are "lifecycle" funds designed to adjust the allocation mix of investments among the individual funds depending on retirement dates. The 10 funds are the only investment options for federal employees without a fee.

**SRI AND FIDUCIARY DUTY:** After US SIF organized a meeting in December 2009 by a small delegation of US SIF members with the Assistant Secretary of Labor for Employee Benefit Security Administration and her senior staff, US SIF sent communications and briefings to her and her staff through 2010 on how fiduciaries and fiduciary standards in developed economies are encouraging the consideration of ESG criteria as an additional level of financial risk analysis. US SIF continued to express concern about two bulletins from the Department of Labor in 2008 that appear to discourage fiduciaries from taking steps to caution or question portfolio companies about corporate policies if the fiduciaries cannot document that the long-term benefits from this intervention will outweigh the immediate costs. The Department of Labor is responsible for interpreting the Employee Retirement Income Security Act of 1974 (ERISA), a federal law that sets minimum standards for private pension plans.

**CLIMATE CHANGE ISSUES:** In 2010, US SIF issued a formal comment to the US Environmental Protection Agency to endorse the EPA's proposed amendment to the Mandatory Greenhouse Gas Reporting Rule to require facilities and suppliers subject to the rule to provide the name, address and ownership status of their US parent company, and their primary and all other applicable North American Industry Classification System (NAICS) codes. We had welcomed the original reporting rule a year earlier but had suggested in that comment that the rule would better assist investors in assessing the climate-related risk of portfolio companies if it also provided a way to link reporting facilities to their parent companies. Working with a group of US SIF members, US SIF staff also drafted a set of principles to guide US SIF's advocacy on future climate-related policy and legislation.

**POLICY COMMITTEE AND SUBCOMMITTEES:** None of this work would have been possible without the help of US SIF members and their participation in US SIF's policy committee and subcommittees. The board of

US SIF sets broad public policy priorities for the organization, which the policy committee, with help from subcommittee members, implements throughout the year. US SIF would like to give special thanks to our policy committee co-chairs Cheryl Smith, of Trillium Asset Management, and Tim Smith, of Walden Asset Management, as well as committee members Stu Dalheim and Bennett Freeman (Calvert Investments), Julie Gorte (Pax World Investments), Jeanine Jacokes (Partners for the Common Good), Adam Kanzer (Domini Social Investments), Michael Lent (Veris Wealth Partners) and Betsy Zeidman (then with Milken Institute). US SIF's policy committee also benefited from guidance and input from Maureen Thompson from the Hastings Group.

US SIF also would like to recognize the contributions of its subcommittee members:

- **EXECUTIVE COMPENSATION:** This subcommittee explored responses to the “say on pay” and pay disparity portions of the financial reform legislation during 2010.  
**MEMBERS:** Julie Gorte, Pax World Investments; Maria Kamin, Parnassus Investments; Erica Lasdon, Calvert Investments; Tim Smith, Walden Asset Management; and Dawn Wolfe, Boston Common Asset Management
- **EXTRACTIVES INDUSTRIES DISCLOSURES:** This group investigated the parts of the financial reform bill addressing conflict minerals, payments to governments by oil and gas producers, and mine safety.  
**MEMBERS:** Susan Baker, Trillium Asset Management; Simon Billenness, US Campaign for Burma; Barb Brown, BrownFlynn; Paul Bugala, Calvert Investments; Bennett Freeman, Calvert Investments; Jonathon Jacoby, Oxfam America; Patricia Jurewicz, Responsible Sourcing Network/As You Sow Foundation; and Aditi Mohapatra, Calvert Investments
- **PROXY PLUMBING:** This group crafted a response to the SEC's call for comments on its concept release on the ways proxies are distributed, allocated, voted and tabulated, otherwise known as proxy plumbing.  
**MEMBERS:** Shelley Alpern, Trillium Asset Management; Peter Safirstein, Milberg LLP; Pat Tomaino, F&C Management Ltd.; Dawn Wolfe, Boston Common Asset Management; and Beth Young, The Corporate Library
- **ESG DISCLOSURE:** This subcommittee explored the prospects and supporting research for mandatory sustainability reporting in following upon US SIF's proposal to the SEC from 2009.  
**MEMBERS:** Barb Brown, BrownFlynn; Jim Coburn, Ceres; Bennett Freeman, Calvert Investments; Julie Gorte, Pax World Investments; Adam Kanzer, Domini Social Investments; Jonas Kron, Trillium Asset Management; Sanford Lewis, Strategic Counsel on Corporate Accountability/Investor Environmental Health Network (IEHN); Peter Safirstein, Milberg LLP; Julie Scott, MSCI/ISS Governance; and Tim Smith, Walden Asset Management
- **CLIMATE CHANGE:** This group monitored climate change legislation, as well as attempts to strip the Environmental Protection Agency's authority to regulate greenhouse gases emissions.  
**MEMBERS:** Jim Coburn, Ceres; Stu Dalheim, Calvert Investments; Chris Fox, Ceres; Julie Gorte, Pax World Investments; Jonathon Jacoby, Oxfam America; Michael Kramer, Natural Investments; Larisa Ruoff, Green Century Capital Management; Fran Teplitz, Green America; and Mark Tulay, IW Financial.
- **ERISA AND FIDUCIARY DUTY:** This group continued to follow up on concerns over the October 2008 Department of Labor bulletins that discourage ERISA fiduciaries from considering ESG issues.  
**MEMBERS:** Paul Hilton, Calvert Investments; Adam Kanzer, Domini Social Investments; Jonas Kron, Trillium Asset Management; and Tim Smith, Walden Asset Management

# Media and Events

STRATEGIC GOAL	ACHIEVEMENTS
Support members' professional and educational development.	US SIF hosted a combination of online, telephonic and in-person events throughout the year to support its members' professional and educational development, as well as to facilitate networking. US SIF offered members a greater number and diversity of events and topics in 2010 over offerings in 2009. It also hosted its first policy symposium in Washington, DC, in 2010.
Create greater public awareness of SRI through research, media and public policy advocacy.	In addition to press releases and tele-news events, US SIF tapped social media channels in 2010 to expand awareness of US SIF and the SRI industry.
Substantially increase the number of individuals and institutions engaged in SRI.	US SIF partnered with Financial Times and Responsible Investor to co-produce two conferences in 2010 intended to attract mainstream investors and other attendees unfamiliar with SRI. US SIF also co-hosted an analyst event with Bloomberg, the CFA Institute and NYSSA in New York aimed at introducing traditional financial analysts to SRI.
Increase US SIF membership.	US SIF promoted membership at all of the events it hosted or co-produced, as well as at others where US SIF staff spoke on behalf of the organization.
Create a financially viable business model for US SIF.	All of the events US SIF hosted in 2010 generated revenues to cover or exceed costs associated with them.

In 2010, US SIF expanded its in-person and tele-conference event offerings to members, launched into the social media space and continued efforts to engage the press in raising awareness about US SIF, its members and the sustainable and responsible investing (SRI) industry. US SIF forged unique partnerships to leverage promotion capabilities and defray costs to give members access to a broader array of events in 2010. In addition, US SIF staff spoke at numerous events throughout the year to spotlight the organization and the SRI industry. (US SIF's working groups also held events throughout the year, which are discussed in the next section of this report.)

**TELE-NEWS EVENTS:** In addition to issuing 19 press releases in 2010 on a broad range of topics reflecting US SIF's diverse programs, research and public policy priorities, US SIF hosted two tele-news events during the year. The first in January spotlighted US SIF members' mutual fund offerings and their performance related to their benchmarks and highlighted that more than two thirds of these funds outperformed their benchmarks during the financial downturn in 2009. The second focused attention on the findings from US SIF's *2010 Trends Report*. Both sought to underscore two key messages to media outlets: investors do not need to sacrifice performance to invest in SRI options; and the amount of assets under professional management invested in SRI-related products is growing at a faster rate than other assets under professional management in the United States.

**MEMBER TELE-CONFERENCE EVENTS:** US SIF held another six member-wide calls and webinars in 2010 as part of its effort to expand educational and professional development opportunities for its members. These included a preview of the 2010 proxy season and a proxy season recap, a call on the implications of the *Citizens United v. Federal Election Commission* US Supreme Court ruling, an event focused on investor lessons from the BP oil spill and Massey mine explosion, a progress report on financial reform, and an update on climate change and energy legislation.

**SOCIAL MEDIA:** In 2010, US SIF also launched into the social media space, creating a Twitter account (<http://www.twitter.com/followSIF>), which counted 69 followers by the end of the year, a Facebook page with more than 300 fans (<http://www.facebook.com/socialinvest>), and a LinkedIn presence for exclusive use by US SIF members to demonstrate their professional affiliation with US SIF. US SIF leveraged these new channels to promote events, press announcements, developments in SRI and news surrounding US SIF and the SRI industry.

**POLICY SYMPOSIUM:** With in-kind support from the Pew Charitable Trusts (which made their LEED-certified event space available to US SIF and donated catering), and the financial backing of our event sponsors—BrownFlynn, Calvert Investments, CRF-USA, New Amsterdam Partners, Sentinel Investments and Walden Asset Management—US SIF hosted *Symposium 2010: Public Policy and Sustainable Portfolios*. The event attracted more than 100 attendees and included sessions on financial reform, community investing's role in America's recovery, the emergence of Benefits or "B" Corporations, and political contributions in the wake of the *Citizens United* decision.

**PARTNER CONFERENCES:** In March, US SIF partnered with The Financial Times to produce *FT Investing in a Sustainable World*, which spotlighted several US SIF member panelists and featured a keynote address by New York State Comptroller Thomas P. DiNapoli. In June, US SIF and Responsible Investor produced the *ESG-USA Conference*. Free for participants due to the generosity of Bloomberg and its donation of facilities and catering at its New York City headquarters, the event attracted more than 200 attendees and included sessions on clean-tech investments, approaches to ESG integration in investments, developments in ESG investment research, investment strategies to mitigate climate change risk, and the changing regulatory landscape on sustainability reporting. In November, US SIF participated in its last SRI in the Rockies as a co-sponsor with First Affirmative Financial Network (FAFN), which was held in San Antonio, Texas. Finally, US SIF co-hosted a special analyst event with Bloomberg, the CFA Institute and the New York Society of Securities Analysts (NYSSA) in New York City in November that drew more than 200 attendees and aimed to grow awareness of SRI among mainstream financial analysts.

**MEMBER RECEPTIONS:** US SIF held receptions for present and prospective members in Boston, New York and San Francisco.

# Working Groups

STRATEGIC GOAL	ACHIEVEMENTS
Support members' professional and educational development.	US SIF's working groups offer members specialized programs and offerings tailored to individual interests and professional roles within the broader SRI community. The Community Investing Working Group (CIWG) hosted events and produced materials for this constituency. The Indigenous Peoples Working Group (IPWG) engaged indigenous communities in the United States to promote awareness of SRI, hosted special calls on indigenous peoples' issues and facilitated the filing of shareholder proposals on these issues. The International Working Group (IWG) served SRI professionals with an international focus to their work and sought to engage in issues and activities outside of the United States. The Sustainable Investment Research Analyst Network (SIRAN) offered a unique forum for sustainable investment research analysts to network, discuss research strategies and to engage companies on sustainability issues.
Create greater public awareness of SRI through research, media and public policy advocacy.	All of the groups reached beyond the US SIF membership in 2010 to raise awareness of SRI. Most prominent among these were activities spearheaded by IPWG, IWG and SIRAN to engage companies and other investors on SRI issues, as well as CIWG events drawing participants beyond the US SIF and SRI communities.
Substantially increase the number of individuals and institutions engaged in SRI.	These activities sought to increase the number of individuals engaged in SRI.
Increase US SIF membership.	These program offerings helped US SIF attract and maintain members in 2010.
Create a financially viable business model for US SIF.	By helping to recruit and retain members, the working groups contribute to US SIF's financial health.

US SIF's programmatic work is largely carried out by staff, but also occurs through working groups, where staff works with committed members in several networks focused on community investing, indigenous peoples, international SRI issues and sustainable investment research and analysis. The groups' activities are described in this section. US SIF is indebted to the members who volunteered their time to participate on steering committees, organized calls and events and provided their expertise. Much of this programmatic work is carried out under the auspices of US SIF Foundation. Peter DeSimone, Sylvia Panek and Kristin Lang provided staff liaison and support to the working groups during 2010.



**COMMUNITY INVESTING WORKING GROUP (CIWG):** In 2010, US SIF staff attended the National Interagency Community Reinvestment Conference in New Orleans and the National Federation of Community Development Credit Unions Annual Conference in Pittsburgh, to promote US SIF members' contributions to the field of community investing. CIWG also held two meetings at SRI in the Rockies, including a breakfast for members. Throughout the year, the working group collaborated with US SIF staff on foundation proposals to support a project looking at barriers to community investing and solutions for overcoming them. CIWG also helped organize US SIF's first Community Investing Road Show in Fort Lauderdale, Florida. (The event was held in February 2011, but the majority of planning occurred in 2010.) CIWG members also worked with US SIF's policy committee on a letter writing campaign that urged the Treasury Department to consider the standards under which community banks and credit unions operate and to provide lending for low-to-moderate income communities when disbursing funds through the Community Development Capital Initiative.

The committee was comprised of chair Cliff Rosenthal of the National Federation of Community Development Credit Unions and members Andy Loving of Just Money Advisors, Donna Katzin of Shared Interest, Frank Altman of Community Reinvestment Fund, Art Stevens of Calvert Foundation, Debbie Kobak of Shorebank (now Urban Partnership Bank), Michael Swack of the University of New Hampshire, Saurabh Narain of National Community Investment Fund, Sister Pamela Buganski of Sisters of Notre Dame of Toledo, Elizabeth Glenshaw of Clean Yield, Ellen Golden of Coastal Enterprise, Inc. and Georgette Frazer of First Affirmative Financial Network.

**INDIGENOUS PEOPLES WORKING GROUP (IPWG):** In April, US SIF launched *Creating a Sustainable World: A Guide to Responsible Stewardship of America Indian Assets* with assistance from IPWG working group members. The first publication of its kind, the handbook details how American Indian financial portfolios can integrate socially responsible investment strategies into the management of tribal and other Native American assets. In August, Sylvia Panek attended the SRI in Oneida conference, a conference that was also co-sponsored by US SIF, to promote the handbook.

Meanwhile, IPWG's advocacy subcommittee continued corporate dialogue with FedEx, citing concerns with its sponsorship of the Washington Redskins, a professional football team with a name and mascot that American Indians and many others consider derogatory. In addition, the advocacy committee helped draft a resolution at the National Congress of American Indians calling on tribes to consider an SRI policy guideline for the management of tribal assets. The resolution passed in November.

Susan White of the Oneida Tribe of Wisconsin Department of Trust and Jan Bryan of First Affirmative Financial Network (co-chairs) worked with steering committee members Carla Fredericks of Milberg, Reed Montague of Calvert Investments, Stephanie Leighton of Trillium Asset Management and Steven Heim of Boston Common Asset Management in 2010.

**INTERNATIONAL WORKING GROUP (IWG):** In March, IWG held a reception followed by a day-long symposium on the rising tension between China's economic growth and international influence and the environmental and development challenges facing the country, as well as other issues of concern to sustainable investors working in this market. The event drew speakers and attendees from China and around the world. IWG also held a half-day symposium in the fall on the topic of sustainability leadership in emerging markets, which included a diverse international panel of speakers. Throughout the year, IWG held several conference calls and webinars, including webinars on Verite's "Help Wanted Initiative," a webinar on oil sands and a joint call with SIRAN on the Barrick Gold and Porgea Mine in Papua New Guinea.

Co-Chairs Alison Bevilacqua of Legg Mason Investment Counsel and Craig Metrick of Mercer worked with committee members Jacob Park of Green Mountain College, Alya Kayal of Calvert Investments, Andrika Boshyk of Social Investment Organization, Ashley Hamilton of SHARE, Dan Nielsen of Christian Brothers Investment Services, Judith Moore of the World Bank, Lauren Compere of Boston Common Asset Management, Simon Billenness, Sonia Kowal of Zevin Asset Management, and Mariela Vargova of Rockefeller Financial in 2010.

The Emerging Markets Disclosure Project (EMDP), a special project of IWG aimed at promoting better ESG disclosure practices among emerging market companies, facilitated the activities of country teams in Brazil,



India, Indonesia, South Korea and South Africa in 2010. During the year, EMDP issued a renewed call to action, asking investors to sign onto a statement to declare their support for emerging market companies issuing sustainability reports using the Global Reporting Initiative's reporting guidelines. As of December 2010, investors with more than \$1 trillion in assets under management, including a growing number in emerging markets, had signed onto the statement. The world's largest ESG research providers, as well as a long list of trade associations and civil society organizations, also have endorsed the statement. Throughout the year, EMDP country teams engaged scores of companies on their sustainability reporting practices and won several victories in convincing companies in these markets to improve disclosure. EMDP also created a scorecard to help country teams evaluate corporate practices and to measure the progress of their campaigns.

Steering committee chairs Lauren Compere of Boston Common Asset Management and Mike Lombardo of Calvert Investments led the EMDP with US SIF staff assistance as well as technical assistance and support from the United Nations Principles for Responsible Investment (PRI).

**SUSTAINABLE INVESTMENT RESEARCH ANALYST NETWORK (SIRAN):** In 2010, SIRAN held 13 company meetings, giving analysts within the SRI community unique access to corporate representatives to ask pressing questions about sustainability challenges and opportunities at these companies. Many of the analyst calls focused on the extractives industry and companies with particular sustainability controversies or exceptional practices. These conference calls took place with ABB, AMD, Campbell Soup, Coca-Cola, Darden Restaurants, Devon Energy, ExxonMobil, GlaxoSmithKline, Intel, National Grid, Phillips-Van Heusen, Praxair and Shell. SIRAN also held more than a dozen educational sessions as a component of professional development for its members. Topics included:

- Access to medicine in developing countries
- Corporations and class action litigations
- Executive compensation links to ESG performance
- Human Rights issues in Porgera Mine of Papua New Guinea
- Payments by extractive industry companies to governments
- Conflict minerals in the Democratic Republic of the Congo
- Forest Footprint Disclosure (FFD) project
- Integrated financial and sustainability reporting
- Liabilities in oil sands tailings
- Pharmaceutical standards in emerging markets
- Water risks disclosures

SIRAN also completed its biennial salary survey, allowing SIRAN participants to assess average compensation practices within the various sectors (asset management, research provider, nonprofit) of the SRI industry, as well as their mainstream colleagues in non-SRI financial services. The survey is an invaluable resource to analysts in salary negotiations, as well as a useful benchmark in assessing the diversity of the sustainable investing research analyst community.

Co-chairs Amy Augustine of Calvert Investments (joined Ceres in fall 2010) and Darragh Gallant of Jantzi-Sustainalytics worked with Karoline Barwinski of ClearBridge Advisors, Noel Friedman of MSCI, Steven Heim of Boston Common Asset Management, Heather Lang of Jantzi-Sustainalytics, Elizabeth Levy of Winslow Management Company, Rina Levy of Bloomberg, Mike Lombardo of Calvert Investments, David Loehwing and Heather Smith of Pax World, Mary Jane McQuillen of ClearBridge Advisors, Dan Nielsen of Christian Brothers Investment Services, Marcela Pinilla of Walden Asset Management and Glenn Yelton of IW Financial in 2010.

You can read more about US SIF's working groups and their activities on its website at: <http://www.ussif.org/projects/workinggroups.cfm>.

# Financials



To Board of Directors  
Social Investment Forum, Ltd.  
Social Investment Forum Foundation, Inc.  
Washington, DC

## Report of Independent Auditors

We have audited the accompanying consolidated statement of financial position of Social Investment Forum, Ltd. and Social Investment Forum Foundation, Inc. (collectively referred to as the Organization) as of December 31, 2010 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of the Organization as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2009 financial statements were reviewed by us and our report thereon, dated July 19, 2010 stated we were not aware of any material modifications that should be made to those consolidated financial statements for them to be in conformity with the accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the consolidated financial statements taken as a whole.

*Drolet + Associates, PLLC*

Washington, DC  
June 15, 2011

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
December 31, 2010  
(With Summarized Financial Information for December 31, 2009)**

	2010	Unaudited 2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 136,932	\$ 265,287
Accounts receivable	262	-0-
Prepaid expenses	15,763	2,657
<b>TOTAL CURRENT ASSETS</b>	<b>152,957</b>	<b>267,944</b>
<b>PROPERTY AND EQUIPMENT</b>		
Computers and phone equipment	8,619	3,778
Accumulated depreciation and amortization	(3,075)	(630)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>5,544</b>	<b>3,148</b>
<b>SECURITY DEPOSIT</b>	<b>5,774</b>	<b>5,774</b>
<b>TOTAL ASSETS</b>	<b>\$ 164,275</b>	<b>\$ 276,866</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 37,010	\$ 33,827
Deferred revenue	60,041	176,676
<b>TOTAL CURRENT LIABILITIES</b>	<b>97,051</b>	<b>210,503</b>
<b>DEFERRED RENT</b>	<b>7,856</b>	<b>6,299</b>
<b>TOTAL LIABILITIES</b>	<b>104,907</b>	<b>216,802</b>
<b>NET ASSETS</b>		
Unrestricted	59,368	60,064
<b>TOTAL NET ASSETS</b>	<b>59,368</b>	<b>60,064</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 164,275</b>	<b>\$ 276,866</b>

*The accompanying notes are an integral part of these financial statements.*

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010  
(With Summarized Financial Information for the Year Ended December 31, 2009)**

	2010	Unaudited 2009
<b>REVENUES</b>		
Membership dues	\$ 655,659	\$ 579,959
Contributions	106,402	20,507
Sponsorship	133,000	60,950
Event related income	64,256	37,295
Investment income	1,530	2,436
Other revenue	20,561	25,694
<b>TOTAL REVENUES</b>	<b>981,408</b>	<b>726,841</b>
<b>EXPENSES</b>		
Program services	835,048	680,494
Management and general	104,828	92,253
Membership development	12,884	64,117
Fundraising	29,344	21,380
<b>TOTAL EXPENSES</b>	<b>982,104</b>	<b>858,244</b>
<b>CHANGE IN NET ASSETS</b>	<b>(696)</b>	<b>(131,403)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>60,064</b>	<b>191,467</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 59,368</b>	<b>\$ 60,064</b>

*The accompanying notes are an integral part of these financial statements.*

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2010  
(With Summarized Financial Information for the Year Ended December 31, 2009)**

	Program services	General and administrative	Membership development	Fundraising	2010 Total	Unaudited 2009 Total
Salaries	\$ 365,194	\$ 62,149		\$ 17,650	\$ 444,993	\$ 393,000
Employee benefits and payroll taxes	66,463	9,152		3,215	78,830	64,964
Recruitment and training	197	31		7	235	599
Payroll and benefits administration	5,020	777		179	5,976	5,072
Consulting	251,125	14,694	\$ 12,884	3,676	282,379	236,429
Office expenses	104,149	15,365		4,234	123,748	113,900
SIF - sponsored events	10,791				10,791	8,619
Staff meals, lodging and travel	23,350	212		44	23,606	26,093
Financial services and fees	7,362	1,171		289	8,822	5,094
Miscellaneous	1,397	1,277		50	2,724	4,474
<b>TOTAL EXPENSES</b>	<b>\$ 835,048</b>	<b>\$ 104,828</b>	<b>\$ 12,884</b>	<b>\$ 29,344</b>	<b>\$ 982,104</b>	<b>\$ 858,244</b>

*The accompanying notes are an integral part of these financial statements.*

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2010  
(With Summarized Financial Information for the Year Ended December 31, 2009)**

	2010	Unaudited 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<b>\$ (696)</b>	<b>\$ (131,403)</b>
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	2,445	630
Increase in accounts receivable	(262)	-0-
Increase in prepaid expenses	(13,106)	(2,657)
Increase in security deposit	-0-	(5,774)
Increase in accounts payable and accrued expenses	3,183	23,400
(Decrease) increase in deferred revenue	(116,635)	163,053
Increase in deferred rent	1,557	6,299
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(123,514)</b>	<b>53,548</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(4,841)	(3,778)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,841)</b>	<b>(3,778)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(128,355)</b>	<b>49,770</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>265,287</b>	<b>215,517</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 136,932</b>	<b>\$ 265,287</b>

*The accompanying notes are an integral part of these financial statements.*

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2010**

---

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of  
Consolidation and  
Organization**

Social Investment Forum, Ltd. (the Forum) is a nonprofit organization incorporated under the laws of New York in November 1984. The objective and purpose of the Forum is to increase public awareness of the social impact of investments and to encourage awareness of the opportunity to apply ethical value and constructive social goals to investment decisions.

Social Investment Forum Foundation, Inc. (the Foundation) is a nonprofit organization incorporated under the laws of Massachusetts in June 1989. The objective and purpose of the Foundation is to support the activities and purpose of the Forum by assuming the responsibilities for, and the management of, certain educational, research, charitable and scientific activities.

The consolidated financial statements include the accounts of the Forum and the Foundation. All interorganization balances have been eliminated in consolidation.

The Forum and the Foundation are funded primarily by member dues, contributions and sponsorship revenues.

The Forum and the Foundation's programs include promotion and education of socially responsible investing, the publication of an annual resource guide and events, seminars and public policy forums relating to the concept of socially responsible investing and business practices.

**Basis of  
Accounting**

The accompanying consolidated financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

**Tax Status**

The Forum is exempt from Federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is a supporting organization to the Forum.

**Accounting for  
Uncertain Tax  
Positions**

Financial Accounting Standards Board (FASB), Accounting Standards Codification 740, Income Taxes (ASC 740) requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Forum and the Foundation do not believe its consolidated financial statements include, or reflect, any uncertain tax positions.

**Cash and Cash  
Equivalents**

The Forum and the Foundation consider as cash and cash equivalents amounts in checking and operating accounts.



**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
December 31, 2010**

---

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Property and  
Equipment**

The Forum and the Foundation capitalize all property and equipment acquisitions of \$3,000 and above. Property and equipment are recorded at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

**Functional  
Expense  
Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Reclassifications**

Certain 2009 amounts have been reclassified for comparative purposes.

**Contributions**

Contributions are recorded in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted support is recorded as unrestricted support if the restriction is met in the same accounting period as the support is received.

**Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Deferred Revenue**

Deferred revenue consists of membership dues and sponsorship revenue received in advance of the calendar year applicable.

**Prior Year  
Information**

The consolidated financial statements include certain prior year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Forum's reviewed consolidated financial statements for the year ended December 31, 2009.

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
December 31, 2010**

**NOTE B - PENSION PLAN**

The Forum maintains a 401(k) plan (the Plan) for all employees of the Forum who meet certain age and service requirements. Under the terms of the Plan, the Forum makes a safe harbor match and a discretionary contribution for employees participating in the Plan. All employees are eligible to participate upon employment. The Forum and Foundation's contribution under the Plan was approximately \$21,600 for the year ended December 31, 2010.

**NOTE C - LEASE COMMITMENTS**

The Forum and the Foundation conduct their operations from a leased facility. Under the terms of the lease the base rent increases annually based on scheduled increases provided for in the lease. Under accounting principles generally accepted in the United States of America (GAAP) all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease.

Future minimum rental payments required under the operating lease is as follows:

<i>Year Ending December 31,</i>	<i>Amount</i>
2011	<b>\$ 74,000</b>
2012	<b>75,852</b>
2013	<b>77,748</b>
2014	<b>26,128</b>
<b>Total</b>	<b>\$ 253,728</b>

Rent expense for the Forum and the Foundation for the year ended December 31, 2010 was approximately \$74,500. During 2010, the Forum entered into a office space sublease agreement with another organization. During 2010, the Forum received rental income of approximately \$14,200 under the sublease agreement. The sublease agreement ended as of December 31, 2010. The Forum has signed another sublease agreement with the organization for 2011.

**NOTE D - RELATED PARTY TRANSACTIONS**

The Forum and the Foundation share staff and board members and the Forum is the sole member of the Foundation. The Forum and the Foundation reimburse each other for certain personnel, office expenses, and combined invoices. As of December 31, 2010, the Forum was owed approximately \$103,000 by the Foundation.

The Forum and the Foundation are affiliated with Green America, an organization established under Section 501(c)(3) of the Internal Revenue Code. Green America is a non-paying member of the Forum and it provided technical support and database management among other services to the Forum and the Foundation under an agreement requiring quarterly payments of \$18,125 through December 31, 2010.

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
December 31, 2010**

---

**NOTE D - RELATED PARTY TRANSACTIONS (Continued)**

During 2010, the Forum and Foundation entered into a new agreement with Green America that covers the period January 2011 to December 2012 and provides the Forum's members with joint membership benefits in a Green America program. Under the new agreement, the Forum is required to make an annual payment to Green America of a minimum of \$27,000 (for up to 450 members) and to a possible maximum of \$48,000 (for 651 to 750 members).

The Forum and the Foundation were also affiliated with First Affirmative Financial Network (FAFN). During 2010, FAFN was a paying member of the Forum and also paid the Forum for services in the promotion and planning of a conference related to socially responsible investing. The conference was held in 2010.

**NOTE E - COMMITMENTS**

Subsequent to year-end, the Forum entered in to a contract for hotel and conference space for a 2011 conference. The contract contains a clause whereby the Forum is liable for liquidated damages in the event of cancellation based upon a percentage of the contract price determined by the length of time between the cancellation and the event date. Management does not believe any cancellation under these contracts will occur and result in a material impact on the consolidated financial statements.

**NOTE F - CONCENTRATIONS**

For the year ended December 31, 2010, approximately 89% of contributions revenue was received from three donors.

The Forum and the Foundation maintain bank accounts at financial institutions which at times during the year exceeded the Federal Deposit Insurance Corporation limit. Management believes the risk in this situation to be minimal.

**NOTE G - SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 15, 2011, which is the date the financial statements were available to be issued.

Subsequent to year-end, the Forum changed its name to US SIF: The Forum for Sustainable and Responsible Investment. The Foundation also changed its name to US SIF Foundation.



Drolet + Associates PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Social Investment Forum, Ltd.  
and Social Investment Forum Foundation, Inc.  
Washington, DC

Independent Auditor's Report  
On Supplementary Information

Our report on our audit of the consolidated financial statements of Social Investment Forum, Ltd. and Social Investment Forum Foundation, Inc. for the year ended December 31, 2010 appears on page one. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating detailed statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

*Drolet + Associates, PLLC*

Washington, DC  
June 15, 2011

1901 L Street, NW Suite 250 Washington, DC 20036 T 202.822.0717 F 202.822.0739

[www.drolet-and-associates.com](http://www.drolet-and-associates.com)

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2010**

	Social Investment Forum	Social Investment Forum Foundation	Eliminating Entries	Consolidated Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 63,123	\$ 73,809		\$ 136,932
Accounts receivable	262			262
Due from Social Investment Forum Foundation	102,642		\$ (102,642)	-0-
Prepaid expenses	15,763			15,763
<b>TOTAL CURRENT ASSETS</b>	<b>181,790</b>	<b>73,809</b>	<b>(102,642)</b>	<b>152,957</b>
<b>PROPERTY AND EQUIPMENT</b>				
Computers and phone equipment	8,619			8,619
Accumulated depreciation and amortization	(3,075)			(3,075)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>5,544</b>	<b>-0-</b>	<b>-0-</b>	<b>5,544</b>
<b>SECURITY DEPOSIT</b>	<b>5,774</b>			<b>5,774</b>
<b>TOTAL ASSETS</b>	<b>\$ 193,108</b>	<b>\$ 73,809</b>	<b>\$ (102,642)</b>	<b>\$ 164,275</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 37,010			\$ 37,010
Due to Social Investment Forum		\$ 102,642	\$ (102,642)	-0-
Deferred revenue	35,166	24,875		60,041
<b>TOTAL CURRENT LIABILITIES</b>	<b>72,176</b>	<b>127,517</b>	<b>(102,642)</b>	<b>97,051</b>
<b>DEFERRED RENT</b>	<b>7,856</b>			<b>7,856</b>
<b>TOTAL LIABILITIES</b>	<b>80,032</b>	<b>127,517</b>	<b>(102,642)</b>	<b>104,907</b>
<b>NET ASSETS (DEFICIT)</b>				
Unrestricted	113,076	(53,708)	-0-	59,368
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 193,108</b>	<b>\$ 73,809</b>	<b>\$ (102,642)</b>	<b>\$ 164,275</b>

**SOCIAL INVESTMENT FORUM, LTD.  
SOCIAL INVESTMENT FORUM FOUNDATION, INC.  
CONSOLIDATING STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010**

	Social Investment Forum	Social Investment Forum Foundation	Eliminating Entries	Consolidated Total
<b>REVENUES</b>				
Membership dues	\$ 435,461	\$ 220,198		\$ 655,659
Contributions	5,100	101,302		106,402
Sponsorship	41,750	91,250		133,000
Event related income	48,580	15,676		64,256
Investment income	1,073	457		1,530
Other revenue	17,045	3,516		20,561
<b>TOTAL REVENUES</b>	<b>549,009</b>	<b>432,399</b>	<b>\$ -0-</b>	<b>981,408</b>
<b>EXPENSES</b>				
Salaries	230,002	214,991		444,993
Employee benefits and payroll taxes	39,558	39,272		78,830
Recruitment and training	235			235
Payroll and benefits administration	5,976			5,976
Consulting	149,063	133,316		282,379
Office expenses	67,567	56,181		123,748
SIF - sponsored events	3,110	7,681		10,791
Staff meals, lodging and travel	22,764	842		23,606
Financial services and fees	7,613	1,209		8,822
Miscellaneous	1,664	1,060		2,724
<b>TOTAL EXPENSES</b>	<b>527,552</b>	<b>454,552</b>	<b>-0-</b>	<b>982,104</b>
<b>CHANGE IN NET ASSETS</b>	<b>21,457</b>	<b>(22,153)</b>	<b>-0-</b>	<b>(696)</b>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<b>91,619</b>	<b>(31,555)</b>	<b>-0-</b>	<b>60,064</b>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ 113,076</b>	<b>\$ (53,708)</b>	<b>\$ -0-</b>	<b>\$ 59,368</b>

# Governance

US SIF and its members advocate for good governance disclosure and practices at publicly traded companies, so we are disclosing our own board practices.

**BOARDS AT LARGE:** The US SIF and US SIF Foundation boards of directors manage and control the affairs and property of the organizations, including setting organizational policies, raising funds, adopting the annual budget and hiring, evaluating, supervising and terminating the Chief Executive Officer. The boards of the two organizations are identical, except that each has a different chair. In 2010, the Chair of US SIF was Cheryl Smith; the Chair of US SIF Foundation was Frank Altman. The discussion below describes the governance of US SIF in 2010.

**BOARD SIZE AND ELECTIONS:** US SIF's board size is limited to 17 directors, of which 12 directors are elected at-large by and from the membership at US SIF's annual meeting by a majority of members voting either in person or by proxy. Another four are appointed from among the membership by the board serving at the time vacancies become available. If a director steps down before her term is complete, a replacement is appointed by a majority vote of the board of directors to serve out the term. One director seat is automatically assigned to US SIF's CEO, although it is a non-voting seat.

**TERM LENGTH AND LIMITS:** The term of a director is three years. At-large directors and appointed directors are limited to two terms of service, for a total of six years, at which time they must cycle off the board. After a minimum of one year, an ex-director once again is eligible to serve on the board and may run for election as an at-large director, or again be eligible to fill one of the four appointed director seats.

**CLASSIFIED BOARD:** The at-large directors are elected in three, staggered-term classes. The board shall include, either by election or appointment, at least one director from each of the membership categories in effect on the date of the election of at-large directors. One director seat shall be automatically assigned to US SIF's CEO. The number of at-large and appointed directors may be changed by an amendment of the organization's by-laws. However, no such amendment may reduce the term of any director then in office.

**EXECUTIVE DIRECTORS:** There are at least four and up to five executive members of the board, who with the CEO also comprise the board's executive committee. First, the chair is the principal officer of US SIF and presides at all meetings of the board of directors and the executive committee. She exercises general charge and supervision of the affairs of the organization, subject to the control of the board and as an ex officio member on all board committees. The vice-chair performs the duty of the chair at the request of the chair or in the event of the chair's absence or disability. (The bylaws provide for the board to name additional officers, and for several years, the board named a second vice-chair.) The secretary has general responsibility for US SIF's books, board documents, policies and minutes of board meetings, and the treasurer has general responsibility for US SIF's funds, financial records, property and securities.

**BOARD DIVERSITY:** For the four appointed director positions, the board and its nominating committee are required to seek to diversify the board in terms of gender, race, religion, ethnic origin, sexual orientation, geographic representation and business focus within the field of social investing. However, diversity is also a criterion in slating the elected seats.

**DIRECTOR COMPENSATION:** Directors are not compensated for their time and are only reimbursed for expenses if approved by a majority vote of the board.

**SEPARATION OF CHAIRMAN AND CEO:** The CEO is prohibited from serving as the chair of the board.

**MEETINGS:** The board holds at least three in-person meetings per year, and held three in 2010. It also held by telephone three meetings of the entire board and three of the executive committee in 2010.



**DIRECTOR ATTENDANCE:** Directors must attend at least two-thirds of all board meetings (in person and by telephone) or risk being asked to resign.

**COMMITTEES:** There are two standing committees of the board: the executive committee comprised of the four to five executive directors and the CEO, and the nominating committee. For 2010, the Executive Committee members were Cheryl Smith (Chair), Michel Lent (Vice Chair), Joanne Dowdell (Secretary), Ingrid Dyott (Treasurer) and Lisa Woll (CEO). All committees of the board must have at least three directors, with one chairing. The executive committee can approve changes to policies and other matters to ensure the smooth day-to-day operations of US SIF. However, it is not allowed to fill vacancies on the board or on any board committee, amend or repeal the US SIF's bylaws, or take any action that affects more than 5 percent or \$5,000 of US SIF's budget, whichever is higher. It also needs to report all of its actions outside of ordinary business to the full board within 14 days. The nominating committee deals with vacant board seats and issues related to director elections. In 2010, its members were: Amy O'Brien (chair), John Liechty, Cliff Rosenthal and Lisa Woll. In addition to these two committees, the board also had the following committees in 2010:

- **GOVERNANCE:** reviews and updates US SIF's governance practices [Leslie Lowe (chair), Michael Lent and Lisa Woll].
- **MEMBERSHIP:** assesses membership dues and requirements, as well as new membership categories and recruitment efforts [David Sand (chair), Ingrid Dyott, John Liechty, Betsy Zeidman and Lisa Woll].
- **AUDIT:** reviews US SIF's books and accounting practices [Cheryl Smith (chair), Joanne Dowdell and Ingrid Dyott].

**BY-LAWS:** A full copy of US SIF's bylaws is available to members through the Member Center on the US SIF website.

**ANNUAL REVIEW:** The board conducts an annual self-review, led by the chair.

**2010 BOARD ELECTIONS:** At US SIF's annual meeting at SRI in the Rockies, US SIF members voted in one new and three returning board members for three-year terms beginning in 2010:

- **CLIENT-ORIENTED:** Michael Lent, Chief Investment Officer of Veris Wealth Partners
- **COMMUNITY-ORIENTED:** Frank Altman, President & CEO of the Community Reinvestment Fund
- **RESEARCH AND EDUCATIONAL:** Craig Metrick, Principal and US Head of Responsible Investment at Mercer
- **INSTITUTIONAL AND INDIVIDUAL INVESTOR:** Paul Hilton, Director of Sustainable Investment Business Strategy at Calvert Investments (now at Trillium Asset Management)

We also said thank you and farewell to our three outgoing members: Joanne Dowdell, Mary Jane McQuillen, Director of Socially Aware Investment at ClearBridge Advisors, and Cheryl Smith, President of Trillium Asset Management Corporation.



**Frank Altman**  
*President & CEO,  
 Community  
 Reinvestment Fund*



**Jan Bryan**  
*CFP®, AIF™,  
 First Affirmative  
 Financial Network*



**Sarah Cleveland**  
*Senior Consultant,  
 Towers Watson  
 Investment Services*



**Joanne Dowdell**  
*Secretary\**



**Ingrid Dyott**  
*Treasurer\**  
*Vice President and  
 Managing Director,  
 Neuberger Berman*



**Paul Hilton**  
*Director, Sustainable  
 Investment Business  
 Strategy, Calvert  
 Investments*



**Michael Lent**  
*Vice Chair\**  
*Chief Investment  
 Officer, Veris Wealth  
 Partners*



**John Liechty**  
*Principal & Founder,  
 Integrated Investment  
 Solutions*



**Leslie Lowe**  
*Consultant, As You Sow*



**Mary Jane McQuillen**  
*Director of Socially  
 Aware Investment,  
 ClearBridge Advisors*

\*Executive Committee Member  
 Note: Affiliations shown are for 2010.



**Amy Muska O'Brien**  
*Director, Global Social  
& Community Investing,  
TIAA-CREF*



**Cliff Rosenthal**  
*President & CEO,  
National Federations  
of Community  
Development Credit  
Unions*



**David Sand**



**Cheryl Smith, Chair\***  
*President, Trillium Asset  
Management Corp.*



**Lisa Woll\***  
*CEO, US SIF*



**David Wood**  
*Director, the Institute  
for Responsible  
Investment, Hauser  
Center for Nonprofit  
Organizations*



**Betsy Zeidman**  
*Director, Center for  
Emerging Domestic  
Markets, and Research  
Fellow, Milken Institute*

\*Executive Committee Member  
Note: Affiliations shown are for 2010.

## Policies and Practices

As advocates for more responsible sustainability practices among corporations, it is important for US SIF to “walk the talk.” This section gives an overview of some of US SIF’s environmental, employee and other social policies and practices. (Governance was covered in the previous chapter.) Additional information appears in the GRI Index at the end of this report.

**STAFF TRAVEL:** US SIF staff is strongly encouraged to use public transportation or other shared rides whenever possible when commuting to work or travelling on US SIF business. US SIF participates in the Washington Metropolitan Area Transit Authority’s SmartBenefits program, which allows employees to pay for public transportation expenses with pre-tax income. US SIF’s central office location adjacent to three major subway lines and bus transportation is a clear incentive for its employees to use public transportation, and all of them did in 2010. On business travel, train use is promoted over air travel, especially on trips to New York City, where many US SIF members are located and where many US SIF events take place. US SIF continues to investigate the effectiveness of various carbon offset programs for employee travel and to weigh the costs and benefits of these programs. More detailed information on staff travel appears in the analysis of the organization’s carbon footprint below.

**RECYCLING AND WASTE REDUCTION:** US SIF recycles office paper, cardboard, drink containers and other recyclable items, including toner cartridges for its printers. It donates or responsibly recycles all used electronic equipment. US SIF staff and guests also use non-disposable drink containers, plates, napkins and utensils, and US SIF staff composts its coffee grounds. US SIF offers electronic versions of all of its marketing, research reports and other print materials online to minimize paper use and limits print materials whenever possible. The default setting on all US SIF printers is double sided. More information on US SIF’s paper use appears in its review of its carbon footprint below.

**ENVIRONMENTAL CONSIDERATIONS FOR EVENTS:** US SIF considers the sustainability initiatives of the prospective venues it reviews during the site selection process for conferences. These considerations include energy use, use of renewable energy, green building certifications, water use, recycling and waste management, use of local organic food, food donations, stakeholder relations and labor practices. US SIF also weighs whether a site is compliant with the Green Hotel Initiative and whether it has calculated its carbon footprint with the goal of reducing its greenhouse gas emissions. At event venues, US SIF encourages attendees to recycle and makes recycling as easy as possible. It also seeks to choose sustainable, organic and fair trade products and menu selections. As mentioned earlier, US SIF does not have a policy on carbon offsets, but it continues to investigate them.

**CARBON FOOTPRINT:** 2010 marks the first year US SIF attempted to calculate its carbon footprint. These calculations all surround indirect greenhouse gas (GHG) emissions, as US SIF has no direct emissions. (US SIF does not own its office space, leasing it from a third party, and it does not own corporate cars or jets.) US SIF focused measurements of its indirect emissions in four primary areas: employee commuting; business travel; office energy consumption; and paper use.

As advised by the Global Reporting Initiative, US SIF used the Greenhouse Gas Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) to calculate its emissions. In particular, it used the GHG Protocol’s guidance for small, office-based businesses: Working 9 to 5 on Climate Change. Under the GHG Protocol, all of US SIF’s emissions are indirect “Scope Three” emissions.

## US SIF EMPLOYEE COMMUTING PATTERNS

EMPLOYEE	NO. OF COMMUTING DAYS PER WEEK	CAR MILES	BUS MILES	LIGHT RAIL MILES	TRAIN MILES (DC METRO)	WALK/BIKE MILES
#1	3	3	0	0	11.3	0.0
#2	5	0	0	0	7.4	0.5
#3	5	0	0	0	3.5	0.1
#4	5	0	0	0	4.7	0.5
#5	5	0	0	0	2.4	0.5
#6 (equivalent)	5	0	1.1	0	5.7	0.1
<b>Total for 2010</b>		<b>690</b>	<b>253</b>	<b>0</b>	<b>7,010</b>	<b>391</b>

**COMMUTING:** As noted earlier, all US SIF employees used public transportation to commute in 2010. Only one employee used car travel for a portion of her commute to get to the subway, although she only commuted on average three days per week. One employee left part way through the year and another took his place later in the year. For a portion of the year, no employee worked this position, but calculations were made assuming one full-time equivalent for the entire year. Both employees in this position had very similar commutes, so a composite—that adjusted for the amount of the year each worked the position—was used in the totals reflected below. Each US SIF staff member was granted three to five weeks of vacation leave per year, in addition to sick leave, as well as the equivalent of two weeks holiday leave. Therefore, total miles in the table below are based on a 46-week work year.

**EMPLOYEE WORK-RELATED TRAVEL:** US SIF employees are required to file trip reports for all business-related travel, including itineraries and receipts with mileage. Using these reports, US SIF was able to calculate mileage for all types of travel, except some car travel completed without receipts from car rental companies and some travel by public transport. Whenever possible, mileage estimates were made using Google maps and other methods to arrive at the totals in the accompanying table.

### EMPLOYEE-RELATED TRAVEL IN 2010 (MILES)

AIR	TRAIN/SUBWAY	BUS	CAR
39,411	2,337	24	928

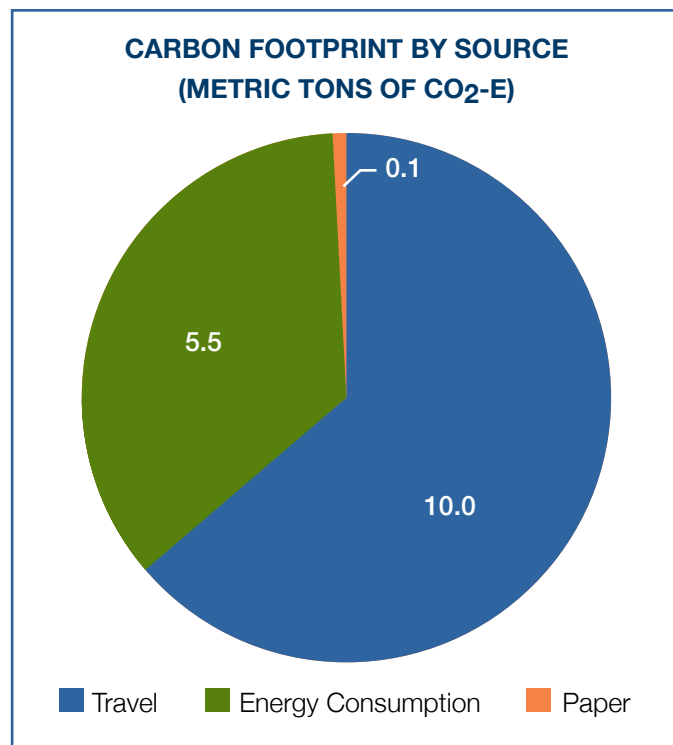
## CARBON FOOTPRINT OF US SIF TRAVEL

MODE OF TRANSPORTATION	TOTAL MILES TRAVELED	EMISSIONS FACTOR	TOTAL CO <sub>2</sub> -E IN METRIC TONS
Air	39,411	0.00020	7.882
Car	1,618	0.00031	0.502
Train	9,347	0.00017	1.589
Bus	277	0.00018	0.050
<b>Total for 2010</b>			<b>10.023</b>

*Emissions factors were drawn from the Department of Energy's Energy Information Administration.*

**OFFICE ENERGY CONSUMPTION:** US SIF leases office space in the Barr Building in Washington, DC, located on Farragut Square at 910 17th Street NW, Suite 1000, Washington, DC 20006. In 2010, the Barr Building used 2,115,346 kilowatt hours (KWH) of electricity for its 92,411 of square feet or 22.89 KWH per

square foot in 2010. US SIF occupies 2,235 square feet of space of the 92,411 square feet serviced by the main meter. Based on these assumptions, US SIF used 55,159 KWH in 2010. Using the average emissions factor for our region (0.001002 metric tons of carbon dioxide equivalent per kilowatt hour per the Environmental Protection Agency), we have estimated the carbon footprint for the US SIF office from electricity use of 5.538 metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e). There are several imperfections to this calculation that need to be improved upon in future reporting. First, this does not account for US SIF's use of common areas in the building. Second, Business for Social Responsibility (BSR) subleased a portion of US SIF's space in 2010. Finally, while US SIF and the building use compact fluorescent bulbs throughout the facility and lighting triggered by movement to reduce energy consumption in common areas, the Barr Building did not purchase renewable energy credits from Pepco, our local utility.



**PAPER CONSUMPTION:** US SIF used the approximate equivalent of 106 reams of paper in the production of marketing materials, reports, business cards and day-to-day office paper consumption. The average weight of a ream of paper is 2.6 kilograms per ream, and the carbon footprint for recycled content, which US SIF used, is 1.907 kilograms of CO<sub>2</sub>e per kilogram of paper consumed. Using these assumptions, the carbon footprint of US SIF's paper use was 0.091 metric tons of CO<sub>2</sub>-e.

**TOTAL:** Based on our calculations and assumptions, US SIF's carbon footprint is the equivalent of **15.652 metric tons of CO<sub>2</sub>-e**. A breakdown of the primary contributors to this total appears in the accompanying pie chart.

**ROOM FOR IMPROVEMENT:** US SIF does not have a clear strategy for reducing its carbon footprint, aside from following its present strategies for limiting energy consumption, travel and paper use. As mentioned earlier, US SIF is exploring the use of carbon offsets. In addition, it will engage its office lessor to see if its building can purchase renewable energy credits.

**EEO POLICY:** US SIF's anti-bias policy states that it "shall not discriminate and shall take affirmative action to ensure that it conducts all business without regard to a person's race, color, religion, gender, age, affectional or sexual orientation, marital or familial status, national origin, ancestry, non-job related disability, veteran status, or other unlawful basis." As an organization based in the District of Columbia, US SIF also is prohibited from discriminating in employment based on gender identity.

**EMPLOYEE BENEFITS:** US SIF offers employees a group health and dental plan and subsidizes benefits for it. It also provides a 401(k) plan, matches contributions up to 5 percent of an employee's annual salary before taxes and offers SRI investment options through Social K. US SIF provides sick, vacation and personal leave to all employees, as well as disability and life insurance. Employees may also elect to make pre-tax contributions to participate in the SmartBenefits program offered by the local transportation authority and in a flexible spending account program for medical expenses.

**POLITICAL CONTRIBUTIONS:** While US SIF engages a policy advocate who works for US SIF 10 hours a month, and has its staff advocate on various policy issues on behalf of the US SIF membership, US SIF does not make political contributions or endorse candidates for public office.



**US SIF MEMBER BENEFITS:** During 2010, US SIF members enjoyed the following benefits:

- Cutting-edge research, including the flagship *Report on Socially Responsible Investing Trends in the United States*, that builds knowledge about SRI in media, academic and policy circles.
- Resources, including fact sheets, presentations and sample letters to the editor to help members make the case for SRI to their clients, constituents and communities.
- Invitations to webinars, receptions and conferences, either complimentary or at substantial discounts, on a wide range of responsible investment issues.
- Networking opportunities with hundreds of industry leaders through US SIF member working groups, electronic discussion groups, member-wide conference calls, webinars and in-person events.
- Increased visibility through US SIF's print and electronic member directories, online mutual fund performance chart, media referrals and opportunities to sponsor the US SIF website, member directory and high-profile publications.
- Referrals for their business services through US SIF's joint enrollment program in the Green America Business Network, which reaches over half a million green consumers and investors.
- Updates on important developments in SRI through US SIF's newsletter and other communications.
- A stronger voice in policy through US SIF's leadership, resources and training.
- Media and public education campaigns that enhance the visibility, credibility and growth of SRI.

US SIF members are eligible for all voting privileges and to run for the board of directors.

**STAFF:** As of year-end 2010, US SIF had the following full-time staff members.



**Lisa Woll**  
*CEO*



**Peter DeSimone**  
*Director of Programs*



**Sylvia Panek**  
*Assistant Director  
of Operations &  
Development*



**Meg Voorhes**  
*Deputy Director and  
Research Director*



**Kristin Lang**  
*Assistant Director of  
Communications &  
Public Affairs*



**Jonathon Carrington**  
*Membership &  
Administrative  
Coordinator*



# GRI Index

In accordance with the GRI's G3 Guidelines, US SIF is including the following GRI Index to assist readers in locating particular information on US SIF pertaining to the GRI's indicators.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>1. STRATEGY AND ANALYSIS</b>		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	See CEO letter, pages 2–3.
1.2	Description of key impacts, risks, and opportunities.	US SIF contributes to the planet's sustainability by advancing the field of socially responsible investing (SRI) through several strategic approaches detailed in this report.
<b>2. ORGANIZATIONAL PROFILE</b>		
2.1	Name of the organization.	US SIF: The Forum for Sustainable and Responsible Investment, and US SIF Foundation.
2.2	Primary brands, products and/or services.	US SIF is a membership association that provides services to its members, creates external knowledge of SRI through media and policy advocacy, conducts research on issues of importance to its members and to advancing the field of SRI and holds conferences and other types of in-person and virtual events to inform its members and assist them in networking. It conducts much of its research and public education efforts through the US SIF Foundation. Its other brands include: the Community Investing Working Group (CIWG), the Indigenous Peoples Working Group (IPWG), International Working Group (IWG), and the Sustainable Investment Research Analyst Network (SIRAN). Also see member benefits on page 34.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	See report overview and boundary on page ii.
2.4	Location of the organization's headquarters.	Washington, DC, USA
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	One (United States)

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
2.6	Nature of ownership and legal form.	Dual non-profit membership association and non-profit foundation. See page ii.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Professionals, firms, institutions and organizations engaged in socially responsible and sustainable investing in the United States
2.8	Scale of reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees;</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations);</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations); and</li> <li>• Quantity of products or services provided.</li> </ul>	Six full-time employees; approximately 340 members in 2010; see financials on page 15.
2.9	Significant changes during the reporting period regarding its size, structure, or ownership including: <ul style="list-style-type: none"> <li>• The location of, or changes in operations, including facility openings, closings, and expansions; and</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).</li> </ul>	In 2010, US SIF concluded the final phase of its transition from a more than decade long relationship with Green America (formerly Co-op America) serving as US SIF's secretariat.
2.10	Awards received in the reporting period.	None.

### 3. REPORT PARAMETERS

#### Report Profile

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Calendar year 2010
3.2	Date of most recent previous report (if any).	US SIF produced its first GRI report for calendar year 2009.
3.3	Reporting cycle (annual, biennial, etc.).	Annual
3.4	Contact point for questions regarding the report or its contents.	Alya Kayal Director, Policy & Programs US SIF 910 17th St. NW, Suite 1000 Washington, DC 20006 P: (202) 872-5359 F: (202) 775-8686 akayal@ussif.org

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality;</li> <li>• Prioritizing topics within the report; and</li> <li>• Identifying stakeholders the organization expects to use the report.</li> </ul>	Staff review
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Entire organization
3.7	State any specific limitations on the scope or boundary of the report.	Not applicable
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to compilation of the Indicators and other information in the report.	US SIF used guidelines and tools from the Greenhouse Gas Protocol developed by the World Resource Institute and the World Business Council for Sustainable Development to calculate its carbon footprint.
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business measurement methods).	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	This marked the first year US SIF calculated its carbon footprint, and it also announced several employee policy changes.
3.12	Table identifying the location of the Standard Disclosures in the report.	This GRI Index
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	US SIF plans to submit its annual report to GRI to verify its reporting level. US SIF submitted its financials to an independent auditor for review and plans to report to its board, members and the public on the results. US SIF at this time does not have plans to submit the other portions of the report for independent verification.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>		
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	See governance section of this report on page 27.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Separate chair and CEO
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	See governance section of this report on page 27.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	US SIF does not have shareholders. US SIF members and staff have the ability to make recommendations to board members. US SIF also holds an annual, in-person meeting for its board directors, members and staff, and members elect the board. (See board practices on page 27.)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	US SIF's board directors are not compensated. The CEO's compensation is approved by the board and is tied closely to the organization meeting its strategic goals, which are outlined in the CEO letter on page 2.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	The board has a conflict of interest policy that is available to the public upon request.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	See governance section of this report on page 27.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	See the policies and practices section of this report on page 31. See also the letter from the CEO and US SIF Chair for US SIF's mission statement and vision, along with its five strategic goals for 2010 through 2012.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	See governance section of this report on page 27.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	See governance section of this report on page 27.

### **Commitments to External Initiatives**

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	US SIF and its members endorse the precautionary principle in their dialogues in their operations.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	While not a signatory to other initiatives, US SIF endorses and supports its sister SIF organizations globally, as well as Ceres, the Interfaith Center on Corporate Responsibility, the Investor Network on Climate Risk and the UN Principles for Responsible Investment. US SIF also has coordinated policy work with American for Financial Reform, the Council of Institutional Investors and other organizations.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• has positions in governance bodies;</li> <li>• participates in projects or committees;</li> <li>• provides substantive funding beyond routine membership dues;</li> <li>• views membership as strategic.</li> </ul>	See above. Note that while US SIF is involved in the above organizations and participates in several of their initiatives, it does not have positions on their governance bodies.

### **Stakeholder Engagement**

4.14	List of stakeholder groups engaged by the organization.	<p>US SIF's primary stakeholders are its members. A list of members is available at <a href="http://www.ussif.org/directory/">http://www.ussif.org/directory/</a>.</p> <p>US SIF's other primary stakeholders are its employees. US SIF staff undergoes regular reviews with the CEO, and the board regularly evaluates the CEO's performance. Staff is welcome to report recommendations and concerns to the board, too.</p> <p>US SIF also conducts advocacy work in Washington, DC, and therefore regularly meets with members of Congress and their staffs, in addition to officials of several regulatory organizations within the US government, including the Environmental Protection Agency, the Department of Labor and the Securities and Exchange Commission. In 2010, US SIF also co-produced conferences with the Financial Times, First Affirmative Financial Network and Responsible Investor.</p>
------	---	--

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
4.15	Basis for identification and selection of stakeholders with whom to engage.	<p><b>Members:</b> US SIF is a membership association so its mission, strategy and operating plans are largely developed in consultation with members. Members—through their dues and sponsorship of key programs—provide the majority of US SIF's annual revenues.</p> <p><b>Employees:</b> US SIF would not be able to fulfill its mission, strategic objectives and operating plan without its employees.</p> <p><b>Conference partners:</b> Advancing public knowledge of SRI is integral to US SIF's mission, and our conference partners help us achieve these goals.</p> <p><b>Legislators and regulators:</b> In order to advance responsible investing practices, it is necessary at times to advocate for legislative and regulatory changes, and to educate and support the policymakers on these issues.</p>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. Also please indicate the principles formulated at corporate level that guide your company's stakeholder engagement at site level. Please attach/provide supporting documents or indicate website.	US SIF engages all of its members through its communications, including list-serves and reports, as well as events, including tele-conferences, conferences and member receptions. US SIF also holds an annual in-person meeting for its members and surveys its members periodically on their evaluation of US SIF's services and priorities. See also comments related to 4.14 above.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	US SIF's staff and members gave input to, and the board approved, the strategic goals outlined in the CEO letter on page 2. US SIF's policy committee and board also approved its policy priorities, which are outlined in the advocacy section of this report on page 6.

## MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

### Economic

#### Economic Disclosure on Management Approach

EC	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the Management Approach items outlined below with reference to the following Economic Aspects:</p> <ul style="list-style-type: none"> <li>• Economic Performance;</li> <li>• Market Presence; and</li> <li>• Indirect Economic Impacts.</li> </ul>	<p>US SIF is a membership organization that represents professionals, firms, institutions and organizations engaged in socially responsible and sustainable investing in the United States. It measures its economic performance in part by the number of members it has, and the dues it collects each year. A summary of these dues is reviewed in the financial section of this report on page 15.</p>
----	--	---

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b><i>Economic Performance Indicators</i></b>		
<b><i>Aspect: Economic Performance</i></b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	See financials on page 15.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	US SIF believes climate change is a considerable risk for its operations and the planet. It is trying to limit its own carbon footprint, while advocating for constructive climate change and energy legislation on Capitol Hill.
EC3	Coverage of the organization's defined benefit plan obligations.	See financials on page 15 and policies and practices on page 31. US SIF does not have a defined benefit plan. It operates a 401(K) defined contribution plan for its employees, as noted on page 33.
EC4	Significant financial assistance received from government.	None.
<b><i>Aspect: Market Presence</i></b>		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	The federal minimum wage in the United States is \$7.25, and the minimum wage in Washington, DC, where all of US SIF's employees work, is \$8.25. Based on a 40-hour workweek, US SIF's lowest paid employee earns significantly greater than double the minimum wage.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	US SIF taps local suppliers for IT projects and for catering local events. However, it contracts for catering and other services for events outside of the Washington metropolitan area. It also contracts with a membership consultant based in New York. In 2010, the US SIF Foundation contracted with a research firm in New York and a research consultant in Massachusetts. In 2010, US SIF also purchased computer equipment from Texas-based Dell and office supplies from Quill, which is based in Philadelphia. US SIF does not have official policies in this area, although it looks for responsible suppliers that embrace sustainability practices. It also does not have an estimate for the percentage of its spending with local, Washington metropolitan area businesses.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	All US SIF staff lived in the Washington metropolitan area before they were hired, although US SIF has no rules restricting its geographic area for recruiting.

#### **Aspect: Indirect Economic Impacts**

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not applicable
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	US SIF and US SIF Foundation jointly spent \$523,800 on salaries and benefits in 2010, their greatest economic impact. They also paid \$282,400 to consultants for a range of services in 2010. US SIF has not applied a multiplier effect to calculate the true economic impact of this spending. It is investigating methods for 2011.

### **ENVIRONMENTAL**

#### **Environmental: Disclosure on Management Approach**

EN	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the Management Approach items outlined below with reference to the following Environmental Aspects:</p> <ul style="list-style-type: none"> <li>• Materials;</li> <li>• Energy;</li> <li>• Water;</li> <li>• Biodiversity;</li> <li>• Emissions, Effluents, and Waste;</li> <li>• Products and Services;</li> <li>• Compliance;</li> <li>• Transport; and</li> <li>• Overall.</li> </ul>	See discussion on policies and practices on page 31.
----	---	--

#### **Environmental Performance Indicators**

EN1	Materials used by weight or volume. See Indicator Protocol for guidance on calculation.	US SIF and US SIF Foundation jointly used approximately 106 reams of paper in 2010.
EN2	Percentage of materials used that are recycled input materials.	100 percent of paper, toner cartridges and electronic equipment.

#### **Aspect: Energy**

EN3	Direct energy consumption by primary energy source.	None
EN4	Indirect energy consumption by primary source.	US SIF is calculating its indirect energy consumption for 2011.



INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
EN5	Energy saved due to conservation and efficiency improvements.	It is US SIF office procedure to turn off all lights and non-dedicated server computer equipment every evening. US SIF's offices use fluorescent and compact-fluorescent bulbs to conserve energy, and the building owner, US SIF member Self-Help, has undertaken several other energy conservation initiatives, including placing motion detectors on lights in many common areas.
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	None
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	See above.
<b>Aspect: Water</b>		
EN8	Total water withdrawal by source.	Not applicable
EN9	Water sources significantly affected by withdrawal of water.	None
EN10	Percentage and total volume of water recycled and reused.	None
<b>Aspect: Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	None
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	None
EN13	Habitats protected or restored.	None
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	None
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	None
<b>Aspect: Emissions, Effluents and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Based on our calculations and assumptions, US SIF's and US SIF Foundation's combined carbon footprint is the equivalent of 15.652 metric tons of CO2-e.
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not applicable

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	US SIF staff strives to conserve energy and reduce consumption of paper products. US SIF's conference programs also seek environmentally responsible venues and means for attendees to offset carbon emissions related to travel. US SIF participates in the Washington Metropolitan Area Transit Authorities' Smart Benefits program to encourage its staff to use public transportation, and US SIF staff all rode public transportation to work or walked in 2010. (Also see policies and practices on page 31.)
EN19	Emissions of ozone-depleting substances by weight.	None
EN20	NOx, SOx, and other significant air emissions by type and weight.	None
EN21	Total water discharge by quality and destination.	None
EN22	Total weight of waste by type and disposal method.	Not calculated, although paper use and an estimate of US SIF's carbon footprint is offered in policies and practices section of this report on page 31.
EN23	Total number and volume of significant spills.	None
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	None
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	None
<b>Aspect: Products and Services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	All of US SIF's marketing and member materials, if printed at all, were done so on paper containing at least 30 percent recycled content. The 2010 Trends report was printed on paper with certification from the Forest Stewardship Council for sourcing from well-managed forests and for 50 percent recycled material content.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	US SIF sells reports from time to time that are intended to be used as a reference. US SIF encourages recycling, but it does not track the percentage of its printed reports or promotional materials recycled by end users.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Compliance</b>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions/convictions for non-compliance with environmental laws and regulations.	\$0
<b>Aspect: Transport</b>		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	None
<b>Aspect: Overall</b>		
EN30	Total environmental protection expenditures and investments by type.	\$0
<b>LABOR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS</b>		
<b>Aspect: Employment</b>		
LA1	Total workforce by employment type, employment contract, and region.	Six full-time employees in Washington, DC, performing administrative, managerial, research, writing and policy work.
LA2	Total number and rate of employee turnover by age group, gender, and region.	16.7 percent; one male employee left SIF voluntarily in 2010, and SIF hired one male employee replacement in 2010. Both employees were based in Washington, DC. At the end of 2010, US SIF had three employees who were 20 to 29 years of age, one who was 30 to 39 years of age, one who was 40 to 49 years of age, and one who was 50 to 59 years of age.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	US SIF does not have part-time employees, interns or volunteers.
<b>Aspect: Labor/Management Relations</b>		
LA4	Percentage of employees covered by collective bargaining agreements.	0%
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	US SIF does not have a policy addressing significant operational changes for employees.
<b>Aspect: Occupational Health and Safety</b>		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	0%

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region. Please include industry benchmarks, if available, in Additional Comments.	US SIF had no work-related accidents, injuries or fatalities in 2010. (As noted above, US SIF does not have interns or volunteers.)
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	None
LA9	Health and safety topics covered in formal agreements with trade unions.	Not applicable

#### **Aspect: Training and Education**

LA10	Average hours of training per year per employee by employee category.	Senior US SIF staff train and mentor junior staff weekly. Staff, from time to time, is given the opportunity to attend conferences, classes and other types of trainings to enhance their professional development.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	US SIF staff undergo annual reviews and set goals for each year that are regularly monitored, including goals that will help them advance professionally.
LA12	Percentage of employees receiving regular performance and career development reviews.	100 percent

#### **Aspect: Diversity and Equal Opportunity**

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	<b>Board:</b> seven white women, two black or African American women, one Asian woman and seven white men at the end of 2010. <b>Staff:</b> four white women, one white man and one black or African American man at the end of 2010. See LA2 for age data on staff.
LA14	Ratio of basic salary of women to men by employee category.	In the “subordinates” job band (three people), the average female salary was 1.3 times the average male salary at the end of 2010. In the “managers” job band (three people), the average female salary was 1.33 times the average male salary.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>HUMAN RIGHTS</b>		
<b>Aspect: Disclosure on Management Approach</b>		
HR	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Human Rights Aspects listed below. The ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular the eight core conventions of the ILO which consist of Conventions 100, 111, 87, 98, 138, 182, 20 and 1059), and the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises should be the primary reference points.</p> <ul style="list-style-type: none"> <li>• Investment and Procurement Practices;</li> <li>• Non-discrimination;</li> <li>• Freedom of Association and Collective Bargaining;</li> <li>• Abolition of Child Labor;</li> <li>• Prevention of Forced and Compulsory Labor;</li> <li>• Complaints and Grievance Practices;</li> <li>• Security Practices; and</li> <li>• Indigenous Rights.</li> </ul>	US SIF supports the ILO's core conventions as enshrined in the ILO's Fundamental Principles and Rights at Work. In addition, US SIF's Indigenous Peoples Working Group promotes indigenous peoples' rights. Also see organizational policies and practices on page 31.
<b>Human Rights Performance Indicators</b>		
<b>Aspect: Investment and Procurement Practices</b>		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not applicable
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	None, although US SIF considers potential suppliers' labor and human rights policies and practices when making purchasing decisions.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Zero
<b>Aspect: Non-Discrimination</b>		
HR4	Total number of incidents of discrimination and actions taken.	Zero
<b>Aspect: Freedom of Association and Collective Bargaining</b>		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	None

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Child Labor</b>		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None
<b>Aspect: Forced and Compulsory Labor</b>		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	None
<b>Aspect: Security Practices</b>		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	None
<b>Aspect: Indigenous Rights</b>		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None
<b>Society</b>		
<b>Society: Disclosure on Management Approach</b>		
SO	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Society Aspects:</p> <ul style="list-style-type: none"> <li>• Community;</li> <li>• Corruption;</li> <li>• Public Policy;</li> <li>• Anti-Competitive Behavior; and</li> <li>• Compliance.</li> </ul>	US SIF advocates for sustainable development and sustainable business practices among the companies and projects in which its members invest. US SIF members integrate environmental, social or governance criteria into their investment approaches, and these policies and practices are highlighted on US SIF's website. US SIF also takes a sustainable approach to its own operations. See the policies and practices portion of this report on page 31 for more information.
<b>Society Performance Indicators</b>		
<b>Aspect: Community</b>		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	None
<b>Aspect: Corruption</b>		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	During 2011, US SIF engaged an outside accounting firm to audit its financial books for 2010. The report of that audit is found on pages 15–26 of this report.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	US SIF has a system of internal financial controls in which it trains pertinent employees.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
SO4	Actions taken in response to incidents of corruption.	None, as no such incidents took place.
<b>Aspect: Public Policy</b>		
SO5	Public policy positions and participation in public policy development and lobbying.	See the public policy portion of this report on page 6. US SIF's process for determining public policy positions is available to its members on the members-only portion of its website.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	\$0
<b>Aspect: Anti-competitive Behavior</b>		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Zero
<b>Aspect: Compliance</b>		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations (e.g. human rights).	\$0
<b>PRODUCT RESPONSIBILITY</b>		
<b>Product Responsibility: Disclosure on Management Approach</b>		
PR	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Product Responsibility Aspects:</p> <ul style="list-style-type: none"> <li>• Customer Health and Safety;</li> <li>• Product and Service Labeling;</li> <li>• Marketing Communications;</li> <li>• Customer Privacy; and</li> <li>• Compliance.</li> </ul>	US SIF does not have any formal policies in this area. It protects its members' information by keeping it on a secure server, and does not sell this information to third parties.
<b>Product Responsibility Performance Indicators</b>		
<b>Aspect: Customer Health and Safety</b>		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	When producing publications, US SIF takes into account recycled content of paper to be used and the use of environmentally friendly inks.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	None



INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Product and Service Labeling</b>		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	None
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	None
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	US SIF elicits input from its members through its list-serves and at its in-person annual meeting. It also sought the feedback of attendees to its Policy Symposium and in-person working group meetings through an online survey.
<b>Aspect: Marketing Communications</b>		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	None
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Not applicable
<b>Aspect: Customer Privacy</b>		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Zero
<b>Aspect: Compliance</b>		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	\$0
<b>SECTOR SUPPLEMENT INDICATORS FOR NON-GOVERNMENTAL ORGANIZATIONS</b>		
NGOSS1	Involvement of affected stakeholder groups, (as per the organization's mission statement), in the design, implementation, monitoring and evaluation of policies and programs.	Members have input into US SIF's policies and programs through several channels: board representation, annual in-person meeting, periodic surveys on events and other priorities, and contacting US SIF staff directly. See the governance section of this report on page 27 for more information on the representation of key member groups on the board.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
NGOSS2	Feedback and complaints mechanism in relation to programs and policies and responsive actions taken, including self-noted breaches of policies.	As mentioned earlier, US SIF elicits feedback from its members through its listservs, annual meeting and occasional surveys. As a result of this input, US SIF's board approved five strategic goals for the organization for 2010–2012. In addition, US SIF has created a strategic plan, which is implemented through an annual operating plan. Both outline the path for how US SIF will achieve its strategic goals. The strategic plan is available to members through US SIF's member center, and a review of progress to date on this plan is the focus of the annual report.
NGOSS3	System for program monitoring and evaluation, (including measuring program effectiveness and impact), learning, how the organization changes its program as a result and how it reports on this.	US SIF staff undertakes an annual review of its programs to evaluate their effectiveness in helping US SIF achieve its strategic operational goals for each year. This report is delivered to the board once a year, along with presentations from the CEO, deputy director and director of research, and the director of programs.
NGOSS4	Measures in place to ensure due attention to gender and diversity is integrated into program design and implementation, as well as in the monitoring, evaluation and learning cycle.	As mentioned earlier, US SIF has a board diversity policy.
NGOSS5	Process to formulate, communicate, implement and change your advocacy positions and public awareness campaigns.	US SIF's board and policy committee approve US SIF policy priorities and positions.
NGOSS6	Processes to take into account and coordinate with the activities of other actors.	US SIF's staff, and at times its board and policy committee, approve US SIF's coordination of activities with other organizations.
NGOSS7	List standards used for tracking and allocating resources.	US SIF's accounting systems ensure that it allocates funding to the proper pools and programs.
NGOSS8	Breakdown of funding received by source, including listing of 5 largest 1 individual donations.	See financial section of this report on page 15.
NGOSS9	Mechanisms for workforce feedback and complaints, including number of complaints received and their resolution.	As mentioned earlier, all US SIF staff undergo annual reviews and set goals with their supervisor, which are monitored throughout the year. In the case of the CEO, US SIF's board reviews the CEO's performance and goals annually. The board also sets goals for itself and reviews those regularly. In 2010, the US SIF board approved a personnel handbook with a grievance policy included. No grievances were filed in 2010.



The Forum for Sustainable and Responsible Investment

910 17th Street, NW, Suite 1000  
Washington, DC 20006  
202-872-5361 • [www.ussif.org](http://www.ussif.org)