

2015

ANNUAL REPORT

US SIF and US SIF Foundation



The Forum for Sustainable
and Responsible Investment



ABOUT US SIF & THE US SIF FOUNDATION

US SIF: The Forum for Sustainable and Responsible Investment (US SIF)^{G4-3} is the leading voice advancing sustainable, responsible and impact investing (SRI) across all asset classes. 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:

Environmental, social and governance impacts are meaningfully assessed in all investment decisions resulting in a more sustainable and equitable society.

To accomplish our work, we are guided by the following values:

COMMITMENT: We are dedicated to our mission and achieving results.

KNOWLEDGE: We provide resources that allow investors and the public to develop sustainable, responsible and impact investing expertise.

COLLABORATION: We pursue robust relationships with our members and value other collaborations that advance our mission.

INCLUSION: We actively seek and embrace diversity as a key component of our work.

ACCOUNTABILITY: Our actions are filtered through the prism of broad environmental and social sustainability, including transparent and high quality governance practices.

OPTIMISM: We pursue our strategic goals with a belief in our ability to advance systemic change.

US SIF's members include investment management and advisory firms, mutual fund companies, research firms, financial planners and advisors, broker-dealers, community investing institutions, non-profit associations, and pension funds, foundations and other asset owners.^{G4-8} US SIF is a 501(c)(6) organization.^{G4-7}

The US SIF Foundation^{G4-3} is a 501(c)(3) organization.^{G4-7} The Foundation supports 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.

About This Report

This annual^{G4-30} report covers the 2015 calendar year^{G4-28}, which also correlates to the fiscal year for US SIF and the US SIF Foundation.

As part of our commitment to broad-based sustainability in the financial markets and within our organizations, this annual report is an integrated report, incorporating sustainability and financial metrics based on the Global Reporting Initiative (GRI) G4 guidelines. This report has successfully completed the Content Index Service. Previously, the annual reports of US SIF and the US SIF Foundation for the years 2010 through 2014^{G4-29} successfully completed the Application Level Service at the A Level. More information about GRI is available at www.globalreporting.org. A complete GRI Content Index appears at the end of this report.

We would like to hear what you think about this report. Please direct comments and questions to Megan Smith, Manager of Communications and Events, at msmith@ussif.org.^{G4-31}

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MESSAGE FROM THE CEO & CHAIR

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This annual report provides a comprehensive account of the accomplishments of US SIF and the US SIF Foundation in 2015. It presents our financial performance as well as our member services and efforts to advance sustainable and impact investing, including research, policy and other program work.

US SIF and the US SIF Foundation had a strong financial year. On a consolidated basis, although membership dues remained the primary source of revenue (\$905,654), important additional sources were event revenue (\$494,180) and grants and donations (\$154,695). US SIF and the US SIF Foundation saw total net assets grow from \$532,834 at the start of the year to \$636,432 at the close.

From April – December, the US SIF board and staff led a strategic planning process to guide the next three years of our work. The resulting 2016-2018 Strategic Plan is designed to ensure that we build upon the rapid momentum in our field now, remain the most effective advocates for using capital to drive progress on environmental, social and governance (ESG) issues and continue to lead and help define the industry. Our strategy harnesses the collaborative power of our members and sets the organization on a trajectory to deepen its influence within the broader investment industry. Consistent with that strategy, we have realigned our mission, updated our vision and established a set of organizational values.

The US SIF Foundation's Center for Sustainable Investment Education continues to serve investment professionals who seek expertise in the field of sustainable and impact investment. The Center provides both online and in-person offerings of its course, *Fundamentals of Sustainable and Responsible Investment*, and a wealth of research and other resources.

These resources include the *Global Sustainable Investment Review 2014*, published in 2015, a collaboration between members of the Global Sustainable Investment Alliance (GSIA), including US SIF, and the Japan Social Investment Forum. The 2014 Review, an update of the inaugural 2012 edition, revealed that:

- sustainable investing assets in Europe, the United States, Canada, Australia, Japan and the rest of Asia rose 61 percent, from US \$13.3 trillion at the outset of 2012 to US \$21.4 trillion at the start of 2014, and
- as a result, the assets employing sustainable investing strategies rose from 21.5 percent to 30.2 percent of the professionally management assets across the regions covered.

The GSIA launched the report with a panel discussion and reception at Bloomberg LP's headquarters in March in New York City.

The US SIF Foundation also released *Unlocking ESG Integration* in October, which explores the dramatic expansion of ESG integration in US-domiciled assets reported by money managers between 2012 and 2014: from \$614 billion to \$4.74 trillion. The report also provides detailed profiles of 16 leading money managers that include ESG integration as a strategy.

In addition, US SIF worked with Professional Examination Service (ProExam), a consulting firm, to assess the potential demand for a certification/designation for investment professionals who integrate ESG issues into investment decisions. The findings from the certification feasibility were integrated into the Strategic Planning process for 2016–2018.



LISA N. WOLL
CEO



PAUL A. HILTON, CFA
BOARD CHAIR

In May, US SIF held its fifth annual conference, *Sustainable Investing: Risk, Value, Impact*, in Chicago. Member-only programming included US SIF's annual meeting, working group meetings and a policy update. The conference attracted 390 attendees and provided plenary and breakout sessions on issues including gender lens investing, private prison companies and sustainability in private equity.

The conference featured presentations from Darren Walker, President of the Ford Foundation, Eileen Fisher, Founder and CEO of EILEEN FISHER, John Taft, CEO of RBC, and Kurt Summers, Treasurer of the City of Chicago, among others.

US SIF focused on key public policy issues over the year: SRI investing and ESG integration education, ESG best practices and disclosure, corporate political contributions disclosure, rulemaking under the Dodd-Frank Act, SRI retirement options for federal employees, ERISA fiduciary duty guidance, community investing and climate change. In pursuit of these priorities, we held meetings with members of Congress, White House staff, and staff of regulatory agencies, as well as organized policy events at the US SIF annual conference.

We are particularly proud that US SIF and other sustainable investors, in coalition with a diverse set of partners, played an important role in the US Department of Labor's decision to rescind its 2008 bulletin on Economically Targeted Investments, which had discouraged fiduciaries for private sector retirement plans from considering environmental and social factors in their investments. The culmination of those efforts took place in October, when US SIF joined US Secretary of Labor Thomas Perez at a press conference in New York City where he announced the Department of Labor's decision. In its place, the Department issued guidance that makes clear that fiduciaries of ERISA-governed plans may incorporate "ESG-related tools, metrics and analyses to evaluate an investment's risk or return or choose among otherwise equivalent investments."

Throughout the year, US SIF engaged media outlets and employed social media to share information on the sustainable, responsible and impact investing industry and to promote our publications and other initiatives. Our following on Twitter and Facebook grew. By-lined pieces by Lisa Woll appeared in *Plan Sponsor*, *Investment News* and *The Wall Street Journal*. US SIF staff were quoted and US SIF Foundation data were included in a variety of outlets, including *Forbes*, *The New Yorker*, *Pensions & Investments* and *CNBC*.

We thank our members for their support during 2015 and are excited for the year ahead. We also thank the members of our board for their service.

Sincerely,



Lisa N. Woll, CEO



Paul A. Hilton, Board Chair

GOVERNANCE STRUCTURE & ACCOUNTABILITY

G4-34

The US SIF and US SIF Foundation boards of directors set organizational policies, adopt the annual budget and evaluate the Chief Executive Officer, among other duties. The boards of the two organizations are identical, except that each has a different chair. In 2015, the Chair of US SIF was Paul Hilton; the Chair of the US SIF Foundation was Justin Conway. The governance of US SIF is described below.

BOARD SIZE AND ELECTIONS: US SIF's board size is limited to up to 17 directors, of whom 12 are elected at large by and from the membership. In addition, the board may appoint up to four directors from among the membership to provide diversity relative to gender, race and ethnicity, expertise, industry network, geographical representation or for any other purpose. If a director steps down before his or her term is complete, a replacement may be appointed by a majority vote of the board of directors to serve out the term. One non-voting director seat is automatically assigned to US SIF's CEO.

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

CLASSIFIED BOARD: The at-large directors are elected in three, staggered-term classes. The board must 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. The number of at-large and appointed directors may be changed by an amendment of the organization's bylaws. However, no such amendment may reduce the term of any director then in office.

EXECUTIVE COMMITTEE: There are at least four executive members of the board who, with the CEO, comprise the board's executive committee. The chair is the principal officer of US SIF and presides at all meetings of the board of directors and the executive committee. The chair exercises general charge and supervision of the affairs of the organization, subject to the control of the board. 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 secretary has general responsibility for US SIF's books, board documents, policies and minutes of board meetings, while the treasurer has general responsibility for US SIF's funds, financial records, property and securities. The bylaws provide the ability for the board to name additional officers.

BOARD DIVERSITY: In creating the slate for elected positions and in appointing directors, the board and its nominating committee seek to diversify the board in terms of gender, race, religion, ethnic origin, sexual orientation, geographic representation and business focus within the field of sustainable investing.

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 CHAIR 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 2015. The board also held, by telephone, one meeting of the entire board.

DIRECTOR ATTENDANCE: Directors must attend at least two-thirds of all board meetings or risk being asked to resign.

COMMITTEES: There are two standing committees of the board defined in US SIF's bylaws: the executive committee and the nominating committee. For 2015, the executive committee members were: Paul Hilton (Chair), Darragh Gallant (Vice Chair), Mark Regier (Secretary), Phil Kirshman (Treasurer) and Lisa Woll (CEO). The executive committee can approve changes to policies and other matters to ensure the smooth day-to-day operations of US SIF. However, the committee is not allowed to fill vacancies on the board or on any board committee, amend or repeal US SIF's bylaws, or take any action that affects more than 5 percent of US SIF's budget. 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 2015, its members were: Alyssa Greenspan (Chair), Andrew Behar, Paul Hilton, Hilary Irby, Nancy Reyes and Lisa Woll. In addition to these two committees, there were several other board committees. Lisa Woll is an ex officio member of all board committees.

AUDIT: Reviews US SIF's books and accounting practices [Peter Coffin (Chair), Dan Nielsen and Nancy Reyes].

GOVERNANCE: Reviews and updates US SIF's governance practices [Darragh Gallant (Chair), Justin Conway, Dan Nielsen and Mark Regier].

401K TRUSTEES: Meets with the advisor provided by plan administrator Social(k) to review the performance and diversification provided by the funds offered under the US SIF plan, and to replace, retire or add funds to the lineup as appropriate [Andrew Behar and Peter Coffin].

Additionally, a number of board members were also represented on the Conference Agenda Committee (see p.14), Diversity Committee (see p. 20), Education Committee (see p. 22), and Research Committee (see p.12). Several members of the board also serve on the Membership Committee, which assists with membership categories, dues and requirements, membership retention and recruitment efforts [Phil Kirshman (Chair), Meredith Benton, Michelle Clayman, Peter Coffin, Kimberlee Cornett, Darragh Gallant, Curtis Ravenel and non-board members Jan Bryan, Bob Helmuth and Steven Prickett].

BYLAWS: 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. The board sets annual goals as a body. All board members also set individual goals.

2015 BOARD ELECTIONS: US SIF conducted its 2015 election online for terms beginning in 2016. US SIF members voted in one new and three returning board members for three-year terms beginning in 2016:

- Meredith Benton: Director, Head of Client Relations, Sonen Capital LLC
- Michelle Clayman: Managing Partner & Chief Investment Officer, New Amsterdam Partners
- Justin Conway: Vice President of Investment Partnerships, Calvert Foundation
- Leslie Samuelrich: President, Green Century Capital Management

We also said thank you and farewell to our four outgoing members: Bennett Freeman, Senior Vice President for Sustainability Research and Policy at Calvert Investments; Peter Coffin, President of Breckinridge Capital Advisors; Kimberly Cornett, Director of Social Investments at Kresge Foundation; and Dan Nielsen, Director of Socially Responsible Investing at Christian Brothers Investment Services.

BOARD OF DIRECTORS



Andrew Behar
CEO, As You Sow



Meredith Benton
*Director, Head of Client Relations,
Sonnet Capital*



Michelle Clayman
*Managing Partner &
Chief Investment Officer,
New Amsterdam Partners*



Peter Coffin
*President, Breckinridge
Capital Advisors*



Justin Conway
*Vice President,
Investment Partnerships,
Calvert Foundation*



Kimberlee Cornett
*Director, Social Investments,
Kresge Foundation*



Darragh Gallant, Vice Chair*
*Managing Director, US, and
Director of Institutional Relations,
North America, Sustainalytics*



Alyssa Greenspan
*Chief Operating Officer,
Community Capital
Management, Inc.*



Paul Hilton, Chair*
*Partner, Trillium Asset
Management, LLC*

*Executive Committee Member



Hilary Irby
*Executive Director, Head of
Investing with Impact,
Morgan Stanley*



Phil Kirshman, Treasurer*
*Chief Investment Officer,
Cornerstone Capital Group*



Curtis Ravenel
*Global Head,
Sustainability Group,
Bloomberg, LP*



Mark Regier, Secretary*
*Director of Stewardship Investing,
Praxis Mutual Funds*



Nancy Reyes
CEO, RI Strategy Consulting



Lisa Woll*
*CEO,
US SIF and US SIF Foundation*

*Executive Committee Member

2016–2018 STRATEGIC PLAN

G4-56

The board and staff of US SIF led a strategic planning process from April to December to guide the next three years of our work. The strategy we outlined seeks to ensure that US SIF, as the lead organization in the United States advancing sustainable, responsible and impact investing and as a creator of the Global Sustainable Investment Alliance, builds upon the current momentum in our field. We seek to define and set standards for the industry and remain the most effective advocate in the United States for using capital to drive progress on environmental, social and governance issues. Our strategy harnesses the collaborative power of our members and sets the organization on a trajectory to deepen its influence within the broader investment industry. Consistent with that strategy, we have realigned our mission, updated our vision, and established a set of organizational values that describe our approach to work and our expectations of each other.

Mission

Rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

Vision

Environmental, social and governance impacts are meaningfully assessed in all investment decisions resulting in a more sustainable and equitable society.

To accomplish our work, we will be guided by the following values:

- **COMMITMENT:** We are dedicated to our mission and achieving results.
- **KNOWLEDGE:** We provide resources that allow investors and the public to develop sustainable, responsible and impact investing expertise.
- **COLLABORATION:** We pursue robust relationships with our members and value other collaborations that advance our mission.
- **INCLUSION:** We actively seek and embrace diversity as a key component of our work.
- **ACCOUNTABILITY:** We filter our actions through the prism of broad environmental and social sustainability, including transparent and high quality governance practices.
- **OPTIMISM:** We pursue our strategic goals with a belief in our ability to advance systemic change.

Our 2016–2018 [Strategic Plan](#) broadens our focus to influence how a range of priority audiences think about and understand SRI investing. Our three strategic goals are as follows:

STRATEGIC GOAL 1:

INCREASING DEMAND: Expand sustainable, responsible and impact investing across all asset classes.

STRATEGIC GOAL 2:

DEFINING AND ENHANCING THE RIGOR OF THE FIELD: Identify and disseminate information about best practices within the field and provide tools for practitioners to undertake a rigorous and comprehensive approach to SRI investing.

STRATEGIC GOAL 3:

REMOVING BARRIERS: Influence audiences outside of the financial industry (e.g., the media, policymakers and regulators) to create a supportive environment for SRI investing.

We thank our members for their continued support of our mission and the US SIF Board of Directors for its hard work, feedback and assistance throughout this process. We would also like to offer a special thank you to the members of our Strategic Planning Committee who dedicated their time and effort to driving this process forward.

STRATEGIC PLANNING COMMITTEE:

- **Paul Hilton**, CFA, Partner, Trillium Asset Management, LLC. US SIF Board Chair and Co-Chair, Strategic Planning Committee.
- **Lisa Woll**, CEO, US SIF and the US SIF Foundation. Co-Chair, Strategic Planning Committee.
- **Andy Behar**, CEO, As You Sow. At-Large Member, US SIF Board of Directors.
- **Darragh Gallant**, Managing Director - US and Director of Institutional Relations—North America, Sustainalytics. Vice-Chair, US SIF Board of Directors.
- **Joe Keefe**, President and CEO, Pax World Management LLC.
- **Curtis Ravenel**, Global Head of Sustainable Business and Finance, Bloomberg LP. At-Large Member, US SIF Board of Directors.
- **Mark Regier**, Vice President of Stewardship Investing, Director of Sales, Praxis Mutual Funds, Everence Financial. Secretary, US SIF Board of Directors.



OUR WORK

The Following Sections Present Our Core Activities



RESEARCH & RESOURCES

US SIF

SRI MUTUAL FUND PERFORMANCE CHART: With data from US SIF member Bloomberg LP, US SIF updated its SRI Mutual Fund Performance Chart throughout 2015. This online chart offers data about US SIF members' funds— performance data, screening and shareholder advocacy information, and account overviews— to investors and financial professionals.

SEPARATE ACCOUNT MANAGERS IN SUSTAINABLE AND RESPONSIBLE INVESTING: Throughout 2015, US SIF also updated its online chart of US SIF members offering separate accounts, a feature that enables institutional asset owners, family offices and high net worth individuals to find managers with expertise in sustainable and responsible investment strategies.

NEWSLETTER: US SIF's quarterly online newsletters allowed members to keep current on research, policy issues and new developments at US SIF.

US SIF Foundation

In 2015, the US SIF Foundation released two reports as part of its Center for Sustainable Investment Education.

GLOBAL TRENDS: *The Global Sustainable Investment Review 2014* was a collaboration between members of the Global Sustainable Investment Alliance (GSIA), including US SIF, and the Japan Social Investment Forum. It was the second report to collate the results from the market studies by regional sustainable investment forums from Europe, the United States, Canada, Australia, Asia (ex Japan) and Japan; an inaugural 2012 review was published in early 2013. The Review thus plays a critical role in defining how the media portrays the responsible investing industry and in advancing public understanding of the field. The 2014 Review revealed that:

- global sustainable investing assets rose 61 percent, from US \$13.3 trillion at the outset of 2012 to US \$21.4 trillion at the start of 2014,
- the global assets employing sustainable investing strategies now account for 30.2 percent of the professionally management assets across the regions covered, up from 21.5 percent in 2012, and
- Europe, the United States and Canada account for 99 percent of global sustainable investing assets.

The GSIA launched the report with a panel discussion and reception at Bloomberg LP's headquarters in New York City with US SIF members and non-members in attendance. This followed a meeting of the Global Sustainable Investment Alliance.

RESEARCH COMMITTEE AT DECEMBER 2015

Matt Alsted
Meredith Benton
Molly Betournay
Sarah Cleveland
Justin Conway
Kimberly Gladman
Joshua Humphreys
Tim Smith
Tom Woelfel

ESG INTEGRATION: The US SIF Foundation released *Unlocking ESG Integration* in October to examine an intriguing development: the practice of ESG integration, at least as reported by money managers, exploded between 2012 and 2014 from \$614 billion to \$4.74 trillion in US-domiciled assets. This report provided detailed profiles of 16 leading money managers that include ESG integration as a strategy. The US SIF Foundation specifically looked at investment techniques used, the ESG criteria applied and the asset classes involved. It found that half of the 16 leading money managers practicing ESG integration do not fully disclose the specific ESG criteria they consider for approximately 60 percent of their combined assets under management in this strategy. The report offered recommendations for money managers and the SRI industry to advance robust and transparent ESG integration practices. The findings of *Unlocking ESG Integration* received coverage in *Think Advisor*, *FundFire* and *Financial Advisor Magazine* among other publications.

EVENTS & MEDIA

US SIF

ANNUAL CONFERENCE: In May, US SIF held its fifth annual conference, *Sustainable Investing: Risk, Value, Impact*, in Chicago, IL. Member-only programming included US SIF's annual meeting, working group meetings and a policy update. The conference attracted nearly 390 attendees, raised the profile of our organization and our industry in several media outlets, and provided plenary and breakout sessions on issues ranging from gender lens investing and private prison companies, to sustainability as a driver in private equity value. We heard from sustainable investment leaders, policy makers, CEOs and nonprofit leaders. The conference featured presentations from Darren Walker, President of the Ford Foundation, Eileen Fisher, Founder and CEO of EILEEN FISHER, John Taft, CEO of RBC, and Kurt Summers, Treasurer of the City of Chicago, among others. US SIF staff is grateful to the volunteer members of the Agenda Committee in 2015 for developing ideas for sessions and helping to identify speakers. We also thank our conference sponsors for their support.

SOCIAL MEDIA: US SIF continued to grow its social media presence. At the end of 2015, US SIF's Twitter feed counted 3,381 followers, compared with 2,511 followers at the end of 2014, and our following on Facebook grew 29 percent over the year. Finally, US SIF maintained its presence on LinkedIn for exclusive use by US

CONFERENCE AGENDA COMMITTEE AT DECEMBER 2015:

Susan Babcock
Meredith Benton
Sarah Cleveland
Stu Dalheim
Nina Gardner

Erin Gray
Lisa Hayles
Jonas Kron
Craig Metrick
Renee Morgan

Betsy Moszeter
Mark Regier
Arline Segal
Betsy Zeidman

SPONSORS OF THE CONFERENCE:

Ariel Investments
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Bloomberg LP
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Calvert Foundation
Calvert Investments
Campbell Soup Company
Christian Brothers Investment Services (CBIS)
Cornerstone Capital, Inc.
Dana Investment Advisors
Domini Social Investments
EIRIS

Eventide Funds
First Affirmative Financial Network
ImpactAssets
InCapital
Intel
Iroquois Valley Farms
Kresge Foundation
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MicroVest
Morgan Stanley
MSCI ESG Research
Neuberger Berman
New Amsterdam Partners
North Sky Capital

Northern Trust
Parnassus Investments
Pax World Investments
Progressive Asset Management
RBC
The Reinvestment Fund
Sentinel Investments
Sustainalytics
Thaipat Institute
Trillium Asset Management
Walden Asset Management
Wespath Investments

Responsible Investor, Green Money Journal, The Nation and G&A Institute were media sponsors.

SIF members. US SIF used these three channels to promote US SIF events, press releases and research, and developments in SRI.

MEDIA RELATED: US SIF or the US SIF Foundation issued five press releases and statements in 2015 on US SIF's programs, research and public policy priorities. Bylined pieces by Lisa Woll appeared in *Plan Sponsor*, *Investment News* and *The Wall Street Journal*. US SIF staff was quoted and US SIF Foundation data were included in a variety of outlets, including *Forbes*, *The New Yorker*, *Pensions & Investments*, *Seeking Alpha* and *CNBC*.

MEMBER RECEPTIONS: US SIF held receptions in 2015 for current and prospective members in Boston, Chicago, Colorado Springs and San Francisco.

US SIF Foundation

MEMBER WEBINARS: As part of its effort to expand educational and professional development opportunities, the US SIF Foundation held seven webinars for members in 2015, in addition to multiple other webinars held by working groups (see p. 21). Topics included:

- Mass Incarceration: Issues for Investors
- The Fifth Anniversary of the Dodd-Frank Act
- The *Global Sustainable Investment Review 2014*
- The Road to Paris Climate Talks
- The US Department of Labor's new ERISA guidance on economically targeted investments
- The findings of the US SIF Foundation Report *Unlocking ESG Integration*
- Impact Investing in Africa (in collaboration with the Global Impact Investing Network)

PUBLIC POLICY

US SIF

In 2015, US SIF focused on a general goal of educating policymakers about sustainable, responsible and impact investing and on seven key public policy issues. The following table summarizes our actions and the outcomes in each area during the year.

| GOAL | ACTIONS AND OUTCOMES |
|--|---|
| <p>Educate policymakers about SRI investing and ESG integration.</p> | <p>US SIF held two Congressional briefings in 2015. In January, US SIF held a briefing for the House of Representatives Sustainable Energy and Environment Coalition (SEEC) on the 2014 <i>Report on US Sustainable, Responsible and Impact Investing Trends</i>, with a focus on environmental and climate change issues. In February, US SIF held a briefing on sustainable, responsible and impact investing and the <i>Trends</i> report, which was sponsored by Senator Sheldon Whitehouse (D-RI) and Representative Jim Langevin (D-RI). The event was well attended by staff from the House and Senate.</p> |
| <p>Require publicly traded companies to disclose their political contributions and support efforts to provide the public with greater information about campaign expenditures.</p> | <p>The Supreme Court's 2010 decision in <i>Citizens United v. Federal Election Commission</i> has enabled corporations to spend an unlimited amount of money on political advertising. In response, US SIF and many others have supported a petition that a group of law professors submitted to the US Securities and Exchange Commission (SEC) in 2011 requesting it to require publicly traded companies to disclose their use of corporate resources for political purposes. Despite more than a million comments supporting the petition, the SEC has not acted. In 2015, US SIF urged members of Congress to support political contributions disclosure. As a result of engagement by multiple organizations, including US SIF, 94 members of Congress signed a letter to the SEC in December 2015 asking the SEC to move forward. The letter noted that although an omnibus provision prohibits the SEC from using fiscal year 2016 funds to “finalize, issue or implement a rule, regulation or order” on political spending disclosures, the SEC still retains the authority to take steps to prepare for the rulemaking.</p> |
| <p>Support climate change legislation and regulation, including rules to curb greenhouse gas emissions from coal- and oil-fired electric generating units.</p> | <p>In 2015, US SIF and its members participated in climate summits and meetings such as the Investor's Clean Energy Summit at the White House. In April, US SIF participated in the Lobby Day and related meetings organized by Business for Innovative Climate and Energy Policy (BICEP), a project of Ceres. In August, US SIF released a statement on the Clean Power Plan (CPP) applauding President Obama and the US Environmental Protection Agency for the historical action to set the nation on course to reduce carbon emissions from existing power plants 32 percent from 2005 levels by 2030. The CPP is a crucial step in meeting America's international commitment to reduce carbon emissions. At the 2015 US SIF conference, US SIF hosted a special briefing for members on the road to the international climate negotiations in Paris; the briefing featured Holmes Hummel (Founder of Clean Energy Works) and Ken Locklin (Director of Impax Asset Management).</p> <p>Additionally, just days before the Paris Conference of the Parties in December, US SIF hosted a webinar on the upcoming talks with a number of speakers, including the Deputy Special Envoy for Climate Change at the US Department of State.</p> |

| GOAL | ACTIONS AND OUTCOMES |
|--|---|
| <p>Support rulemaking under <i>The Dodd-Frank Wall Street Financial Reform and Consumer Protection Act of 2010</i> (Dodd-Frank Act) to require publicly traded companies to disclose the ratio of CEO pay to median worker pay and their payments to governments for the commercial development of oil, natural gas or minerals.</p> | <p>Executive Compensation and Pay Disparity—After years of engagement by US SIF and its members, in August the SEC released its new executive compensation disclosure rule as required by Section 953(b) of the Dodd-Frank Act. Under the rule, publicly traded companies will be mandated to disclose, beginning in 2017: the median of the annual total compensation of all employees except the CEO, the annual total compensation of the CEO, and the ratio of the two amounts. US SIF issued a statement that the rule strikes an appropriate balance between providing useful information to investors and providing issuers with flexibility in its implementation. While we are disappointed that smaller reporting companies are excluded from the rule and that issuers have the ability to exclude up to five percent of non-US employees when determining the median employee, we are pleased that the SEC’s rule applies to US and non-US employees, as well as full-time, part-time, seasonal and temporary workers employed by the company or its consolidated subsidiaries.</p> <p>Disclosure of Payments to Governments by Resource Extraction Issuers— In December, after the previous final rule was legally challenged, the SEC voted to propose new rules. Under the proposed rules, a resource extraction issuer would be required to disclose payments made to the US federal government or a foreign government if the issuer is required to file annual reports with the Commission under the Securities Exchange Act. The issuer would also be required to disclose payments made by a subsidiary or entity controlled by the issuer. The disclosure would be made at the project level similar to the approach adopted in the European Union and proposed in Canada. The disclosure required by the proposed rules would be filed publicly with the Commission annually on Form SD. US SIF and its members are urging the SEC to finalize this rule as soon as possible.</p> |
| <p>Urge the SEC to require corporate ESG disclosure and avoid any weakening or rollback of corporate disclosure.</p> | <p>In 2015, US SIF and its members met with Commissioners and senior staff at the SEC to require mandatory corporate ESG disclosure. US SIF is engaged with the SEC on its ongoing review of disclosure following the Commission-issued staff report to Congress on its disclosure rules for US public companies. The report, mandated by the Jumpstart Our Business Startups (JOBS) Act, offered an overview of Regulation S-K, which provides requirements for public company disclosure and the staff’s preliminary conclusions and recommendations about disclosure reform.</p> |

| GOAL | ACTIONS AND OUTCOMES |
|--|--|
| <p>Persuade the US Department of Labor to rescind or substantially revise its 2008 bulletins on Economically Targeted Investments and on Shareholder Rights.</p> | <p>In October, US SIF joined US Secretary of Labor Thomas Perez at a press conference in New York City where he announced the Department of Labor’s decision to rescind its 2008 bulletin on Economically Targeted Investments, which had discouraged fiduciaries for private sector retirement plans from considering environmental and social factors in their investments. In its place, Secretary Perez announced a return to the 1994 guidance, accompanied by a preamble that makes clear that “Consistent with fiduciaries’ obligations to choose economically superior investments, the Department of Labor does not believe ERISA prohibits a fiduciary from addressing ETIs [economically targeted investments that provide collateral benefits] or incorporating ESG-related tools, metrics and analyses to evaluate an investment’s risk or return or choose among otherwise equivalent investments.” The Department’s action signals that ERISA-governed plans, and by extension, those plans influenced by ERISA, may integrate critical environmental, social and governance issues into their investment decisions.</p> <p>Over several years, US SIF worked in a coalition of diverse partners to rescind or revise the 2008 ETI bulletin, and US SIF met with Secretary Perez and his senior staff on several occasions in 2015. US SIF has continued its engagement with the Department of Labor on the 2008 shareholder rights bulletin, which discourages thoughtful proxy voting policies.</p> |
| <p>Support the Thrift Savings Plan (TSP) expansion of investment options for federal employees and military personnel to include the availability of sustainable investment options, including a mutual fund window option that offers a range of SRI funds.</p> | <p>For several years, US SIF has worked to enable US federal employees and military personnel to have SRI options within their Thrift Savings Plan (TSP) retirement accounts. Currently, TSP participants are limited to five index funds, none of which include SRI strategies. In July, after years of engagement by US SIF and others, the Federal Retirement Thrift Investment Board voted to move forward with developing a mutual fund window option for the 4.7 million federal employees and military personnel served by the TSP, the country’s largest defined contribution plan. While this decision does not ensure inclusion of sustainable investment options, US SIF is pleased that it will expand investment options for millions of federal government employees who entrust \$450 billion in retirement savings to the Board and that it brings the TSP one step closer to being able to provide SRI options to government employees.</p> |

APPLICATION OF RULE 14a-8(i)(9) – SHAREHOLDER PROPOSALS

In addition to the aforementioned, longstanding priorities, US SIF took action on an additional issue of concern to our members in 2015: an overly broad interpretation of Rule 14a-8 of the Securities Exchange Act of 1934. The rule, as amended, allows shareholders to submit proposals for inclusion in company proxy materials and vote upon proposals on a diverse range of topics. The rule is of critical importance to US SIF members who, as responsible owners, are actively engaged as shareowners in filing proposals and engaging with companies.

During the 2015 proxy season, questions arose about the SEC’s interpretation of Rule 14a-8(i)(9), which allows for the exclusion of a shareholder proposal that “directly conflicts” with a management proposal. In July US SIF and its members provided comments to the SEC registering our concerns that overly broad interpretations of the Rule could harm the shareholder resolution process as a whole. In October, the SEC agreed with our view. It issued a staff legal bulletin that clarifies that similar shareholder and management proposals must be in “direct conflict” before a company can exclude the shareholder proposal from the company’s proxy statement. According to the bulletin, direct conflict “*would exist if a reasonable shareholder could not logically vote in favor of both proposals, i.e., a vote for one proposal is tantamount to a vote against the other proposal.*” The SEC recognized that this articulation may be a higher burden for some companies seeking to exclude a proposal than had been the case under the SEC’s previous formulation.

POLICY COMMITTEE AT DECEMBER 2015

Tim Smith (chair)
Stu Dalheim
Bennett Freeman
Julie Fox Gorte
Jeannine Jacokes
Adam Kanzer
Michael Kramer
Jonas Kron
Ronald L. Phillips
Wayne Silby
Betsy Zeidman

OTHER PROGRAMS & WORKING GROUPS

The program work of US SIF and the US SIF Foundation is largely carried out by staff, but it also received support from members who volunteered their time on committees and member-led working groups in 2015.

US SIF

DIVERSITY COMMITTEE: To promote diversity and inclusion in the sustainable and impact investment industry, US SIF offers the Peter DeSimone Student Scholarship Program; in 2015, it enabled nine students interested in careers in sustainable investment to attend the US SIF annual conference at no registration charge and to receive onsite mentoring. US SIF's International Working Group and Sustainable Investment Research Analyst Network also held a Member Day session on "Investing to Advance Women Globally." Two additional panel sessions at the US SIF conference focused on diversity and inclusion: "Investing with a Gender Lens" and "Investing in People, Not Prisons."

In 2015, as part of its commitment to encourage workforce diversity and an inclusive culture within member organizations and the financial services industry as a whole, US SIF launched a [Diversity webpage](#) that includes a toolkit and a list of resources to get started on building a diverse workforce and inclusive corporate culture. US SIF recommends that investment firms and other businesses consider diversity and inclusion not only when making hiring and promotion decisions, but also when conducting business with others, such as lawyers, accountants, trading firms and vendors. We also recommend integrating diversity and inclusion factors in the investment decision-making process.

DIVERSITY COMMITTEE AT DECEMBER 2015

Geeta Aiyer
Michelle Clayman
Sarah Cleveland
Ingrid Dyott
Tammy Haygood
Lisa Hayles
Paul Herman
Jeannine Jacokes
Angie Janssen
Erika Karp
Sonia Kowal
Kobie Mahiri
Mark Regier
Christina Valauri
Mark Watson

SIRAN STEERING COMMITTEE AT DECEMBER 2015

Meggin Thwing Eastman (co-chair)
Tessie Petion (co-chair)
Matthew Barg
Shadé Brown
Olga Emelianova
Greg Hasevlat
Dayna Linley-Jones
Mike Lombardo
Leah Turino
Mariela Vargova

SUSTAINABLE INVESTMENT RESEARCH ANALYST NETWORK

(SIRAN): In 2015, the Sustainable Investment Research Analyst Network (SIRAN), a member network, held four company teleconference meetings, giving analysts within the SRI community the opportunity to question corporate representatives about sustainability challenges and opportunities at their companies. SIRAN also held six educational sessions to support its members' professional development. In addition, SIRAN and the International Working Group (IWG) jointly organized sessions for their members during the US SIF annual conference (see more under International Working Group section on p. 21).

US SIF Foundation

GLOBAL SUSTAINABLE INVESTMENT ALLIANCE (GSIA): The US SIF Foundation is a founding member of and is actively involved with the Global Sustainable Investment Alliance, a collaboration of the seven largest sustainable investment membership organizations around the world. CEO Lisa Woll attended GSIA's fifth annual meeting in New York City in March. Among the discussion items were a review of the 2014 edition of the *Global Sustainable Investment Review* and activities for 2015. The GSIA also hosted a panel discussion on the global investment review and a reception at the Bloomberg LP office.

COMMUNITY INVESTING WORKING GROUP (CIWG): In 2015, the Community Investing Working Group with sponsorship by US SIF member Self-Help, organized a tour of a low-income Latino community in the Pilsen neighborhood of Chicago. The CIWG also held a breakfast meeting at the SRI Conference in Colorado Springs.

INDIGENOUS PEOPLES WORKING GROUP (IPWG): The Indigenous Peoples Working Group hosted several webinars in 2015 on investment issues that affect indigenous peoples.

INTERNATIONAL WORKING GROUP (IWG): During US SIF's annual conference, the International Working Group and SIRAN organized a three-hour event on "Investing to Advance Women Globally." Three panels sessions covered: research from around the world on women, inequality and corporate performance; what's new in shareholder advocacy and proxy voting in relation to gender equality; and specific global initiatives in support of women's empowerment. The IWG also organized three webinars in 2015.

WORKING GROUP STEERING COMMITTEE MEMBERS AT DECEMBER 2015

CIWG STEERING COMMITTEE

Ellen Golden (co-chair)
Liz Sessler (co-chair)
Karin Chamberlain
Paige Chapel
Justin Conway
Georgette Frazer
William Jacobsen
Jeannine Jacokes
Donna Katzin
Stuart Kregel
Anne Lawson
Andy Loving
Joe Porter
Beth Stelluto
Art Stevens
Michael Swack

IPWG STEERING COMMITTEE

Jan Bryan (co-chair)
Susan White (co-chair)
Steven Heim
Stephanie Leighton
Reed Montague

IWG STEERING COMMITTEE

Molly Betournay (co-chair)
Tony Campos (co-chair)
Simon Billenness
Lisa Hayles
Sonia Kowal
Ken Locklin
Urvi Mehta
Mariela Vargova
Ariane de Vienne
Rob Wilson
Shane Yonston

PROFESSIONAL EDUCATION

US SIF Foundation

The Center for Sustainable Investment Education, housed in the US SIF Foundation, serves the growing need of investment professionals in the United States to gain expertise in the field of sustainable, responsible and impact investment. The Center provides education, research and thought leadership on sustainable investment.

ONLINE COURSE: The Center's online course for financial advisors and other investment professionals who are new to SRI, *Fundamentals of Sustainable and Responsible Investment*, takes approximately three hours to complete and is self-paced. Completion of the course results in a certificate, as well as three CFP® Board and CFA Institute continuing education credits. IMCA has also accepted *Fundamentals of Sustainable and Responsible Investment* for three hours of CE credit towards the CIMA®, CIMC® and CPWA® certifications.

IN-PERSON COURSES: The US SIF Foundation delivered two in-person trainings based on the *Fundamentals* course during the year. The first training was held at the US SIF conference in Chicago. The second training was held at the SRI Conference in Colorado Springs in November. Participants who completed the trainings received a certificate and the same continuing education credits as the online version mentioned above.

EDUCATION COMMITTEE AT DECEMBER 2015

Michael Lent (co-chair)
Craig Metrick (co-chair)
Theodore Casparian
Michelle Clayman
Sarah Cleveland
Peter Coffin
Ingrid Dyott
Paul Ellis
Lynne Ford
Georgette Frazer
Noel Friedman
Darby Hobbs
Hillary Irby
Bruce Kahn
Manisha Kathuria
Phil Kirshman
Curtis Ravenel
Jeffrey Suyematsu

CERTIFICATION ADVISORY COUNCIL AT DECEMBER 2015

Bonnie Benhayon
Frank Coleman
Lynne Ford
Alyssa Greenspan
Paul Hilton
Hilary Irby
Phil Kirshman
Tom Kuh
Michael Lent
Curtis Ravenel
Mark Regier
Lisa Woll
Paul Ellis (consultant)

CERTIFICATION FEASIBILITY STUDY: In 2015, US SIF worked with Professional Examination Service (ProExam), a consulting firm, to assess the potential demand for a certification/designation for investment professionals who integrate ESG issues into investment decisions. The assessment process included interviews with thought leaders, focus panels and an online survey to over 3,000 investment professionals. US SIF's Certification Advisory Council provided input and guidance through this process. The results of the study were shared with the Certification Advisory Council, the Board and US SIF members. The findings confirmed the view in the field that US SIF has a role to play in creating professional standards for SRI in the United States and that there is interest in setting standards for the field. The findings from the certification feasibility were integrated into the Strategic Plan for 2016–2018.



OUR COMMITMENT TO SUSTAINABILITY



The Following Section Presents
our Commitment to our
Employees and to Sustainability



POLICIES

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Below is an overview of US SIF's environmental, employee and other social policies.

STAFF TRAVEL: US SIF policy strongly encourages staff to use bicycles, public transportation or shared rides whenever possible when commuting to work or traveling 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 four major subway lines and bus transportation, as well as a metropolitan private shared bike service, provides incentive for its employees to use public transportation, and all of them did in 2015. On business travel, train use is promoted over air travel for short trips. Detailed information on staff travel appears in the analysis of the organization's carbon footprint in the following environment section.

RECYCLING AND WASTE REDUCTION: US SIF recycles office paper, cardboard, drink containers and other items, including toner cartridges for its printers. It also uses partially recycled paper. US SIF donates or responsibly recycles all used electronic equipment. US SIF staff and guests also use non-disposable drink containers, plates 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 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 the environmental section.

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 efficiency, 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 sustainable, organic and fair trade products in menu selections and avoids using bottled water at its events.

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 bases." 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 the premiums for employees working fulltime. It also provides a 401(k) plan, matches contributions up to five percent of an employee's annual salary before taxes and offers SRI and other 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 and child care expenses.

US SIF also offers the opportunity to apply for a one to three week sabbatical to all employees at the conclusion of each five years of full-time employment. Unlike vacation or other types of paid leave, the

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objective of the sabbatical leave is to provide staff with the opportunity to enjoy a period of time away from the day to day demands of their jobs in order to concentrate on a work-related project and to develop further professionally.

POLITICAL CONTRIBUTIONS: US SIF does not make political contributions or endorse candidates for public office.

ENVIRONMENTAL FOOTPRINT

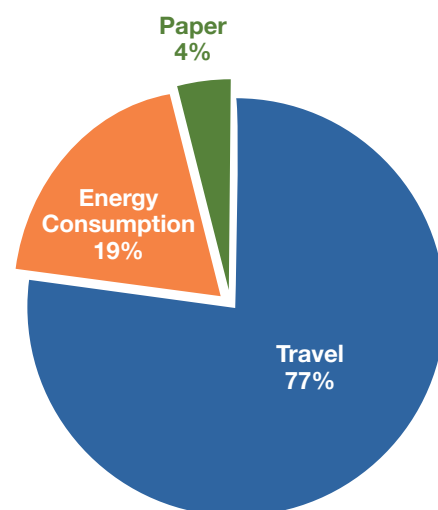
G4-DMA

Below is an overview of some of US SIF's environmental practices. Additional information appears in the GRI Index at the end of this report.

As advised by the Global Reporting Initiative, US SIF used the Greenhouse Gas Protocol (GHG Protocol) developed by the World Resources Institute and the World Business Council for Sustainable Development to calculate its greenhouse gas emissions. In particular, it used the GHG Protocol's guidance for small, office-based businesses: Working 9 to 5 on Climate Change. US SIF has no direct emissions. Under the GHG Protocol, all of US SIF's emissions are indirect "Scope Three" emissions as US SIF does not own its office space and 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.

US SIF 2015 CARBON FOOTPRINT SUMMARY

EMPLOYEE DAILY COMMUTE AND TRAVEL: In 2015, US SIF employed eight staff members, although only four staff members were full-time employees (FTEs) through the entire calendar year. All US SIF employees used public transportation to commute in 2015, except for one employee who walked to and from work. Two employees used car travel for a portion of their commute to get to the metro, while three employees spent at least one day of the week working from home. 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 federal holiday leave. Therefore, total miles are based on a 46-week work year, unless noted otherwise in the table below.



2015 EMPLOYEE COMMUTING PATTERNS

| EMPLOYEE | NO. OF COMMUTING DAYS (PER WEEK) | CAR MILES (PER DAY) | BUS MILES (PER DAY) | LIGHT RAIL MILES (PER DAY) | TRAIN MILES (DC METRO) (PER DAY) | WALK/BIKE MILES (PER DAY) |
|---------------------|----------------------------------|---------------------|---------------------|----------------------------|----------------------------------|---------------------------|
| #1 | 3 | 6 | 0 | 0 | 14 | 0.5 |
| #2 (37 weeks FTE) | 5 | 0 | 0 | 0 | 13 | 1 |
| #3 | 4 | 2 | 0 | 0 | 14 | 0.1 |
| #4 | 5 | 0 | 0 | 0 | 4 | 1.5 |
| #5 (36 weeks FTE) | 5 | 0 | 0 | 0 | 3 | 1 |
| #6 | 5 | 0 | 0 | 0 | 0 | 1.6 |
| #7 (35 weeks FTE) | 4 | 10 | 20 | 0 | 0 | 0.1 |
| #8 (9 weeks FTE) | 5 | 0 | 0 | 0 | 14 | 2.4 |
| Total Miles Per Day | - | 18 | 20 | 0 | 62 | 8.2 |
| Total for 2015 | - | 2,596 | 2,800 | 0 | 9,003 | 1,287 |

EMPLOYEE BUSINESS-RELATED TRAVEL: US SIF employees are required to file trip reports for all business-related travel. 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.

2015 EMPLOYEE BUSINESS-RELATED TRAVEL

| AIR MILES | TRAIN/SUBWAY MILES | BUS MILES | CAR MILES |
|-----------|--------------------|-----------|-----------|
| 34,563 | 5,537 | 18 | 256 |

TOTAL CARBON FOOTPRINT OF US SIF TRAVEL: Based on the total number of miles traveled, we calculated the total carbon emissions, in carbon dioxide equivalent each mode of transportation produced with emission factors from the Department of Energy's Energy Information Administration. As expected, the greatest factor to our total carbon footprint is due to flying, followed by train, car and the bus. In total, the carbon footprint of US SIF's travel was 10.41 metric tons of carbon dioxide equivalent (CO₂-e), down from 10.91 metric tons in 2014.

2015 TOTAL CARBON EMISSIONS FROM TRAVEL

| MODE OF TRANSPORTATION | TOTAL MILES TRAVELED | EMISSIONS FACTOR | TOTAL CO ₂ -E (METRIC TONS) |
|------------------------|----------------------|------------------|--|
| Air | 34,563 | 0.00020 | 6.913 |
| Train | 14,540 | 0.00017 | 2.472 |
| Bus | 2,818 | 0.00018 | 0.507 |
| Car | 2,852 | 0.00018 | 0.513 |
| Total for 2015 | | | 10.41 |

OFFICE ENERGY CONSUMPTION: US SIF leased office space in the KITA Building, located at 1660 L Street NW, Suite 306, Washington, DC 20036, during 2015. The KITA Building used 1,866,677 kilowatt hours (kWh) of electricity for its 135,061 square feet or 13.8 kWh per square foot during the year. US SIF occupies 2,132 square feet of space. Based on these assumptions, we estimate that US SIF used an annual total of 29,466 kWh.

Using the average emissions factor for our region (0.0001002 metric tons of carbon dioxide equivalent per kilowatt hour per the Environmental Protection Agency), we estimated that the carbon footprint for the US SIF office from electricity use was 2.95 metric tons of CO₂-e in 2015, down from 4.025 metric tons in 2014. There are several imperfections to this calculation that need to be improved upon in future reporting. Our estimates do not account for US SIF's use of common areas in the building.

G4-DMA

PAPER CONSUMPTION: US SIF used the approximate equivalent of 100 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 CO₂-e per kilogram of paper consumed. Using these assumptions, the carbon footprint of US SIF's paper use was 495 kilograms or 0.495 metric tons of CO₂-e, down from 0.793 metric tons in 2014.

TOTAL CARBON FOOTPRINT: Based on our calculations and assumptions, US SIF's carbon footprint is the equivalent of 13.855 metric tons of CO₂-e, or 2.12 metric tons per full-time staff equivalent. In 2015, US SIF's total carbon footprint is mainly due to traveling (77 percent of total emissions), followed by energy usage (19 percent), and paper use (four percent), as seen on page 26.

| YEAR | 2015 | 2014 | 2013 | 2012 | 2011 |
|-----------------------------------|-------|-------|-------|-------|-------|
| Carbon Footprint (metric ton/FTE) | 2.210 | 1.966 | 2.541 | 2.085 | 2.065 |

STAFF



Lisa Woll
CEO



Farzana Hoque
Manager of Research and Programs



Alya Kayal
Director of Programs and Policy



Melanie Richardson
Director of Membership and Operations



Megan Smith
Manager of Communications and Events



Meg Voorhes
Director of Research

2015 AUDITED FINANCIALS



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(F) 301.986.0432

1901 L STREET, NW
SUITE 750
WASHINGTON, DC 20036
(T) 202.822.0717
(F) 202.822.0739

Independent Auditors' Report

To the Board of Directors
US SIF: The Forum for Sustainable and Responsible
Investment and US SIF Foundation
Washington, D.C.

We have audited the accompanying consolidated financial statements of US SIF: The Forum for Sustainable and Responsible Investment and US SIF Foundation (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



US SIF: The Forum for Sustainable and
Responsible Investment and
US SIF Foundation
Independent Auditors' Report

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 consolidated financial statements, and we expressed an unmodified opinion on those consolidated financial statements in our report dated May 19, 2015. In our opinion, the summarized comparative information presented herein as and for the year ended December 31, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Councilor, Buchanan & Mitchell, P.C.

Certified Public Accountants

Washington, D.C.
May 22, 2016

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2014)

| | <u>2015</u> | <u>2014</u> |
|---|----------------------------|--------------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 1,044,133 | \$ 772,171 |
| Prepaid Expenses | <u>10,677</u> | <u>31,526</u> |
| Total Current Assets | 1,054,810 | 803,697 |
| Property and Equipment | | |
| Computers and Phone Equipment | 18,056 | 18,056 |
| Accumulated Depreciation and Amortization | <u>(15,133)</u> | <u>(12,844)</u> |
| Total Property and Equipment | 2,923 | 5,212 |
| Security Deposit | 9,754 | 15,067 |
| Total Assets | <u>\$ 1,067,487</u> | <u>\$ 823,976</u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Expenses | \$ 65,812 | \$ 78,946 |
| Deferred Revenue | <u>313,720</u> | <u>161,928</u> |
| Total Current Liabilities | 379,532 | 240,874 |
| Deferred Rent | 49,795 | 47,780 |
| Sublease Security Deposit | 1,728 | 2,488 |
| Total Liabilities | 431,055 | 291,142 |
| Net Assets | | |
| Unrestricted | <u>636,432</u> | <u>532,834</u> |
| Total Net Assets | 636,432 | 532,834 |
| Total Liabilities and Net Assets | <u>\$ 1,067,487</u> | <u>\$ 823,976</u> |

See accompanying Notes to Consolidated Financial Statements.

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)**

| | 2015 | 2014 |
|--------------------------------------|-------------------|-------------------|
| Revenues | | |
| Membership Dues | \$ 905,654 | \$ 821,778 |
| Contributions | 154,695 | 201,673 |
| Sponsorship, Other than Events | 6,475 | 127,940 |
| Event Related Income | 494,180 | 456,750 |
| Interest Income | 560 | 472 |
| Course Registration | 28,695 | 25,826 |
| Publications | 9,175 | 6,925 |
| Other Revenue | 16,517 | 9,828 |
| Total Revenues | 1,615,951 | 1,651,192 |
| Expenses | | |
| Program Services | 1,393,897 | 1,413,830 |
| Management and General | 103,993 | 132,479 |
| Fundraising | 14,463 | 18,263 |
| Total Expenses | 1,512,353 | 1,564,572 |
| Change in Net Assets | 103,598 | 86,620 |
| Net Assets, Beginning of Year | 532,834 | 446,214 |
| Net Assets, End of Year | \$ 636,432 | \$ 532,834 |

See accompanying Notes to Consolidated Financial Statements.

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>2015 Total</u> | <u>2014 Total</u> |
|-------------------------------------|-----------------------------|-----------------------------------|--------------------|-----------------------|-----------------------|
| Salaries | \$ 533,958 | \$ 50,920 | \$ 7,078 | \$ 591,956 | \$ 691,023 |
| Employee Benefits and Payroll Taxes | 88,057 | 10,631 | 1,292 | 99,980 | 128,370 |
| Payroll and Benefits Administration | 6,536 | 478 | 348 | 7,362 | 6,258 |
| Consulting | 380,526 | 4,065 | 3,374 | 387,965 | 312,093 |
| Office Expenses | 127,806 | 32,196 | 2,131 | 162,133 | 185,107 |
| SIF - Sponsored Events | 216,862 | 30 | - | 216,892 | 203,268 |
| Staff Meals, Lodging, and Travel | 28,430 | 985 | 86 | 29,501 | 24,662 |
| Financial Services and Fees | 10,532 | 4,127 | 136 | 14,795 | 11,887 |
| Miscellaneous | 1,190 | 561 | 18 | 1,769 | 1,904 |
| Total Expenses | \$ 1,393,897 | \$ 103,993 | \$ 14,463 | \$ 1,512,353 | \$ 1,564,572 |

See accompanying Notes to Consolidated Financial Statements.

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014)**

| | <u>2015</u> | <u>2014</u> |
|---|----------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Change in Net Assets | \$ 103,598 | \$ 86,620 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities | | |
| Depreciation | 2,289 | 2,540 |
| Decrease in Grants Receivable | - | 10,000 |
| Decrease (Increase) in Prepaid Expenses | 20,849 | (7,308) |
| Decrease (Increase) in Security Deposit | 5,313 | (9,293) |
| (Decrease) Increase in Accounts Payable and Accrued Expenses | (13,134) | 38,223 |
| Increase in Deferred Revenue | 151,792 | 28,218 |
| Increase in Deferred Rent | 2,015 | 46,239 |
| (Decrease) Increase in Sublease Security Deposit | (760) | 2,488 |
| | <u>271,962</u> | <u>197,727</u> |
| Net Cash Provided by Operating Activities | 271,962 | 197,727 |
| Cash Flows from Investing Activities | | |
| Purchases of Property and Equipment | - | (1,051) |
| | <u>-</u> | <u>(1,051)</u> |
| Net Cash Used in Investing Activities | - | (1,051) |
| Net Increase in Cash and Cash Equivalents | 271,962 | 196,676 |
| Cash and Cash Equivalents, Beginning of Year | 772,171 | 575,495 |
| | <u>772,171</u> | <u>575,495</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,044,133</u> | <u>\$ 772,171</u> |

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Principles of Consolidation

US SIF: The Forum for Sustainable and Responsible Investment (formerly Social Investment Forum, Ltd.) (US SIF) is a nonprofit organization incorporated under the laws of New York in November 1984. The objective and purpose of the US SIF is to advance investment practices that consider environmental, social, and corporate governance criteria to generate long-term competitive financial returns and positive societal impact.

US SIF Foundation (formerly 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 US SIF by assuming the responsibilities for, and the management of, certain educational and research activities.

The US SIF and the Foundation (collectively referred to as the Organization) share staff and board members and the US SIF is the sole member of the Foundation.

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

The US SIF and the Foundation are funded primarily by member dues, contributions, event and sponsorship revenues.

The US SIF's and the Foundation's programs include the publication of reports and resource guides, professional education courses, and events, seminars, and forums relating to the concept of sustainable and 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 US SIF is a membership association and is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is a supporting organization to the US SIF and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Accounting for Uncertain Tax Positions

The Organization 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 Organization does not believe their consolidated financial statements include, or reflect, any uncertain tax positions.

US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Uncertain Tax Positions (Continued)

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

Cash and Cash Equivalents

The Organization considers as cash and cash equivalents amounts in the checking and operating accounts.

Property and Equipment

The Organization capitalizes all property and equipment acquisitions of \$1,000 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 consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 consolidated 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.

Deferred Rent

The Organization's lease for office space includes predetermined annual increases in the amount of rent. Generally accepted accounting principles require that lease expense be recognized on a straight-line basis over the life of the lease. Accordingly, a deferred rent liability is established for this predetermined annual increase and it will be amortized over the life of the lease through November 2021.

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 and disclosure. Actual results could differ from those estimates.

US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

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

Reclassification

Certain 2014 amounts have been reclassified for comparative purposes.

Prior Year Information

The consolidated financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2014. 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 Organization's consolidated financial statements for the year ended December 31, 2014, from which the summarized information was derived.

2. PENSION PLAN

The Organization maintains a 401(k) plan (the Plan) for all eligible employees. Under the terms of the Plan, the Organization makes a safe harbor match and a discretionary contribution for eligible employees participating in the Plan. All employees are eligible to participate upon employment. For the year ended December 31, 2015, the Organization made contributions of approximately \$28,900 to the Plan.

3. LEASE COMMITMENTS

The Organization conducts their operations from a leased facility. The current lease expires on November 30, 2021. In the normal course of operations, operating leases are generally renewed or replaced by other leases. Under the terms of the lease, the base rent increases annually based on scheduled increases provided for in the lease. Under generally accepted accounting principles 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 are as follows:

| <u>For the Years Ending December 31,</u> | <u>Amount</u> |
|--|-------------------|
| 2016 | \$ 115,737 |
| 2017 | 118,630 |
| 2018 | 121,596 |
| 2019 | 124,636 |
| 2020 | 127,752 |
| Thereafter (2021) | 119,899 |
| Total | <u>\$ 728,250</u> |

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015**

3. LEASE COMMITMENTS (CONTINUED)

Rent expense for the Organization for the year ended December 31, 2015, was approximately \$114,900. During 2015, the Organization subleased office spaces to other organizations and received rental income of approximately \$15,900 under the sublease agreements. The sublease agreements end as of August 31, 2016.

4. COMMITMENTS

During 2015, the Organization entered in to a contract for hotel and conference space for a 2016 conference. The contract contains a clause whereby the Organization 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 this contract will occur and result in a material impact on the consolidated financial statements.

5. CONCENTRATIONS

The Organization maintains bank accounts at financial institutions which at times during the year exceeded the Federal Deposit Insurance Corporation limit. Management believes the risk in these situations to be minimal.

Approximately 65% of the \$154,695 in contributions to the Organization were received from one donor during the year ended December 31, 2015.

6. EMPLOYMENT CONTRACT

During 2014, the Organization entered in to a three year employment agreement (Agreement) with its Chief Executive Officer (CEO). If the CEO is terminated for any reason other than cause, as defined in the Agreement, the Organization shall comply with the terms stipulated in the Agreement.

7. SUBSEQUENT EVENTS

Subsequent events were evaluated through May 22, 2016, which is the date the consolidated financial statements were available to be issued.



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Independent Auditors' Report on Consolidating Information

To the Board of Directors
US SIF: The Forum for Sustainable and Responsible
Investment and US SIF Foundation
Washington, D.C.

We have audited the consolidated financial statements of US SIF: The Forum for Sustainable and Responsible Investment and US SIF Foundation for the year ended December 31, 2015, and our report thereon dated May 22, 2016, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 3-4. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 14-15 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Councilor, Buchanan & Mitchell, P.C.

Washington, D.C.
May 22, 2016

Certified Public Accountants



**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

| | <u>US SIF The Forum</u> | <u>US SIF Foundation</u> | <u>Eliminating Entries</u> | <u>Consolidated Total</u> |
|---|-----------------------------|------------------------------|--------------------------------|-------------------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 664,078 | \$ 380,055 | \$ - | \$ 1,044,133 |
| Due from US SIF Foundation | 206,440 | - | (206,440) | - |
| Prepaid Expenses | 10,677 | - | - | 10,677 |
| Total Current Assets | 881,195 | 380,055 | (206,440) | 1,054,810 |
| Property and Equipment | | | | |
| Computers and Phone Equipment | 18,056 | - | - | 18,056 |
| Accumulated Depreciation and Amortization | (15,133) | - | - | (15,133) |
| Total Property and Equipment | 2,923 | - | - | 2,923 |
| Security Deposit | 9,754 | - | - | 9,754 |
| Total Assets | \$ 893,872 | \$ 380,055 | \$ (206,440) | \$ 1,067,487 |
| Liabilities and Net Assets | | | | |
| Current Liabilities | | | | |
| Accounts Payable and Accrued Expenses | \$ 58,533 | \$ 7,279 | \$ - | \$ 65,812 |
| Due to US SIF Forum | - | 206,440 | (206,440) | - |
| Deferred Revenue | 292,720 | 21,000 | - | 313,720 |
| Total Current Liabilities | 351,253 | 234,719 | (206,440) | 379,532 |
| Deferred Rent | 49,795 | - | - | 49,795 |
| Sublease Security Deposit | 1,728 | - | - | 1,728 |
| Total Liabilities | 402,776 | 234,719 | (206,440) | 431,055 |
| Net Assets | | | | |
| Unrestricted | 491,096 | 145,336 | - | 636,432 |
| Temporarily Restricted | - | - | - | - |
| Total Net Assets | 491,096 | 145,336 | - | 636,432 |
| Total Liabilities and Net Assets | \$ 893,872 | \$ 380,055 | \$ (206,440) | \$ 1,067,487 |

See Independent Auditors' Report on Consolidating Information.

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT
AND US SIF FOUNDATION**

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

| | <u>US SIF The Forum</u> | <u>US SIF Foundation</u> | <u>Eliminating Entries</u> | <u>Consolidated Total</u> |
|--------------------------------------|-----------------------------|------------------------------|--------------------------------|-------------------------------|
| Revenues | | | | |
| Membership Dues | \$ 632,660 | \$ 272,994 | \$ - | \$ 905,654 |
| Contributions | - | 154,695 | - | 154,695 |
| Sponsorship, Other than Events | - | 6,475 | - | 6,475 |
| Event Related Income | 479,180 | 15,000 | - | 494,180 |
| Interest Income | 148 | 412 | - | 560 |
| Course Registration | - | 28,695 | - | 28,695 |
| Publications | - | 9,175 | - | 9,175 |
| Other Revenue | 16,517 | - | - | 16,517 |
| Total Revenues | 1,128,505 | 487,446 | - | 1,615,951 |
| Expenses | | | | |
| Salaries | 397,430 | 194,526 | - | 591,956 |
| Employee Benefits and Payroll Taxes | 65,772 | 34,208 | - | 99,980 |
| Payroll and Benefits Administration | 4,889 | 2,473 | - | 7,362 |
| Consulting | 199,054 | 188,911 | - | 387,965 |
| Office Expenses | 112,903 | 49,230 | - | 162,133 |
| SIF - Sponsored Events | 214,031 | 2,861 | - | 216,892 |
| Staff Meals, Lodging, and Travel | 19,718 | 9,783 | - | 29,501 |
| Financial Services and Fees | 10,978 | 3,817 | - | 14,795 |
| Miscellaneous | 292 | 1,477 | - | 1,769 |
| Total Expenses | 1,025,067 | 487,286 | - | 1,512,353 |
| Change in Net Assets | 103,438 | 160 | - | 103,598 |
| Net Assets, Beginning of Year | 387,658 | 145,176 | - | 532,834 |
| Net Assets, End of Year | \$ 491,096 | \$ 145,336 | \$ - | \$ 636,432 |

See Independent Auditors' Report on Consolidating Information.

GRI CONTENT INDEX FOR “IN ACCORDANCE” – CORE



In accordance with the GRI’s G4 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.

GENERAL STANDARD DISCLOSURES

GENERAL
STANDARD
DISCLOSURES

PAGE

DESCRIPTION

STRATEGY AND ANALYSIS

| | | |
|------|-----|---|
| G4-1 | 2-3 | 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 for addressing sustainability. |
| G4-2 | 2-3 | Description of key impacts, risks, and opportunities. |

ORGANIZATIONAL PROFILE

| | | |
|------|---|--|
| G4-3 | ii | Name of the organization. |
| G4-4 | US SIF advances sustainable responsible and impact investing across all asset classes. It also provides services to its members, creates external knowledge of SRI through research, media, policy engagement and professional education, and holds conferences and other types of in-person and virtual events to inform its members and others. It conducts much of its research, program and public education efforts through the US SIF Foundation. | Primary brands, products, and services |
| G4-5 | ii | Location of the organization’s headquarters. |
| G4-6 | ii | 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. |
| G4-7 | ii | Nature of ownership and legal form. |
| G4-8 | ii | Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries). |
| G4-9 | Five full-time and one part-time employees, and 265 members at the end of 2015; see financials on page 42. | Scale of reporting organization, including: <ul style="list-style-type: none"> • Total number of employees; • Total number of operations; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided. |

| | | |
|-------|---|---|
| G4-10 | At year-end 2015, there were five full-time employees and one part-time employee in Washington, DC, performing administrative, managerial, research, writing and policy work. All were female and all were based in Washington, DC. | Total number of employees by employment contract and gender; Total number of permanent employees by employment type and gender; Total workforce by employees and supervised workers and by gender; Total workforce by region and gender; Whether a substantial portion of the organizations' work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors; and Any significant variation in employment numbers. |
| G4-11 | Zero | Percentage of total employees covered by collective bargaining agreements. |
| G4-12 | Our supply chain primarily involves office operations and programmatic activities. Whenever possible, US SIF sources sustainable materials, such as recycled office paper. US SIF also hires external consultants to support certain programs. | The organization's supply chain |
| G4-13 | None | Significant changes during the reporting period regarding its size, structure, ownership, or supply change, including: <ul style="list-style-type: none"> • Changes in the location of, or changes in operations, including facility openings, closings, and expansions; • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); and • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination |
| G4-14 | The precautionary approach principle is not addressed by the organization. | Whether and how the precautionary approach or principle is addressed by the organization. |
| G4-15 | While not a signatory to other initiatives, US SIF frequently works in partnership with other members of the Global Sustainable Investment Alliance, 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 Americans for Financial Reform, Corporate Reform Coalition, the Council of Institutional Investors and other organizations. | Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses. |
| G4-16 | 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. | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • holds positions on the governance body; • participates in projects or committees; • provides substantive funding beyond routine membership dues; • views membership as strategic. |

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

| | | |
|-------|---|--|
| G4-17 | US SIF and the US SIF Foundation; no | List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. |
| G4-18 | Staff review | Process for defining report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content. |
| G4-19 | Affected Stakeholder Engagement; Coordination; Diversity and Equal Opportunity; Emissions; Employment; Ethical Fundraising; Feedback, Complaints and Actions; Public Awareness and Advocacy | All the material Aspects identified in the process for defining report content. |
| G4-20 | Entire organization | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. |
| G4-21 | None | State any specific limitations on the scope or boundary of the report. |
| G4-22 | None | Effect of any restatements of information provided in previous reports, and the reasons for such restatements. |
| G4-23 | None | Significant changes from previous reporting periods in the Scope and Aspect Boundaries. |

STAKEHOLDER ENGAGEMENT

| | | |
|-------|--|---|
| G4-24 | <p>US SIF's primary stakeholders are its members. A list of members is available at http://www.ussif.org/AF_MemberDirectory.asp.</p> <p>US SIF's other primary stakeholders are its employees. US SIF staff set goals for the year and are evaluated against those goals. The board annually evaluates the CEO's performance. Staff is welcome to report recommendations and concerns to the board, as well.</p> <p>US SIF also conducts policy 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.</p> | List of stakeholder groups engaged by the organization. |
|-------|--|---|

| | | |
|-------|---|--|
| G4-25 | <p>Members: US SIF is a membership association and its mission, strategy and operating plans are largely developed in consultation with the board. Members—through their dues and sponsorship of key programs—provide a significant portion of US SIF’s annual revenues and they also play key roles on committees.</p> <p>Non-Members:</p> <ul style="list-style-type: none"> • Financial Professionals: Non-members in the finance field are key audience for US SIF convenings, research, education and other initiatives. • Other sustainable and impact investment organizations: US SIF dialogues and engages with similar institutions in order to coordinate and amplify the work of all. • Employees: US SIF would not be able to fulfill its mission, strategic objectives and operating plan without its employees. • Legislators and regulators: In order to advance responsible investing practices, it is necessary at times to advocate for legislative and regulatory changes, and to educate policymakers on these issues. • Media: In order to advance responsible investing practices, it is necessary engage with and educate journalists on these issues. | Basis for identification and selection of stakeholders with whom to engage. |
| G4-26 | US SIF engages all of its members through its communications, including electronic discussion groups and reports, as well as events, including teleconferences, 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. US SIF also engages with a broader group of investors to educate them about sustainable and impact investing. | Organization’s approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. |
| G4-27 | US SIF’s staff and members, through participation in various committees and working groups, and by responding to member surveys, can identify and work on key topics and initiatives. For example, due to a continuing increase in demand for SRI education and interest in SRI certification for the financial industry, US SIF began exploring the option of a certification program. US SIF also met member requests for greater initiatives on diversity and inclusion in the SRI field by establishing a diversity task force. | 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. |

REPORT PROFILE

| | | |
|-------|----|--|
| G4-28 | ii | Reporting period (such as fiscal or calendar year) for information provided. |
| G4-29 | ii | Date of most recent previous report (if any). |
| G4-30 | ii | Reporting cycle (annual, biennial, etc.). |

| | | |
|-------|---|--|
| G4-31 | ii | Contact point for questions regarding the report or its contents. |
| G4-32 | Core | Report the 'in accordance' option the organization has chosen. Report the GRI Context Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured. |
| G4-33 | The financial information presented was audited by an independent accounting firm. US SIF at this time does not have plans to submit the other portions of the report for independent verification. | Organization's 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. Report the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report. |

GOVERNANCE

| | | |
|-------|-----|---|
| G4-34 | 4-5 | Governance structure of the organization, including committees under the highest governance body. Identify any committees responsible for decision-making on economic, environmental, and social impacts. |
|-------|-----|---|

ETHICS AND INTEGRITY

| | | |
|-------|---|---|
| G4-56 | See the policies section of this report on pages 24-25. See also US SIF's mission statement, vision and values on page 8. | The organization's values, principle, standards and norms of behavior such as codes of conduct and codes of ethics. |
|-------|---|---|

SPECIFIC STANDARD DISCLOSURES

| DMA AND INDICATORS | PAGE | OMISSION(S) | DESCRIPTION |
|--------------------|------|-------------|-------------|
|--------------------|------|-------------|-------------|

CATEGORY: ECONOMIC

Material Aspect: Resource Allocation (NGO Sector Disclosures)

| | | | |
|--------|--|--|--|
| G4-DMA | US SIF's accounting systems ensure that it allocates funding to the proper pools and programs. | | List standards used for tracking and allocating resources. |
|--------|--|--|--|

Material Aspect: Ethical Fundraising (NGO Sector Disclosures)

| | | | |
|------|---|--|---|
| NGO8 | See financial section of this report on pages 42. The donors providing more than \$5,000 annually are listed in US SIF and the US SIF Foundation's 900 filings to the Internal Revenue Service. These are available online via Guidestar. | | Breakdown of funding received by source, including listing of 5 largest donors. |
|------|---|--|---|

CATEGORY: ENVIRONMENTAL

Material Aspect: Energy

| | | | |
|--------|---|--|--|
| G4-DMA | US SIF is not subject to any government or industry regulations and policies for energy. See discussion on policies and environmental footprint on pages 24–28. | | Energy |
| G4-EN3 | None; Electricity: 106.0776 gigajoules | | Direct energy consumption by primary energy source. Indirect energy consumption by primary source. |
| G4-EN6 | 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 office building owner has undertaken several other energy conservation initiatives, including placing motion detectors on lights in many common areas. | | Energy saved due to conservation and efficiency improvements. Initiatives to reduce indirect energy consumption and reductions achieved. |

Material Aspect: Emissions

| | | | |
|---------|--|--|---|
| G4-DMA | US SIF is not subject to any government or industry regulations and policies regarding emissions. | | Emissions |
| G4-EN16 | Based on our calculations and assumptions, US SIF's and US SIF Foundation's combined Scope 2 emissions are the equivalent of 2.95 metric tons of CO ₂ -e. | | Total direct and indirect greenhouse gas emissions by weight. |
| G4-EN17 | Based on our calculations and assumptions, US SIF's and US SIF Foundation's, Scope 2 emissions are the equivalent of 10.905 metric tons of CO ₂ -e. | | Other relevant indirect greenhouse gas emissions by weight. |
| G4-EN19 | US SIF staff strives to conserve energy and reduce consumption of paper products. US SIF's conference programs also seek environmentally responsible venues. 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 during 2015. (Also see pages 24-25). | | Initiatives to reduce greenhouse gas emissions and reductions achieved. |

CATEGORY: SOCIAL

Sub-Category: Labor Practices and Decent Work

Material Aspect: Employment

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| G4-DMA | US SIF supports the ILO's core conventions as enshrined in the ILO's Fundamental Principles and Rights at Work. Also, see organizational policies and practices on pages 24–25. | | Employment |
| G4-LA1 | One employee joined US SIF: a female between 40 to 49 years of age. Two employees left US SIF in 2015: one female between 30 and 39 years of age and one female between 50 and 59 years of age. All employees were based in the Washington, DC metro area. | | Total number and rate of employee turnover by age group, gender, and region. |
| G4-LA2 | Employer-subsidized health, disability and dental insurance, and sabbatical benefits are available to all employees who work at least 30 hours a week. | | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. |

Material Aspect: Training and Education

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| G4-DMA | Senior US SIF staff train and mentor junior staff weekly. Staff members, from time to time, are given the opportunity to attend conferences, classes and other types of trainings to enhance their professional development. | | Training and Education |
| G4-LA9 | Both senior and junior staff average ten hours per employee per year in training as defined by GRI. | | Average hours of training per year per employee by employee category. |
| G4-LA10 | US SIF staff undergo annual reviews and set goals for each year that are regularly monitored, including goals that will help them advance professionally. US SIF also has a sabbatical leave policy offering employees the opportunity to apply for a one to three week sabbatical following five years of continuous full-time service, with full salary and benefits. | | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. |
| G4-LA11 | 100 percent | | Percentage of employees receiving regular performance and career development reviews. |

Material Aspect: Diversity and Equal Opportunity

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| G4-DMA | 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 bases." As an organization based in the District of Columbia, US SIF also is prohibited from discriminating in employment based on gender identity. | Diversity and Equal Opportunity |
| G4-LA12 | Board: Six white women, one Latina woman and seven white men at the end of 2015. Staff: Four white women, and two Asian women at the end of 2015. At the end of 2015, two employees were 30 to 39 years of age, one was 40 to 49 years of age and three were 50 to 59 years of age. | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. |

Sub-Category: Product Responsibility

Material Aspect: Affected Stakeholder Engagement (NGO Sector Disclosures)

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| G4-DMA | Members have input into US SIF's policies and programs through several channels: board representation, working groups, 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 pages 4–5 for more information on the representation of key member groups on the board. | Involvement of affected stakeholder groups, (as per the organization's mission statement), in the design, implementation, monitoring and evaluation of policies and programs. |
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Material Aspect: Feedback, Complaints and Action (NGO Sector Disclosures)

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| G4-DMA | As mentioned earlier, US SIF elicits regular feedback from its members through its electronic discussion groups, annual meeting and occasional surveys. When writing a new strategic plan, which it does every three years, it also elicits member feedback. As a result of this input, US SIF's board approves strategic goals for the organization as part of a three-year plan, which is then implemented through an annual operating plan. The 2013–2015 strategic plan is available to members through US SIF's member center, as are the recent annual reports of US SIF and the US SIF Foundation. | Feedback and complaints mechanism in relation to programs and policies and responsive actions taken, including self-noted breaches of policies. |
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Material Aspect: Public Awareness and Advocacy (NGO Sector Disclosures)

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| G4-DMA | Comment letters on policy issues written by US SIF and sent to various bodies are available on the public side of our website at ussif.org/policyletters . US SIF's policy committee and board approve US SIF policy priorities and positions. | | Process to formulate, communicate, implement and change your advocacy positions and public awareness campaigns. |
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Material Aspect: Coordination (NGO Sector Disclosures)

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| G4-DMA | US SIF's staff, and at times its board and policy committee, approve US SIF's coordination of activities with other organizations. | | Processes to take into account and coordinate with the activities of other actors. |
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