

# ANNUAL REPORT | US SIF and US SIF Foundation



2012



## About US SIF

US SIF: The Forum for Sustainable and Responsible Investment is the US membership association for professionals, firms, institutions and organizations engaged in sustainable and responsible investing (SRI). US SIF and its members advance investment practices that consider environmental, social and corporate governance criteria to generate long-term competitive financial returns and positive societal impact.

Our vision is a world in which investment capital helps build a sustainable and equitable economy.

US SIF's members include investment management and advisory firms, mutual fund companies, research firms, financial planners and advisors, broker-dealers, banks, credit unions, community development organizations, non-profit associations, and pension funds, foundations and other asset owners. US SIF is a 501(c)(6) organization.

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

## About This Report

We have been producing Annual Reports detailing our financial performance and integrating environmental, social and governance factors for more than a decade.

This annual report covers the 2012 calendar year, which also correlates to the fiscal year for US SIF and the US SIF Foundation. For the purposes of the Global Reporting Initiative (GRI), this report is a self-declared A-level GRI report completed in accordance with the GRI's third generation G3 Guidelines and GRI's sector supplement for non-governmental organizations. A complete GRI Index appears at the end of this report.

We would like to hear what you think about this report. Please direct comments and questions to Alya Kayal, Director of Policy and Programs, at [akayal@ussif.org](mailto:akayal@ussif.org) or Megan Smith, Public Affairs and Events Assistant, at [msmith@ussif.org](mailto:msmith@ussif.org).

## Contact Us

**US SIF: The Forum for Sustainable and Responsible Investment and the US SIF Foundation**

910 17th Street NW, Suite 1000

Washington, DC 20006

P +1-202-872-5361

F +1-202-775-8686

Website: [www.ussif.org](http://www.ussif.org)

Twitter: [www.twitter.com/followUSSIF](http://www.twitter.com/followUSSIF)

Facebook: [www.facebook.com/followUSSIF](http://www.facebook.com/followUSSIF)

---

## Table of Contents

Message from the CEO and Chair . . . . .	2
Governance Structure & Accountability . . . . .	4
2010–2012 Strategic Plan . . . . .	8

### OUR WORK

#### Research & Resources

US SIF Ltd . . . . .	10
US SIF Foundation . . . . .	10

#### Events & Media

US SIF Ltd . . . . .	12
US SIF Foundation . . . . .	13

#### Public Policy & Capitol Hill Day

US SIF Ltd . . . . .	14
----------------------	----

#### Working Groups

US SIF Ltd . . . . .	16
US SIF Foundation . . . . .	16

#### Professional Education

US SIF Foundation . . . . .	18
-----------------------------	----

### OUR COMMITMENT TO SUSTAINABILITY

Policies & Practices . . . . .	20
--------------------------------	----

### FINANCIALS

2012 Audited Financials . . . . .	24
-----------------------------------	----

### GLOBAL REPORTING INITIATIVE

GRI Index . . . . .	37
GRI Certification . . . . .	56

## Message from the CEO and Chair



LISA WOLL



MICHAEL LENT

This Annual Report provides a comprehensive account of the accomplishments of US SIF and US SIF Foundation in 2012. The Report details our financial performance as well as our member services and initiatives, including research, policy and programmatic work.

In financial terms, US SIF Inc. and US SIF Foundation had a strong year. On a consolidated basis, although membership dues remained the primary source of revenue (\$708,520), important additional sources in 2012 were event revenue (\$354,072) and sponsorships for programs others than events (\$143,136). In addition, US SIF Foundation was able to release \$333,495 in net assets from grants received in 2011 for work in 2012. US SIF and US SIF Foundation saw unrestricted net assets grow from \$160,923 at the start of the year to \$305,017 at the close.

Membership dues have traditionally been the primary source of revenues, a trend which continued in 2012. US SIF continued to focus on expanding its membership ranks and recruited 40 new members in 2012.

In May, US SIF held its second Annual Conference, **Sustainable Investing in Action**, in Washington, DC. The conference served as an educational and networking opportunity for members and aimed to provide high quality programming for both members and non-members. The event drew 310 attendees and featured dynamic presentations from Barbara Bennett (US EPA), Kim Jeffrey (Nestle Waters), Jonathan Rose (Jonathan Rose Companies) and many others. The member-only program featured a conversation with Jonathan Greenblatt, Special Assistant to the President and Director of the White House Office of Social Innovation and Civic Participation.

In 2012, US SIF Foundation released two reports. *Options & Innovations in Community Investing: A Report from the Field* was published in June and was intended as a practical guide for a wide array of investors and investment professionals. In November, US SIF Foundation published the ninth edition of its flagship report—the *2012 Report on Sustainable and Responsible Investing Trends in the United States*. According to the report, SRI assets grew by 22 percent from year-end 2009 to year-end 2011 to a total \$3.74 trillion.

US SIF was also actively involved in advancing key public policy priorities. We organized a Capitol Hill Day and SEC meetings for members as part of our Annual Conference, and encouraged the SEC to promulgate rules required by the *Dodd-Frank Wall Street Financial Reform and Consumer Protection Act*. US SIF and its members continued to encourage the SEC to require publicly traded companies to report on material environmental, social and governance issues, with a particular priority on political contributions. To address climate change issues, US SIF submitted a formal comment in support of the US Environmental Protection Agency's proposed carbon pollution standard for new nuclear power plants. Additionally, US SIF continued to seek the inclusion of an SRI option for the Federal Employees Thrift Savings Plan.

Throughout the year, US SIF continued to grow its media presence with a considerable expansion of social media. Information on sustainable and responsible investing posted on our Twitter, Facebook and LinkedIn accounts enables members to champion their affiliation with US SIF. In addition, US SIF's online newsletters allow members to keep current on research, policy issues, and new developments at US SIF. The staff at US SIF also engaged numerous media outlets throughout the year to raise awareness of US SIF and sustainable investing.

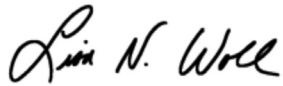
---

US SIF continued to support its members' individual interests through the Community Investing Working Group, Indigenous Peoples Working Group, International Working Group and the Sustainable Investment Research Analyst Network.

Finally, as in the past several years, this Annual Report is an integrated report, incorporating sustainability and financial metrics based on the Global Reporting Initiative (GRI) G3 Guidelines. US SIF and US SIF Foundation's 2012, 2011 and 2010 reports have received an **A level Application Check** by GRI. More information about GRI and the application levels is available at [www.globalreporting.org](http://www.globalreporting.org). This is part of our commitment to broad-based sustainability in the financial markets and within our organizations.

We thank our members for their support during 2012. Stay tuned for an outstanding year in 2013.

Sincerely,



Lisa N. Woll, CEO



Michael Lent, Board Chair

# Governance Structure & Accountability

The US SIF and US SIF Foundation boards of directors manage and control the affairs and property of the organizations, including setting organizational policies, adopting the annual budget, and hiring, evaluating, supervising and, where necessary, terminating the Chief Executive Officer. The boards of the two organizations are identical, except that each has a different chair. In 2012, the Chair of US SIF was Michael Lent; the Chair of US SIF Foundation was Frank Altman. The governance of US SIF is described below.

**BOARD SIZE AND ELECTIONS:** US SIF's board size is limited to 17 directors, of which 12 are elected at-large by and from the membership by a majority of members. 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 her term is complete, a replacement may be appointed by a majority vote of the board of directors to serve out the term. One director seat is automatically assigned to US SIF's CEO, although it is a non-voting seat.

**TERM LENGTH AND LIMITS:** The term of a director is three years. At-large directors and appointed directors are limited to two 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 again be eligible to fill one of the four appointed director seats.

**CLASSIFIED BOARD:** The at-large directors are elected in three, staggered-term classes. The board 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. One director seat shall be automatically assigned to US SIF's CEO. The number of at-large and appointed directors may be changed by an amendment of the organization's by-laws. However, no such amendment may reduce the term of any director then in office.

**EXECUTIVE DIRECTORS:** There are at least four and up to five executive members of the board who, with the CEO, also comprise the board's executive committee. 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 bylaws provide the ability for the board to name additional officers, and for several years, the board named a second vice-chair.) The secretary has general responsibility for US SIF's books, board documents, policies and minutes of board meetings, and the treasurer has general responsibility for US SIF's funds, financial records, property and securities.

**BOARD DIVERSITY:** In creating the slate for elected positions and in appointing directors, the board and its nominating committee are required to seek to diversify the board in terms of gender, race, religion, ethnic origin, sexual orientation, geographic representation and business focus within the field of 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 CHAIRMAN AND CEO:** The CEO is prohibited from serving as the chair of the board.

**MEETINGS:** The board holds at least three in-person meetings per year and held three in 2012. The board also held, by telephone, one meeting of the entire board and three of the executive committee in 2012.

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

**COMMITTEES:** There are two standing committees of the board: the executive committee comprised of the four to five executive directors and the CEO, and the nominating committee. For 2012, the executive committee members were: Michael Lent (Chair), Paul Hilton (Vice Chair), Jan Bryan (Secretary), Ingrid Dyott (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 the US SIF's bylaws, or take any action that affects more than 5 percent or \$5,000 of US SIF's budget, whichever is higher. It also needs to report all of its actions outside of ordinary business to the full board within 14 days. The nominating committee deals with vacant board seats and issues related to director elections. In 2012, its members were: John Liechty (chair), Darragh Gallant, Reginald Stanley and Lisa Woll. In addition to these two committees, there were several other board committees:

- **GOVERNANCE:** Reviews and updates US SIF's governance practices [Michael Lent, Frank Altman, Tim Brennan and Lisa Woll].
- **MEMBERSHIP:** Assesses membership dues and requirements, as well as new membership categories and recruitment efforts [Phil Kirshman (chair), Jan Bryan, Tim Brennan, Michelle Clayman, Darragh Gallant, Craig Metrick, Curtis Ravenel and Lisa Woll]. This committee included several non board members.
- **AUDIT:** Reviews US SIF's books and accounting practices [Tim Brennan (chair), Frank Altman, and Ingrid Dyott].
- **DEVELOPMENT COMMITTEE:** Reviews and suggests strategies to diversify and grow organizational revenues, particularly related to sustainable investment education [Paul Hilton (chair), Jan Bryan, Ingrid Dyott, Michelle Clayman, Phil Kirshman and Lisa Woll]. This committee also included several non-board members.
- **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 [Craig Metrick and Betsy Zeidman].

Additionally, while not included in the governance section, a number of Board members were also represented on the Conference Agenda Committee and the Research Committee.

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

**ANNUAL REVIEW:** The board conducts an annual self-review, led by the chair. The board sets annual goals as a body. All board members also set individual goals.

**2012 BOARD ELECTIONS:** US SIF conducted its 2012 election online. US SIF members voted in three new and one returning board members:

- Meredith Benton, Client Portfolio Manager/Shareholder Engagement, Boston Common Asset Management
- Michelle Clayman, Managing Partner & Chief Investment Officer, New Amsterdam Partners
- Justin Conway, Senior Director, Investment Partnerships, Calvert Social Investment Foundation
- Kimberlee Cornett, Director, Social Investments, The Kresge Foundation

The board also appointed Dan Nielsen, Director of Socially Responsible Investing at Christian Brothers Investment Services, to the US SIF and US SIF Foundation boards.

We also said thank you and farewell to our four outgoing members: Sarah Cleveland, CEO, Sarah Cleveland Consulting; Amy O'Brien, Director, Global Social & Community Investing, TIAA-CREF; David Sand, Chief Investment Officer, CDT Advisors; and Matt Patsky, CEO, Trillium Asset Management.

## 2012 US SIF and US SIF Foundation Board Of Directors



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



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



**Tim Brennan**  
Treasurer and Chief Financial  
Officer, Unitarian Universalist  
Association of Congregations



**Darragh Gallant**  
Managing Director, U.S.  
and Director of Institutional  
Relations, North America,  
Sustainalytics



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



**Paul Hilton, Vice Chair\***  
Portfolio Manager,  
Trillium Asset  
Management, LLC



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



**Phil Kirshman**  
Senior Portfolio  
Manager, PMP,  
The Leonard Social  
Investment Group,  
UBS Institutional  
Consulting Group,  
UBS Financial Services

*\*Executive Committee Member*





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



**Reginald Stanley**  
CEO & Founder,  
Sustainable Growth  
Strategies, LLC



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



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



**Leslie Lowe**  
Managing Director,  
UCI Environmental  
Accountability



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



**Craig Metrick**  
Principal and US Head of  
Responsible Investment,  
Mercer



**Betsy Zeidman**  
Senior Fellow,  
Milken Institute



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

*\*Executive Committee Member*

---

## 2010–2012 Strategic Plan

US SIF's strategic planning determines the overall direction of the organization. Our 2012 operating plan, which guided our activities throughout the year, was based on the goals established in our strategic plan for 2010-2012.

The 2010-2012 strategic goals are listed below.

### **Strategic Goal 1**

Provide support for members' professional and educational development to allow members and the SRI industry to achieve greater impact.

### **Strategic Goal 2**

Enhance the external reach of US SIF, and thus SRI, through research, media, educational and public policy work.

### **Strategic Goal 3**

Increase substantially the number of institutions and individuals engaged in SRI.

### **Strategic Goal 4**

Increase the membership of US SIF, thereby further maximizing US SIF's ability to influence policy and public perception.

### **Strategic Goal 5**

Create a financially viable business model for US SIF, which should follow from the achievement of the four goals stated above.

# Our Work



The following sections present our core activities.



**US SIF FOUNDATION**  
The Forum for Sustainable and Responsible Investment

**REPORT ON Sustainable and Responsible Investing Trends in the United States 2012**

## Research & Resources

### US SIF Ltd.

**SRI MUTUAL FUND PERFORMANCE CHART:** With data from US SIF member Bloomberg, US SIF updated its Mutual Fund Performance Chart throughout 2012, offering useful data about its members' funds to retail investors and financial advisors.

### US SIF Foundation

The research of the US SIF Foundation underscored that SRI strategies can be practiced across a wide array of asset classes.

**TRENDS REPORT:** In November, the US SIF Foundation released the *2012 Report on Sustainable and Responsible Investing Trends in the United States* ("Trends"), after nearly a year-long research and production process. This marked the ninth edition of this flagship report, which was first produced in 1995. The report is based on results from a confidential survey sent to approximately 1,100 investment management firms and institutional asset owners identified in previous surveys as practicing SRI strategies or believed to be new entrants to SRI practice.

The Trends Report found that SRI assets grew by 22 percent from year-end 2009 to year-end 2011 to a total of \$3.74 trillion, driven in part by the growing number of institutional asset owners that consider governance issues in investment analysis and the dramatic expansion in the number and assets of mutual funds and alternative funds that consider environmental, social and governance criteria.

The 2012 edition also included several improvements or changes over previous editions. For example, the report provided more context about why sustainable and responsible investment matters, as well as a more comprehensive summary of the evolution and practice of sustainable and responsible investing across a range of asset classes.

To make the report easier to access for journalists and others, the US SIF Foundation created a new Trends landing page ([www.ussif.org/Trends](http://www.ussif.org/Trends)), which compiled all relevant information about the report into one section. The page also featured testimonials from industry leaders about the importance of the Trends Report as well as infographics to visually convey important facts from the report; both these features helped make the report more accessible to those who are unfamiliar with sustainable and responsible investing. In addition, US SIF held both member and non-member webinars on the report, as well as one with reporters. Stories about the Trends report were published in numerous outlets including: Bloomberg BusinessWeek, Bloomberg News, Chicago Tribune, CNBC, Environmental Finance, Financial Advisor, FundFire, MarketWatch, The Motley Fool, Pensions and Investments, Thomson Reuters, and Yahoo Finance.

In December, the US SIF Foundation held Trends briefings on Capitol Hill for Congressional staff and a briefing for members of the executive branch agencies who participate in the Interagency Task Force on the Impact Economy. The Trends Report was also sent to key Congressional and Executive Branch staff.

US SIF Foundation thanks the following Donors and Sponsors of the 2012 Trends Report: Wallace Global Fund, Bloomberg, TIAA-CREF, BlackRock, Breckinridge, Christian Brothers Investment Services, CRA Qualified Investment Fund, Legg Mason, ClearBridge Advisors and Legg Mason Investment Counsel, Neuberger Berman, Sentinel Investments, Trillium Asset Management, Walden Asset Management and Wespath Investment Management (a division of UMC General Board of Pension & Health Benefits).

---

**COMMUNITY INVESTING REPORT:** In June, the US SIF Foundation released *Options & Innovations in Community Investing: A Report from the Field*. The report, intended as a practical guide for a wide array of investors and investment professionals, reviews the vehicles available, by asset class, to retail, high net worth and institutional investors. Drawing on interviews with more than 50 investment professionals, including investment advisors, fund managers and community development advocates, the report found that many of the innovations in the community investing field are being driven by interest among high net worth individuals and other accredited investors.

The US SIF Foundation thanks Rosalie Sheehy Cates for her work authoring the report.

**SRI IMPACT REPORT:** In March, the US SIF Foundation internally released *Making a Difference: The Impact of Sustainable and Responsible Investing*. The report provided an overview of the influence of sustainable and responsible investing on investors and the investment industry, companies, individuals and communities, and on public policy. The report, which focuses in particular on the last 20 years, garnered tremendous positive feedback from our members. It will be updated and made available to the general public in 2013. A four-page executive summary is available on US SIF's public website.

## Events & Media

### US SIF Ltd.

**ANNUAL CONFERENCE:** In May, US SIF held its second Annual Conference, **Sustainable Investing in Action**, in Washington, DC. Member-only programming included US SIF's annual meeting, training on public policy advocacy in preparation for members' visits to their elected representatives on Capitol Hill, and CEO Lisa Woll's interview with Jonathan Greenblatt, Director of the White House Office of Social Innovation and Civic Participation and Special Assistant to the President. The conference attracted over 300 attendees, raised the profile of our organization and our industry in several publications, and provided an exciting range of plenary and breakout sessions on issues ranging from the impact of *Citizens United* to the future of sustainable investing and building integrated, green communities. We heard from sustainable investment leaders, policy makers and Administration officials, CEOs and nonprofit leaders. The conference featured dynamic presentations from Barbara Bennett, CFO of the US Environmental Protection Agency; Jonathan F.P. Rose, founder of Jonathan F.P. Rose Companies; and Kim Jeffrey, President and CEO of Nestle Waters North America, among others.

US SIF staff is deeply grateful to the volunteer members of the Agenda Committee in 2012 who developed ideas for sessions at the 2012 Annual Conferences and helped recruit speakers: Susan Babcock, Barb Brown, Sarah Cleveland, Noel Friedman, Paul Hilton, Jeannine Jacokes, Erika Karp, Phil Kirshman, Heather Lang, Craig Metrick, Aditi Mohapatra, Dan Nielsen, Megan Smith, Meg Voorhes, Marianne Voss, Lisa Woll, David Wood and Betsy Zeidman.

Sponsors of the conference were: UBS, Bloomberg, Pax World Investments, TIAA-CREF Financial Services, Boston Common Asset Management, Neuberger Berman, S&P Indices, Portfolio 21 Investments, Sustainalytics, Walden Asset Management, Breckinridge Capital Advisors, Dana Investment Advisors, Christian Brothers Investment Services (CBIS), Appleseed Fund, Dow Jones Indexes, Calvert Investments, EIRIS, MSCI, Campbell's, Domini Social Investments, Parnassus Investments, Brown Flynn, CRF USA, New Amsterdam Partners, Towers Watson, Schroder's, Mercer, The Coca Cola Company, Moxy Vote, F&C, Intel, McCormick, The Nature Conservancy, Gamco and Trillium Asset Management. Media sponsors included CSRwire, The Nation and Responsible Investor.

**SOCIAL MEDIA:** US SIF continued to grow its social media presence throughout the year. At the end of 2012, US SIF's Twitter feed (<http://www.twitter.com/followUSSIF>) counted approximately 900 followers, compared to 372 followers at the end of 2011. US SIF's Facebook page (<http://www.facebook.com/followUSSIF>) ended the year with more than 435 fans, compared to just over 120 at the end of 2011. Finally, US SIF maintained its presence on LinkedIn (for exclusive use by US SIF members) to demonstrate their professional affiliation with US SIF. US SIF leveraged these three channels to promote US SIF events, press releases and research, and developments in SRI.

**MEDIA-RELATED ACTIVITIES:** US SIF or the US SIF Foundation issued 11 press releases in 2012 on a broad range of topics reflecting US SIF's diverse programs, research and public policy priorities. In November, US SIF held a press event via teleconference. CEO Lisa Woll, US SIF Deputy Director Meg Voorhes and lead author Joshua Humphreys of the Tellus Institute discussed the findings of the *2012 Report on Sustainable and Responsible Investing Trends in the United States*, which received favorable coverage in Bloomberg, Financial Advisor Magazine and other publications.

**MEMBER RECEPTIONS:** US SIF held five get-togethers in 2012 for current and prospective members. These events were held in Atlanta, Chicago, San Francisco, Washington, DC and New York City.

---

## US SIF Foundation

**MEMBER WEBINARS:** US SIF held five webinars for members in 2012 as part of its effort to expand educational and professional development opportunities on the following topics:

- The status of women's representation on corporate boards in several major markets, including Australia and the United States;
- The concerns around rising pay disparity and executive compensation;
- The findings of US SIF Foundation's report on *Options & Innovations in Community Investing*;
- The SEC's new rules resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act's sections 1502 and 1504 on conflict minerals disclosure and disclosure of payments to governments by extractives companies; and
- The *2012 Report on Sustainable and Responsible Investing Trends in the United States*.

We also invited non-members to three of the above webinars.

## Public Policy & Capitol Hill Day

### US SIF Ltd.

US SIF and its members met with Congressional staff, as well as the Securities and Exchange Commission (SEC), on several issues during 2012. Public policy priorities during the year included commenting to the SEC on rulemaking required by the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act of 2010. During the year members led efforts to support legislation on addressing slavery and trafficking, encouraging the SEC to strongly implement the Foreign Corrupt Practices Act and strengthening investor protections in the Jump-start Our Business Start-ups (JOBS) Act. US SIF's Policy Committee also discussed the impact on our work of the new 113th Congress and the re-election of President Barack Obama, monitored significant new changes in leadership at the SEC and identified potential policy priority areas for 2013.

**CAPITOL HILL DAY:** US SIF provided public policy and advocacy training for US SIF members during the Member Day portion of our Annual Conference and helped them arrange visits with their elected representatives. Members held more than 30 meetings with Congressional offices in support of such US SIF priorities as:

- The Federal Employees Responsible Investment Act (FERIA), a bill to give federal employees an SRI option in their retirement plan;
- Adequate funding for the Community Development Financial Institutions Fund and the extension of the New Markets Tax Credit;
- Climate change regulation and adequate funding for the Environmental Protection Agency; and
- Mitigating the damage of the Supreme Court's decision in *Citizens United* through legislation to require companies to disclose information about campaign expenditures and asking the SEC to issue regulations on corporate political contributions disclosure.

During Capitol Hill Day, members of US SIF's Policy Committee also held meetings with SEC Chairman Schapiro and Commissioner Aguilar.

**RULEMAKING RELATED TO DODD-FRANK ACT:** Much of US SIF's policy work in 2012 centered on numerous provisions in the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act of 2010 that required the SEC to draft implementing regulations. US SIF staff held multiple meetings with SEC commissioners and their staff to discuss the scope and text of such regulations, and issued formal comments on proposed rules. Dodd-Frank provisions of particular interest to US SIF in 2012 are also discussed below.

- **Conflict Minerals Disclosure**—US SIF and its members have been concerned about “conflict minerals”, such as use gold, tantalum, tin or tungsten, emanating from mining and smelting operations in the Democratic Republic of the Congo (DRC) and adjoining countries whose revenues support armed groups that are perpetrating human rights atrocities. This issue was addressed in section 1502 of the Dodd-Frank Act. On August 22, US SIF and several members were present at the open meeting of the SEC where the Commission adopted the conflict minerals disclosure rules. US SIF welcomed the new rule calling on companies to implement this rule so that investors can assess the degree of care companies take to manage their supply chains in a more responsible manner and to avoid contributing to human rights violations. Importantly, these rules will allow investors access to material information to evaluate a company's supply chain risk in the region and distinguish companies that are managing this risk responsibly. US SIF and its members played a key role in supporting these rules over the years and participated in numerous meetings as part of both investor and multi-stakeholder coalitions. The SEC expressed appreciation of US SIF and its members' contributions to the rule-making process as it helped them better understand practical procedures for implementing the rule.



- **Disclosure of Payments to Governments by Resource Extraction Issuers**—On August 22, the SEC adopted a rule that requires resource extractive payment disclosure, represented by section 1504 of the Dodd-Frank Act. US SIF and a few of its members held multiple meetings with the SEC during the rulemaking process. Resource extraction issuers are now required to disclose information relating to any payment made by the issuer, a subsidiary of the issuer, or an entity under the control of the issuer, to a foreign government or the US Federal Government for the purpose of the commercial development of oil, natural gas, or minerals. The rule applies to all issuers – U.S. companies and foreign companies. US SIF welcomed this rule as a positive outcome and consistent with requests by investors.
- **Executive Compensation and Pay Disparity**—US SIF and some of its members continued to engage with other organizations on the pay disparity rulemaking that would direct the SEC to amend its executive compensation rule to require disclosure of the median total annual compensation paid to all employees other than the chief executive officer, the total annual compensation paid to the chief executive officer and the ratio between these two amounts. While the SEC did not issue the rule in 2012, US SIF continued to advocate for it.
- **Investor Advisory Committee (IAC) and Office of Investor Advocate**—After repeated calls by US SIF and its members, the SEC reconstituted the Investor Advisory Committee as required by the Dodd-Frank Act. The SEC’s Investor Advisory Committee includes representatives of three US SIF member organizations: Adam Kanzer of Domini Social Investments, Melody Hobson of Ariel Investments and Damon Silvers of the AFL-CIO Office of Investment. In September, US SIF submitted comments to the IAC’s Investor as Owner Subcommittee strongly encouraging it to review and formulate recommendations for SEC rules to require publicly traded companies to disclose their corporate political contributions and material environmental, social and corporate governance issues, and for the establishment of the Office of Investor Advocate.

**CORPORATE POLITICAL CONTRIBUTIONS DISCLOSURE:** In 2012, US SIF and its members engaged in efforts with other coalitions to respond to the Supreme Court’s 2010 decision in *Citizens United v. FEC*, which enables corporations to spend an unlimited amount of money on political advertising. US SIF is following the rulemaking petitions asking the SEC to begin requiring companies to disclose their political spending and/or subject their budgets for political contributions to shareholder votes. At the end of 2012, the SEC received almost 300,000 comments—a record number—on corporate political contributions rulemaking. In December 2012, the SEC announced that it intended to move forward with creating a rule to require all publicly traded corporations to disclose their political spending.

**SRI OPTION FOR FEDERAL EMPLOYEES:** US SIF continued to seek Congressional support on legislation introduced by Representative Jim Langevin (D-RI) entitled the Federal Employees Responsible Investment Act (FERIA), which directs the Federal Retirement Thrift Investment Board (FRTIB) to select a “Corporate Responsibility Index” as an option for the Thrift Savings Plan (TSP). In 2012, US SIF and its members held more than 50 meetings with Congressional staff regarding this issue, as well as meetings with the FRTIB and some labor representatives of its advisory council. While continuing to support the legislation, US SIF also called for one or more SRI options as part of the mutual fund “window option” under the Thrift Savings Plan Enhancement Act, which authorizes the FRTIB to add such an option to allow participants to move investments out of the TSP funds and into a private-sector suite of mutual funds.

**CLIMATE CHANGE:** In 2012, US SIF submitted a formal comment in support of the US Environmental Protection Agency’s proposed Carbon Pollution Standard for New Power Plants. Additionally, as part of the Capitol Hill Day preceding the 2012 Annual Conference, several US SIF members met with the staffs of their elected representatives to ask them to defend the EPA’s Utility Mercury and Air Toxic Standard (issued as a final rule in March with its entry into the Federal Register) against a challenge by Senator James Inhofe (R-OK) under the Congressional Review Act. US SIF was pleased that the challenge failed, allowing the rule to stand.

### POLICY COMMITTEE at the end of 2012:

Tim Smith (chair)

Stu Dalheim

Bennett Freeman

Julie Gorte

Jeannine Jacokes

Adam Kanzer

Michael Kramer

Michael Lent

Cheryl Smith

David Wood

Betsy Zeidman

## Working Groups & Programs

US SIF's programmatic work is largely carried out by staff, but also is given added value by the activities of the Sustainable Investment Research Analyst Network (SIRAN) and the other member-led working groups under US SIF Foundation. US SIF is indebted to the members who volunteered their time to participate on steering committees, organize webinars and events, and provide technical expertise.

### US SIF Ltd.

The following working group activity is carried out under the US SIF Ltd. and is described below.

**SUSTAINABLE INVESTMENT RESEARCH ANALYST NETWORK (SIRAN):** The Sustainable Investment Research Analyst Network (SIRAN) advances research on corporate social responsibility and provides professional support for industry analysts. It offers a unique forum for sustainable investment research analysts to discuss research strategies, attend educational sessions and engage companies on sustainability issues. In 2012, SIRAN held eight company teleconference meetings, giving analysts within the SRI community the opportunity to question corporate representatives about sustainability challenges and opportunities at their companies. Many of the analyst calls focused on the extractives industry and companies with particular sustainability controversies or best practices. These teleconference meetings took place with ENEL, Exxon Mobil, Goldcorp, Microsoft, Royal Bank of Canada, Shell and Southwestern Energy. SIRAN also held more than a dozen educational sessions as a component of professional development for its members. Topics included:

- American Water Works
- Google and the Global Network Initiative
- Exxon Mobil
- Healthcare Insurance Reform 2012
- Royal Dutch Shell
- Clorox
- Microsoft
- Global Reporting Initiative
- TetraTek
- Consumer Lending and Payday Loans
- Integrated Reporting

### US SIF Foundation

Staff-directed programs include:

- Participation in international SRI issues as part of the Global Sustainable Investment Alliance ([www.gsi-alliance.org](http://www.gsi-alliance.org)). In March, the US SIF Foundation co-hosted an event with UKSIF and Eurosif in London. The event drew more than 60 investors and consultants from North America and Europe, with lively session discussions, busy networking receptions and a well-attended, final panel featuring the chief executives of seven global sustainable investment organizations. The GSIA also held its second meeting in London; US SIF Foundation served as the Secretariat for the Global Sustainable Investment Alliance.
- In 2012, US SIF staff also collaborated with the Initiative for Responsible Investment and the Milken Institute, with funding from the Ford Foundation, to identify how the community investing field may expand its investor base to better deliver social and environmental benefits to marginalized communities. US SIF held a very well attended meeting with high level federal agency staff to discuss opportunities for private investment in federal community

#### SIRAN Steering Committee at the end of 2012

Dan Nielsen  
(co-chair)

Karoline Barwinski  
(co-chair)

Amy Augustine

Darragh Gallant

Noel Friedman

Steven Heim

Heather Lang

Elizabeth Levy

Rina Levy

Mike Lombardo

Mary Jane McQuillen

Tessie Petion

Marcela Pinilla

Meggin Thwing-Eastman

Mariela Vargova

development initiatives. In April, a moderated discussion with investors titled *Opportunities in Community Investment* was held at the Milken Institute Global Conference 2012. Moderators and attendees looked beyond traditional market practices and identified innovative products or strategies emerging in community development finance.

The following member-led working group activity is carried out under the US SIF Foundation:

**COMMUNITY INVESTING WORKING GROUP (CIWG):** The Community Investing Working Group creates strategies for US SIF members and others to increase investments in communities underserved by traditional financial services. In 2012, CIWG held two meetings for US SIF members: one at the US SIF Annual Conference in Washington, DC and the other hosted by The SRI Conference (formerly SRI in the Rockies) in Connecticut. At the US SIF Annual Conference, CIWG members traveled to Capitol Hill and met with key legislative representatives to advocate for greater funding for the Treasury’s CDFI Fund in the 2012 Congressional appropriations budget.

**INDIGENOUS PEOPLES WORKING GROUP (IPWG):** The Indigenous Peoples Working Group seeks to bring together Native and Non-Native communities in the area of sustainable and responsible investing. IPWG partners with Native American organizations and leaders in order to achieve this goal. It works to coordinate research, outreach, education and advocacy around investment issues that affect indigenous peoples’ cultures and communities. In 2012, the IPWG hosted meetings on indigenous peoples’ issues at the US SIF conference and at the SRI Conference. IPWG members also traveled to Native American conferences around the country to speak about SRI. Meanwhile, members of IPWG’s advocacy subcommittee continued corporate dialogue with FedEx, citing concerns with its sponsorship of the Washington, DC professional football team with a name and mascot that American Indians and many others consider derogatory.

**INTERNATIONAL WORKING GROUP (IWG):** The International Working Group collaborates with other global institutional investors, researchers, and advocacy partners focused on how investments can positively affect global issues of concern and influence corporations operating around the world. During US SIF’s Annual Conference, IWG and SIRAN organized a series of sessions for members on topics such as company engagement and corporate political contributions. The group also presented a series of webinars focused on responsible stock exchanges and on the Emerging Markets Disclosure Project (see below).

- **The Emerging Markets Disclosure Project (EMDP)**, a project of IWG aimed at promoting better ESG disclosure practices among emerging market companies, released a final report in 2012 on the activities of country teams in Brazil, Indonesia, South Korea and South Africa. Since 2008, the project, through research and engagement activities, sought to increase sustainability reporting, improve the quality of data reported and enhance transparency among emerging market companies. Lauren Compere (co-chair) and Mike Lombardo (co-chair) led the EMDP with US SIF staff assistance as well as technical assistance and support from the Principles for Responsible Investment (PRI).

More information about US SIF’s working groups and their activities can be found at: <http://www.ussif.org/workinggroups>.

### Working Group Steering Committee Members at the end of 2012

#### CIWG Steering Committee

Ellen Golden  
(co-chair)  
Georgette Frazer (co-chair)  
Elizabeth Glenshaw  
Jeannine Jacokes  
Donna Katzin  
Andy Loving  
Warren McLean  
Joe Porter  
Art Stevens  
Michael Swack  
Wilbert Young

#### IPWG Steering Committee

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

#### IWG Steering Committee

Jacob Park (chair)  
Molly Betournay  
Alison Bevilacqua  
Simon Billenness  
Tony Campos  
Sonia Kowal  
Mike Lombardo  
Judith Moore  
Dan Nielsen  
Catalina Secreteanu  
Mariela Vargova

# Professional Education

## US SIF Foundation

2012 paved the way for the US SIF Foundation to emerge as the source in the United States for professional education, research and thought leadership in sustainable and responsible investment. With valuable support from a dedicated group of US SIF members on the Development Committee, including several advisors, and lead consultant Georgette Frazer, the US SIF Foundation began to develop an online course on the *Fundamentals of Sustainable and Responsible Investment*.

US SIF Foundation thanks:

- Bloomberg for its generous support for course development.
- Calvert Foundation, Calvert Investments, Neuberger Berman and Parnassus Investments for seed money that allowed us to begin the journey towards online education several years ago.
- Georgette Frazer, the lead consultant, and the members of the Development Committee for their time and invaluable support.

### Development Committee at the end of 2012

Paul Hilton	Jan Bryan
Art Stevens	Eric Smith
Georgette Frazer	Ingrid Dyott
Michelle Clayman	Noel Freidman
Paul Ellis	Phil Kirshman
Sarah Cleveland	Steve Lydenberg

# OUR COMMITMENT TO SUSTAINABILITY



The following section presents our commitment to our employees and to sustainability.



## Policies & Practices

Below is an overview of some of US SIF's environmental, employee and other social policies and practices. (Governance was covered in a previous section.) Additional information appears in the GRI Index at the end of this report.

**STAFF TRAVEL:** US SIF staff is strongly encouraged to use public transportation or other shared rides whenever possible when commuting to work or travelling on US SIF business. US SIF participates in the Washington Metropolitan Area Transit Authority's SmartBenefits program, which allows employees to pay for public transportation expenses with pre-tax income. US SIF's central office location, adjacent to three major subway lines and bus transportation, as well as a shared bike service, provides incentive for its employees to use public transportation, and all of them did in 2012. 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 below.

**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 review of its carbon footprint below.

**ENVIRONMENTAL CONSIDERATIONS FOR EVENTS:** US SIF considers the sustainability initiatives of the prospective venues it reviews during the site selection process for conferences. These considerations include energy use, use of renewable energy, green building certifications, water use, recycling and waste management, use of local organic food, food donations, stakeholder relations and labor practices. US SIF also weighs whether a site is compliant with the Green Hotel Initiative and whether it has calculated its carbon footprint with the goal of reducing its greenhouse gas emissions. At event venues, US SIF encourages attendees to recycle and makes recycling as easy as possible. It also seeks to choose sustainable, organic and fair trade products in menu selections and avoids using bottled water at its events.

**CARBON FOOTPRINT:** As advised by the Global Reporting Initiative, US SIF used the Greenhouse Gas Protocol (GHG Protocol) developed by the World Resources Institute (WRI) 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, leasing it from a third party, 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 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	0	14.0	0.5
#2	5	0	0	0	13.0	1.0
#3	4	2.0	0	0	14.0	0.1
#4	5	0	0	0	5.0	1.0
#5	5	0	0	0	4.0	1.5
#6	5	0	0	0	3.0	1.0
#7	5	0	0	0	0	1.0
<b>Total for 2012</b>		<b>1,196</b>	<b>0</b>	<b>0</b>	<b>10,258</b>	<b>1,357</b>

**COMMUTING:** Except for one employee who walked to work, all US SIF employees used public transportation to commute in 2012. Only two employees used car travel for a portion of their commute to get to the subway, although one of the employees only commuted on average three days per week and another employee only commuted an average of four days per week. 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 in the table above are based on a 46-week work year.

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

EMPLOYEE-RELATED TRAVEL IN 2012 (MILES)			
AIR	TRAIN/SUBWAY	BUS	CAR
28,856	4,036.7	20.5	78.4

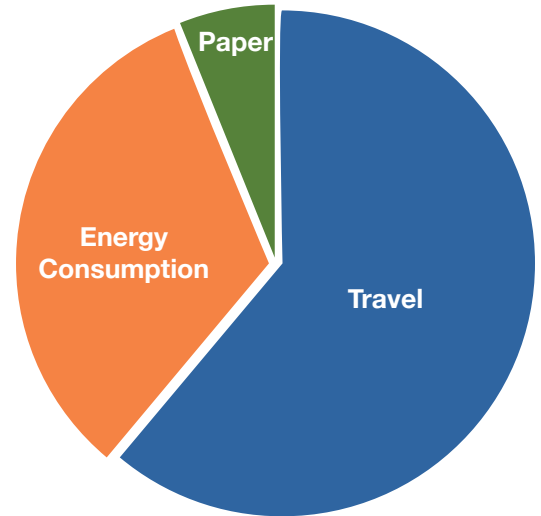
CARBON FOOTPRINT OF US SIF TRAVEL			
MODE OF TRANSPORTATION	TOTAL MILES TRAVELED	EMISSIONS FACTOR	TOTAL CO <sub>2</sub> -E IN METRIC TONS
Air	28,856	0.00020	5.771
Car	1,274.4	0.00031	0.395
Train	14,294.7	0.00017	2.430
Bus	20.5	0.00018	0.004
<b>Total for 2012</b>			<b>8.6</b>

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

**OFFICE ENERGY CONSUMPTION:** US SIF leases office space in the Barr Building, located in Farragut Square at 910 17th Street NW, Suite 1000, Washington, DC 20006. In 2012, the Barr Building used 1,931,738 kilowatt hours (KWH) of electricity for its 92,411 square feet or 20.90 KWH per square foot. US SIF occupies 2,235 square feet of space of the 92,411 square feet serviced by the main meter. Based on these assumptions, we estimate that US SIF used 46,720 KWH in 2012. 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 **4.681 metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e)** in 2012. There are several imperfections to this calculation that need to be improved upon in future reporting. First, this did not account for US SIF's use of common areas in the building. Second,

a separate organization, Business for Social Responsibility (BSR), subleased a portion of US SIF's space in 2012. Finally, while US SIF and the building used compact fluorescent bulbs throughout the facility and lighting triggered by movement to reduce energy consumption in common areas, the Barr Building did not purchase renewable energy credits from Pepco, our local utility.

**PAPER CONSUMPTION:** US SIF used the approximate equivalent of 160 reams of paper in the production of marketing materials, reports, business cards and day-to-day office paper consumption. The average weight of a ream of paper is 2.6 kilograms per ream, and the carbon footprint for recycled content, which US SIF used, is 1.907 kilograms of CO<sub>2</sub>-e per kilogram of paper consumed. Using these assumptions, the carbon footprint of US SIF's paper use was **0.793 metric tons of CO<sub>2</sub>-e**.



**TOTAL:** Based on our calculations and assumptions, US SIF's carbon footprint is the equivalent of **14.074 metric tons of CO<sub>2</sub>-e**. A breakdown of the primary contributors to this total appears in the accompanying pie chart.

**ROOM FOR IMPROVEMENT:** US SIF does not currently have a strategy for reducing its carbon footprint, aside from following its present strategies for limiting energy consumption, travel and paper use.

**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. It also provides a 401(k) plan, matches contributions up to 5 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.

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

**US SIF MEMBERSHIP BENEFITS:** During 2012, US SIF members enjoyed the following benefits:

**Research**

- Access to cutting-edge US SIF research & publications, including US SIF Foundation's biennial *Report on Sustainable and Responsible Investing Trends in the United States*

**Public Policy**

- Participation in US SIF's public policy and field-building work, including access to sample letters to Congress and regulatory agencies
- Opportunities to sign on to policy statements that US SIF submitted to Congress, the White House and federal agencies
- Invitation to participate in Policy and Advocacy Training and Capitol Hill Day in Washington, DC

**Educational Opportunities**

- Member-only programming, training and discounts
- Invitations to regional member receptions and special events
- Access to resources such as webinars and online member discussions on critical industry issues
- Discounts to other selected industry events and conferences



## Networking

- Staying up-to-date on the latest industry trends and access to information on what's available across the asset class spectrum
- Exposure to new markets and opportunities
- Interaction with thought leaders in sustainable and responsible investing
- Opportunities to join other members to expand the sustainable investing market

## Advertising, Visibility & Marketing Opportunities

- Inclusion in US SIF's online Financial Services Directory, showcasing member business activities
- Recognition and visibility through sponsorship opportunities of US SIF conferences and special events, the US SIF website and publications
- Use of "US SIF Member" logos on member company websites and US SIF presentations on sustainable and responsible investing

## Media

- Benefits from press conferences, media referrals, social media and other media activities that build public awareness of sustainable investing

## Additional Benefits for Money Managers

- Listing of mutual funds and ETFs in US SIF's online Fund Performance Chart

## STAFF: As of year-end 2012, US SIF had seven full-time staff members.



**Lisa Woll**  
CEO



**Terry Thornton**  
Assistant Director of  
Professional  
Education



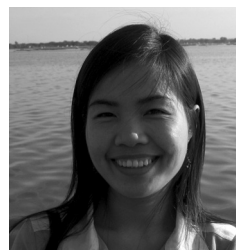
**Meg Voorhes**  
Deputy Director &  
Research Director



**Megan Smith**  
Public Affairs & Events  
Assistant



**Alya Kayal**  
Director of Policy &  
Programs



**Supap Jitta**  
Membership & Marketing  
Coordinator



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

# 2012 AUDITED FINANCIALS



Drolet + Associates PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT

### *Report on the Financial Statements*

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, 2012, 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.

### *Auditor's 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 of 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 auditor's 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.

1901 L Street, NW Suite 250 Washington, DC 20036 T 202.822.0717 F 202.822.0739  
[www.drolet-and-associates.com](http://www.drolet-and-associates.com)

---

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

***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, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2011 consolidated financial statements, and we expressed an unmodified opinion on those consolidated financial statements in our report dated May 31, 2012. In our opinion, the summarized comparative information presented herein as and for the year ended December 31, 2011, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Drolet + Associates, P.L.L.C.*

Washington, DC  
May 19, 2013

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
December 31, 2012  
(With Summarized Financial Information for December 31, 2011)**

	2012	2011
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 538,294	\$ 559,946
Grant receivable	10,000	15,525
Prepaid expenses	51,379	21,119
<b>TOTAL CURRENT ASSETS</b>	<b>599,673</b>	<b>596,590</b>
<b>PROPERTY AND EQUIPMENT</b>		
Computers and phone equipment	10,410	8,619
Accumulated depreciation and amortization	(8,442)	(5,948)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>1,968</b>	<b>2,671</b>
<b>SECURITY DEPOSIT</b>	<b>5,774</b>	<b>5,774</b>
<b>TOTAL ASSETS</b>	<b>\$ 607,415</b>	<b>\$ 605,035</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 66,214	\$ 29,002
Deferred revenue	172,480	25,820
Deferred rent	3,986	2,091
<b>TOTAL CURRENT LIABILITIES</b>	<b>242,680</b>	<b>56,913</b>
<b>DEFERRED RENT, net of current portion</b>	<b>1,541</b>	<b>5,527</b>
<b>TOTAL LIABILITIES</b>	<b>244,221</b>	<b>62,440</b>
<b>NET ASSETS</b>		
Unrestricted	305,017	160,923
Temporarily restricted	58,177	381,672
<b>TOTAL NET ASSETS</b>	<b>363,194</b>	<b>542,595</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 607,415</b>	<b>\$ 605,035</b>

*The accompanying notes are an integral part of these 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, 2012  
(With Summarized Financial Information for the Year Ended December 31, 2011)**

	Unrestricted	Temporarily Restricted	2012 Total	2011 Total
<b>REVENUES</b>				
Membership dues	\$ 708,520		\$ 708,520	\$ 705,716
Contributions	21,275	\$ 10,000	31,275	502,705
Sponsorship, other than events	143,136		143,136	132,500
Event related income	354,072		354,072	327,701
Investment income	1,273		1,273	1,037
Other revenue	18,507		18,507	29,040
Net assets released from restrictions	333,495	(333,495)	-0-	-0-
<b>TOTAL REVENUES</b>	<b>1,580,278</b>	<b>(323,495)</b>	<b>1,256,783</b>	<b>1,698,699</b>
<b>EXPENSES</b>				
Program services	1,330,719		1,330,719	1,079,660
Management and general	56,609		56,609	80,023
Membership development	37,185		37,185	38,067
Fundraising	11,671		11,671	17,722
<b>TOTAL EXPENSES</b>	<b>1,436,184</b>	<b>-0-</b>	<b>1,436,184</b>	<b>1,215,472</b>
<b>CHANGE IN NET ASSETS</b>	<b>144,094</b>	<b>(323,495)</b>	<b>(179,401)</b>	<b>483,227</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>160,923</b>	<b>381,672</b>	<b>542,595</b>	<b>59,368</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 305,017</b>	<b>\$ 58,177</b>	<b>\$ 363,194</b>	<b>\$ 542,595</b>

*The accompanying notes are an integral part of these 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, 2012  
(With Summarized Financial Information for the Year Ended December 31, 2011)**

	Program services	Management and general	Membership development	Fundraising	2012 Total	2011 Total
Salaries	\$ 525,716	\$ 36,161		\$ 7,485	\$ 569,362	\$ 463,554
Employee benefits and payroll taxes	87,485	6,077		1,265	94,827	81,624
Recruitment and training	1,339	97		20	1,456	405
Payroll and benefits administration	4,869	338		71	5,278	5,375
Consulting	305,583	6,173	\$ 37,185	1,247	350,188	288,309
Grant expense	125,624				125,624	20,000
Office expenses	113,023	6,796		1,427	121,246	131,551
SIF - sponsored events	138,678				138,678	197,226
Staff meals, lodging and travel	15,371	77		7	15,455	14,657
Financial services and fees	11,898	830		147	12,875	11,871
Miscellaneous	1,133	60		2	1,195	900
<b>TOTAL EXPENSES</b>	<b>\$ 1,330,719</b>	<b>\$ 56,609</b>	<b>\$ 37,185</b>	<b>\$ 11,671</b>	<b>\$ 1,436,184</b>	<b>\$ 1,215,472</b>

*The accompanying notes are an integral part of these 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, 2012  
(With Summarized Financial Information for the Year Ended December 31, 2011)**

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<b>\$ (179,401)</b>	<b>\$ 483,227</b>
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	2,494	2,873
Decrease (increase) in grants receivable	5,525	(15,263)
Increase in prepaid expenses	(30,260)	(5,356)
Increase (decrease) in accounts payable and accrued expenses	37,212	(8,008)
Increase (decrease) in deferred revenue	146,660	(34,221)
Decrease in deferred rent	(2,091)	(238)
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(19,861)</b>	<b>423,014</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(1,791)	-0-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,791)</b>	<b>-0-</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(21,652)</b>	<b>423,014</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>559,946</b>	<b>136,932</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 538,294</b>	<b>\$ 559,946</b>

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

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2012**

---

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

**Principles of  
Consolidation and  
Organization**

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, research, charitable and scientific activities.

The US SIF and the Foundation 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 promotion and education of sustainable and responsible investing, the publication of an online resource guide and events, seminars and public policy 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 its consolidated financial statements include, or reflect, any uncertain tax positions.

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



**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
December 31, 2012**

---

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

<b>Cash and Cash Equivalents</b>	The Organization considers as cash and cash equivalents amounts in the checking and operating accounts.
<b>Property and Equipment</b>	The Organization capitalizes all property and equipment acquisitions of \$3,000 and above. Property and equipment are recorded at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.
<b>Functional Expense Allocation</b>	The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
<b>Reclassifications</b>	Certain 2011 amounts have been reclassified for comparative purposes.
<b>Contributions</b>	Contributions are recorded in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted support is recorded as unrestricted support if the restriction is met in the same accounting period as the support is received.
<b>Grants Receivable</b>	Grants receivable are considered to be fully receivable by management and accordingly no allowance for doubtful accounts is necessary.
<b>Estimates</b>	The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
<b>Deferred Revenue</b>	Deferred revenue consists of membership dues and sponsorship revenue received in advance of the applicable calendar year or event.
<b>Prior Year Information</b>	The consolidated financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2011. 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 consolidated financial statements for the year ended December 31, 2011, from which the summarized information was derived.

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
December 31, 2012**

---

**NOTE B - PENSION PLAN**

The US SIF maintains a 401(k) plan (the Plan) for all employees of the US SIF. Under the terms of the Plan, the US SIF makes a safe harbor match and a discretionary contribution for employees participating in the Plan. All employees are eligible to participate upon employment. For the year ended December 31, 2012, the US SIF made contributions of approximately \$26,200 to the Plan.

**NOTE C - LEASE COMMITMENTS**

The US SIF and the Foundation conduct their operations from a leased facility. The current lease expires on April 30, 2014. 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 accounting principles generally accepted in the United States of America (GAAP) all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease.

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

<i>Year Ending December 31,</i>	<b>Amount</b>
2013	\$ 77,748
2014 (current lease expires on April 30, 2014)	26,128
<b>Total</b>	<b>\$ 103,876</b>

Rent expense for the Organization for the year ended December 31, 2012 was approximately \$76,100. During 2012, the US SIF entered into an office space sublease agreement with another organization and received rental income of approximately \$10,500 under the sublease agreement. The sublease agreement ended as of March 31, 2013.

**NOTE D - RELATED PARTY TRANSACTIONS**

The Foundation made a subgrant of \$40,000 to the Milken Institute and a subgrant of \$85,623 to the Initiative for Responsible Investment at Harvard University (the Initiative) under the terms of a grant it received from the Ford Foundation. A senior employee of Milken Institute and a senior employee of the Initiative were board members of US SIF and the Foundation during 2012.

**NOTE E - COMMITMENTS**

During 2012, the US SIF entered in to a contract for hotel and conference space for a 2013 conference. The contract contains a clause whereby the US SIF 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.

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
December 31, 2012**

**NOTE F - CONCENTRATIONS**

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

**NOTE G - TEMPORARILY RESTRICTED NET ASSETS**

As of December 31, 2012, the Foundation's temporarily restricted net assets were available for the following purposes:

<b>Purpose</b>	<b>Amount</b>
Addressing barriers to community development finance	\$ 48,177
Mission in the market place - research	10,000
<b>Total temporarily restricted net assets</b>	<b>\$ 58,177</b>

For the year ended December 31, 2012, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

<b>Purpose</b>	<b>Amount</b>
Addressing barriers to community development finance	\$ 259,426
Understanding barriers to community investment	38,304
Global SIF support	5,765
Trends Report - 2012	30,000
<b>Net assets released from restrictions</b>	<b>\$ 333,495</b>

**NOTE H - SUBSEQUENT EVENTS**

Subsequent events were evaluated through May 19, 2013, which is the date the consolidated financial statements were available to be issued.



Drolet + Associates PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report  
On Supplementary Information

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, 2012 and have issued our report thereon dated May 19, 2013, which contained an unqualified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of consolidating statement of financial position and consolidating statement of activities are presented for the purposes of additional analysis and are 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Drolet + Associates, PLLC*

Washington, DC  
May 19, 2013

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2012**

	US SIF The Forum	US SIF Foundation	Eliminating Entries	Consolidated Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 398,930	\$ 139,364		\$ 538,294
Grants receivable		10,000		10,000
Due from US SIF Foundation	56,473		\$ (56,473)	-0-
Prepaid expenses	51,379			51,379
<b>TOTAL CURRENT ASSETS</b>	<b>506,782</b>	<b>149,364</b>	<b>(56,473)</b>	<b>599,673</b>
<b>PROPERTY AND EQUIPMENT</b>				
Computers and phone equipment	10,410			10,410
Accumulated depreciation and amortization	(8,442)			(8,442)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>1,968</b>	<b>-0-</b>	<b>-0-</b>	<b>1,968</b>
<b>SECURITY DEPOSIT</b>	<b>5,774</b>			<b>5,774</b>
<b>TOTAL ASSETS</b>	<b>\$ 514,524</b>	<b>\$ 149,364</b>	<b>\$ (56,473)</b>	<b>\$ 607,415</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 46,389	\$ 19,825		\$ 66,214
Due to US SIF Forum		56,473	\$ (56,473)	-0-
Deferred revenue	172,480			172,480
Deferred rent	3,986			3,986
<b>TOTAL CURRENT LIABILITIES</b>	<b>222,855</b>	<b>76,298</b>	<b>(56,473)</b>	<b>242,680</b>
<b>DEFERRED RENT, net of current portion</b>	<b>1,541</b>			<b>1,541</b>
<b>TOTAL LIABILITIES</b>	<b>224,396</b>	<b>76,298</b>	<b>(56,473)</b>	<b>244,221</b>
<b>NET ASSETS</b>				
Unrestricted	290,128	14,889		305,017
Temporarily restricted		58,177		58,177
<b>TOTAL NET ASSETS</b>	<b>290,128</b>	<b>73,066</b>	<b>-0-</b>	<b>363,194</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 514,524</b>	<b>\$ 149,364</b>	<b>\$ (56,473)</b>	<b>\$ 607,415</b>

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
CONSOLIDATING STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2012**

	US SIF The Forum	US SIF Foundation	Eliminating Entries	Consolidated Total
<b>REVENUES</b>				
Membership dues	\$ 618,520	\$ 90,000		\$ 708,520
Contributions		31,275		31,275
Sponsorship, other than events	1,500	141,636		143,136
Event related income	352,910	1,162		354,072
Investment income	785	488		1,273
Other revenue	10,612	7,895		18,507
<b>TOTAL REVENUES</b>	<b>984,327</b>	<b>272,456</b>	<b>\$ -0-</b>	<b>1,256,783</b>
<b>EXPENSES</b>				
Salaries	374,228	195,134		569,362
Employee benefits and payroll taxes	63,214	31,613		94,827
Recruitment and training	984	472		1,456
Payroll and benefits administration	3,547	1,731		5,278
Consulting	168,116	182,072		350,188
Grant expense		125,624		125,624
Office expenses	75,933	45,313		121,246
SIF - sponsored events	138,104	574		138,678
Staff meals, lodging and travel	11,000	4,455		15,455
Financial services and fees	7,617	5,258		12,875
Miscellaneous	87	1,108		1,195
<b>TOTAL EXPENSES</b>	<b>842,830</b>	<b>593,354</b>	<b>-0-</b>	<b>1,436,184</b>
<b>CHANGE IN NET ASSETS</b>	<b>141,497</b>	<b>(320,898)</b>	<b>-0-</b>	<b>(179,401)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>148,631</b>	<b>393,964</b>	<b>-0-</b>	<b>542,595</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 290,128</b>	<b>\$ 73,066</b>	<b>\$ -0-</b>	<b>\$ 363,194</b>

# GRI Index

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

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>1. STRATEGY AND ANALYSIS</b>		
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	See CEO letter, pages 2-3 that applies to information for both US SIF and US SIF Foundation.
1.2	Description of key impacts, risks, and opportunities.	US SIF advances the field of sustainable and responsible investing (SRI) through several strategic approaches detailed in this report.
<b>2. ORGANIZATIONS PROFILE</b>		
2.1	Name of the organization.	US SIF: The Forum for Sustainable and Responsible Investment, and US SIF Foundation.
2.2	Primary brands, products and/or services.	US SIF is a membership association that provides services to its members, creates external knowledge of SRI through research, media, policy engagement and professional education, and holds conferences and other types of in-person and virtual events to inform its members and assist them in networking. It conducts much of its research, program and public education efforts through the US SIF Foundation. Also see member benefits on pages 22–23.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	See report overview and boundary on page ii.
2.4	Location of the organization's headquarters.	Washington, DC, USA
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	One (United States)

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
2.6	Nature of ownership and legal form.	Dual non-profit 501(c)(6) membership association and 501(c)(3) non-profit organization. See page ii.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Professionals, firms, institutions and organizations engaged in sustainable and responsible investing in the United States
2.8	Scale of reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees;</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations);</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations); and</li> <li>• Quantity of products or services provided.</li> </ul>	Seven full-time employees at the end of 2012; approximately 320 members in 2012; see financials on pages 24–36
2.9	Significant changes during the reporting period regarding its size, structure, or ownership including: <ul style="list-style-type: none"> <li>• The location of, or changes in operations, including facility openings, closings, and expansions; and</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).</li> </ul>	None
2.10	Awards received in the reporting period.	None

### 3. REPORT PARAMETERS

#### Report Profile

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Calendar year 2012
3.2	Date of most recent previous report (if any).	US SIF produced its most recent GRI report for calendar year 2011. It produced its first GRI report for calendar year 2009 and its second GRI report in 2010.
3.3	Reporting cycle (annual, biennial, etc.).	Annual
3.4	Contact point for questions regarding the report or its contents.	Megan Smith Public Affairs and Events Assistant US SIF 910 17th St. NW, Suite 1000 Washington, DC 20006 T: (202) 747-7820 F: (202) 775-8686 msmith@ussif.org



INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality;</li> <li>• Prioritizing topics within the report; and</li> <li>• Identifying stakeholders the organization expects to use the report.</li> </ul>	Staff review
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Entire organization
3.7	State any specific limitations on the scope or boundary of the report.	Not applicable
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	US SIF used guidelines and tools from the Greenhouse Gas Protocol developed by the World Resource Institute and the World Business Council for Sustainable Development to calculate its carbon footprint.
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business measurement methods).	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	None
3.12	Table identifying the location of the Standard Disclosures in the report.	This GRI Index
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	US SIF plans to submit its annual report to GRI to verify its reporting level. The financial information presented on pages 24–36 was explain the 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.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>		
<i>Governance</i>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	See governance section of this report on pages 4–7.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization’s management and the reasons for this arrangement).	US SIF separates its chair and CEO positions.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	See governance section of this report on pages 4–7.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	US SIF does not have shareholders. US SIF members and staff have the ability to make recommendations to board members. US SIF also holds an annual, in-person meeting for its board directors, members and staff, and members elect the board. (See board practices on pages 4-7).
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization’s performance (including social and environmental performance).	US SIF’s board directors are not compensated. The CEO’s compensation is approved by the board and is tied closely to the organization meeting its strategic goals, which are outlined on page 8.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	The board has a conflict of interest policy that is available to the public upon request.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization’s strategy on economic, environmental, and social topics.	See governance section of this report on pages 4–7.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and performance and the status of their implementation.	See the policies and practices section of this report on pages 20–23. See also the letter from the social CEO and US SIF Chair for US SIF’s mission statement and vision, along with its five strategic goals for 2010 through 2012 on page 8.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	See governance section of this report on pages 4–7.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	See governance section of this report on pages 4–7.

### *Commitments to External Initiatives*

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Not applicable
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	While not a signatory to other initiatives, US SIF 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 American for Financial Reform, Corporate Reform Coalition, the Council of Institutional Investors and other organizations.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• has positions in governance bodies;</li> <li>• participates in projects or committees;</li> <li>• provides substantive funding beyond routine membership dues;</li> <li>• views membership as strategic.</li> </ul>	See above. Note that while US SIF is involved in the above organizations and participates in several of their initiatives, it does not have positions on their governance bodies.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<i>Stakeholder Engagement</i>		
4.14	List of stakeholder groups engaged by the organization.	<p>US SIF's primary stakeholders are its members. A list of members is available at <a href="http://www.ussif.org/AF_MemberDirectory.asp">http://www.ussif.org/AF_MemberDirectory.asp</a>.</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 regularly evaluates the CEO's performance. Staff is welcome to report recommendations and concerns to the board, too.</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>
4.15	Basis for identification and selection of stakeholders with whom to engage.	<p><b>Members:</b> US SIF is a membership association and its mission, strategy and operating plans are largely developed in consultation the board. Members—through their dues and sponsorship of key programs—provide a significant portion of US SIF's annual revenues.</p> <p><b>Employees:</b> US SIF would not be able to fulfill its mission, strategic objectives and operating plan without its employees.</p> <p><b>Legislators and regulators:</b> In order to advance responsible investing practices, it is necessary at times to advocate for legislative and regulatory changes, and to educate policymakers on these issues.</p>
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. Also please indicate the principles formulated at corporate level that guide your company's stakeholder engagement at site level. Please attach/provide supporting documents or indicate website.	<p>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. See also comments related to 4.14 above.</p>

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	US SIF's staff and members, 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, in 2012, due to an increasing demand for SRI education for the financial industry, US SIF created a professional course development committee to help advise on the creation of online courses.

## MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

### Economic

#### Economic Disclosure on Management Approach

EC	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the Management Approach items outlined below reference to following Economic Aspects:</p> <ul style="list-style-type: none"> <li>• Economic Performance;</li> <li>• Market Presence; and</li> <li>• Indirect Economic Impacts.</li> </ul>	<p>US SIF is a membership organization that represents professionals, firms, institutions and organizations the with engaged in sustainable and responsible investing in the United States. It measures its economic performance in part by the number of members it has, the dues it collects each year and its financial position at year end. A summary of these dues is reviewed in the financial section of this report on pages 24–36.</p>
----	---	--

### Economic Performance Indicators

#### Aspect: Economic Performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	See financials on pages 24–36.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	US SIF believes climate change is a considerable risk for its operations and the planet. It is trying to limit its own carbon footprint, while advocating for constructive climate change and energy legislation on Capitol Hill as well as regulatory changes.
EC3	Coverage of the organization's defined benefit plan obligations.	See financials pages 24–36 and policies and practices on pages 20–23. US SIF does not have a defined benefit plan. It operates a 401(k) defined contribution plan for its employees, as noted on page 22.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
EC4	Significant financial assistance received from government.	None
<b>Aspect: Market Presence</b>		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	The federal minimum wage in the United States is \$7.25, and the minimum wage in Washington, DC, where all of US SIF's employees work, is \$8.25. Based on a 40-hour workweek, US SIF's lowest paid employee earns significantly greater than double the minimum wage.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant operation.	US SIF taps local suppliers for IT projects and for catering local locations of events. In addition, it contracts for catering and other services for events outside of the Washington metropolitan area. It also contracts with a membership consultant based in New York. In 2012, US SIF contracted with a public relations and communications firm and a government relations firm in Washington DC and an IT firm in Virginia. The US SIF Foundation contracted with a research firm in New York and a research consultant in Massachusetts. In 2012, US SIF also purchased computer equipment from Texas-based Dell and office supplies from Quill, which is based in Philadelphia. US SIF does not have official policies in this area, although it looks for responsible suppliers that embrace sustainability practices. It also does not have an estimate for the percentage of its spending with local, Washington metropolitan area businesses.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	All US SIF staff lived in the Washington metropolitan area before they were hired, although US SIF has no rules restricting its geographic area for recruiting.
<b>Aspect: Indirect Economic Impacts</b>		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not applicable

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	US SIF and US SIF Foundation jointly spent \$664,189 on salaries, benefits and payroll taxes in 2012, their greatest economic impact. They also paid \$350,188 to consultants for a range of services in 2012. US SIF has not applied a multiplier effect to calculate the true economic impact of this spending. It is investigating methods for 2013.

## ENVIRONMENTAL

### *Environmental Disclosure on Management Approach*

EN	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the Management Approach items outlined below with reference to the following Environmental Aspects:</p> <ul style="list-style-type: none"> <li>• Materials;</li> <li>• Energy;</li> <li>• Water;</li> <li>• Biodiversity;</li> <li>• Emissions, Effluents, and Waste;</li> <li>• Products and Services;</li> <li>• Compliance;</li> <li>• Transport; and</li> <li>• Overall.</li> </ul>	See discussion on policies and practices on pages 20–23.
----	---	--

### Environmental Performance Indicators

EN1	Materials used by weight or volume. See Indicator Protocol for guidance on calculation.	US SIF and US SIF Foundation jointly used approximately 160 reams of paper in 2012.
EN2	Percentage of materials used that are recycled input materials.	100 percent of the paper used at US SIF contains recycled content. US SIF also recycles all paper, toner cartridges and electronic equipment.

### Aspect: Energy

EN3	Direct energy consumption by primary energy source.	None
EN4	Indirect energy consumption by primary source.	Electricity: 172.31400 gigajoules
EN5	Energy saved due to conservation and efficiency improvements.	It is US SIF office procedure to turn off all lights and non-dedicated server computer equipment every evening. US SIF's offices use fluorescent and compact-fluorescent bulbs to conserve energy, and the building owner, US SIF member Self-Help, has undertaken several other energy conservation initiatives, including placing motion detectors on lights in many common areas.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	None
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	See above.
<b>Aspect: Water</b>		
EN8	Total water withdrawal by source.	Not material
EN9	Water sources significantly affected by withdrawal of water.	Not material
EN10	Percentage and total volume of water recycled and reused.	Not material
<b>Aspect: Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	None
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	None
EN13	Habitats protected or restored.	None
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	None
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	None
<b>Aspect: Emissions, Effluents and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Based on our calculations and assumptions, US SIF's and US SIF Foundation's combined carbon footprint is the equivalent of 14.074 metric tons of CO <sub>2</sub> -e.
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not applicable



INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	US SIF staff strives to conserve energy and reduce consumption of paper products. US SIF's conference programs also seek environmentally responsible venues. US SIF participates in the Washington Metropolitan Area Transit Authorities' Smart Benefits program to encourage its staff to use public transportation, and US SIF staff all rode public transportation to work or walked in 2012. (Also see policies and practices on pages 20–23.)
EN19	Emissions of ozone-depleting substances by weight.	None
EN20	NOx, SOx, and other significant air emissions by type and weight.	None
EN21	Total water discharge by quality and destination.	None
EN22	Total weight of waste by type and disposal method.	Not calculated, although information on paper use and an estimate of US SIF's carbon footprint is offered in policies and practices section of this report on pages 20–23.
EN23	Total number and volume of significant spills.	None
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	None
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	None
<b>Aspect: Products and Services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	All of US SIF's marketing and member materials, if printed at all, were done so on paper containing at least 30 percent recycled content.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	US SIF sells reports from time to time. US SIF encourages recycling, but it does not track the percentage of its printed reports or promotional materials recycled by end users.
<b>Aspect: Compliance</b>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions/convictions for non-compliance with environmental laws and regulations.	\$0

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Transport</b>		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	None
<b>Aspect: Overall</b>		
EN30	Total environmental protection expenditures and investments by type.	\$0

## LABOR

### *Labor Disclosure on Management Approach*

LA	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Labor Aspects listed below. The ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular the eight core conventions of the ILO) and the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises, should be the primary reference points.</p> <ul style="list-style-type: none"> <li>• Employment;</li> <li>• Labor/management relations;</li> <li>• Occupational health and safety;</li> <li>• Training and education; and</li> <li>• Diversity and equal opportunity.</li> </ul>	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 20–23.
----	---	---

### *Labor Practices and Decent Work Performance Indicators*

#### **Aspect: Employment**

LA1	Total workforce by employment type, employment contract, and region.	Seven full-time employees in Washington, DC, performing administrative, managerial, research, writing and policy work.
LA2	Total number and rate of employee turnover by age group, gender, and region.	No employees left US SIF in 2012. All employees were based in the Washington, DC metro area. US SIF had one male and six female employees. At the end of 2012, two employees were 20 to 29 years of age, two were 30 to 39 years of age, one was 40 to 49 years of age, and two were 50 to 59 years of age.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	US SIF did not have part-time or temporary employees in 2012. Employer-subsidized health, disability and dental insurance benefits are available to all employees who work at least 30 hours a week.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Labor/Management Relations</b>		
LA4	Percentage of employees covered by collective bargaining agreements.	0 percent
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	US SIF does not have a policy addressing significant operational changes for employees.
<b>Aspect: Occupational Health and Safety</b>		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	0 percent
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region. Please include industry benchmarks, if available, in Additional Comments.	US SIF had no work-related accidents, injuries or fatalities in 2012.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	None
LA9	Health and safety topics covered in formal agreements with trade unions.	Not applicable
<b>Aspect: Training and Education</b>		
LA10	Average hours of training per year per employee by employee category.	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. Staff goals include a query about professional growth. Both senior and junior staff average 5 hours per employee per year in training as defined by GRI.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	US SIF staff undergo annual reviews and set goals for each year that are regularly monitored, including goals that will help them advance professionally. In March 2012, US SIF developed a sabbatical leave policy offering employees the opportunity to apply for a one to three week sabbatical following 5 years of continuous full-time service, with full salary and benefits.
LA12	Percentage of employees receiving regular performance and career development reviews.	100 percent

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Diversity and Equal Opportunity</b>		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	<b>Board:</b> 6 white women, 1 black or African-American woman, 1 African-American man and 9 white men at the end of 2012.  <b>Staff:</b> 4 white women, 2 Asian women and 1 African-American man at the end of 2012. See LA2 for age data on staff.
LA14	Ratio of basic salary of women to men by employee category.	1:1

## HUMAN RIGHTS

### *Human Rights Disclosure on Management Approach*

HR	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Human Rights Aspects listed below. The ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy (in particular the eight core conventions of the ILO which consist of Conventions 100, 111, 87, 98, 138, 182, 20 and 1059), and the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises should be the primary reference points.</p> <ul style="list-style-type: none"> <li>• Investment and Procurement Practices;</li> <li>• Non-discrimination;</li> <li>• Freedom of Association and Collective Bargaining;</li> <li>• Abolition of Child Labor;</li> <li>• Prevention of Forced and Compulsory Labor;</li> <li>• Complaints and Grievance Practices;</li> <li>• Security Practices; and</li> <li>• Indigenous Rights.</li> </ul>	US SIF supports the ILO's core conventions as enshrined in the ILO's Fundamental Principles and Rights at Work. In addition, US SIF's Indigenous Peoples Working Group promotes indigenous peoples' rights. Also see organizational policies and practices on pages 20–23.
----	--	--

### *Human Rights Performance Indicators*

#### **Aspect: Investment and Procurement Practices**

HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not applicable
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	None, although US SIF management considers potential suppliers' labor and human rights policies and practices when making purchasing decisions.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Zero

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Non-Discrimination</b>		
HR4	Total number of incidents of discrimination and actions taken.	Zero
<b>Aspect: Freedom of Association and Collective Bargaining</b>		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	None
<b>Aspect: Child Labor</b>		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None
<b>Aspect: Forced and Compulsory Labor</b>		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	None
<b>Aspect: Security Practices</b>		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	None
<b>Aspect: Indigenous Rights</b>		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None
<b>SOCIETY</b>		
<b><i>Society Disclosure on Management Approach</i></b>		
SO	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Society Aspects:</p> <ul style="list-style-type: none"> <li>• Community;</li> <li>• Corruption;</li> <li>• Public Policy;</li> <li>• Anti-Competitive Behavior; and</li> <li>• Compliance.</li> </ul>	<p>US SIF advocates for sustainable and responsible investment. US SIF members integrate environmental, social or governance criteria into their investment approaches, and these policies and practices are highlighted on US SIF's website. US SIF also takes a sustainable approach to its own operations. See the policies and practices portion of this report on pages 20–23 for more information.</p>

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Society Performance Indicators</b>		
<b>Aspect: Community</b>		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	None
<b>Aspect: Corruption</b>		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	During 2013, US SIF engaged an outside accounting firm to audit its financial books for 2012. The report of that audit is found on pages 24–36 of this report.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	US SIF has a system of internal financial controls in which it trains pertinent employees.
SO4	Actions taken in response to incidents of corruption.	None, as no such incidents took place.
<b>Aspect: Public Policy</b>		
SO5	Public policy positions and participation in public policy development and lobbying.	See the public policy portion of this report on pages 14–15. Comment letters on policy issues written by US SIF and sent to various bodies are available on the public side of our website at <a href="http://www.ussif.org/policyletters">http://www.ussif.org/policyletters</a> . US SIF's process for determining public policy positions is available to its members on the members-only portion of its website.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	\$0
<b>Aspect: Anti-competitive Behavior</b>		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Zero
<b>Aspect: Compliance</b>		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations (e.g. human rights).	\$0

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
---------------	-------------	-------------------

## PRODUCT RESPONSIBILITY

### *Product Responsibility Disclosure on Management Approach*

PR	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Product Responsibility Aspects:</p> <ul style="list-style-type: none"> <li>• Customer Health and Safety;</li> <li>• Product and Service Labeling;</li> <li>• Marketing Communications;</li> <li>• Customer Privacy; and</li> <li>• Compliance.</li> </ul>	<p>US SIF does not have any formal policies in this area. It protects its members' information by keeping it on a secure server, and does not sell this information to third parties. However information about our members is publicly available.</p>
----	---	--

### *Product Responsibility Performance Indicators*

#### Aspect: Customer Health and Safety

PR1	<p>Life cycle stages in which health and safety impacts of products and services assessed for improvement, and percentage of significant products and services categories subject to such procedures.</p>	<p>When producing publications, US SIF takes into account recycled content of paper to be used and the use of environmentally friendly inks.</p>
PR2	<p>Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.</p>	<p>None</p>

#### Aspect: Product and Service Labeling

PR3	<p>Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.</p>	<p>None</p>
PR4	<p>Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.</p>	<p>None</p>
PR5	<p>Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.</p>	<p>US SIF elicits input from its members through its electronic discussion groups and at its in-person annual meeting. It also sought the feedback of attendees from its in-person working group meetings through an online survey and sent out an evaluation survey for its Annual Conference. Additionally, US SIF sought input from members on its strategic goals for 2013–2015.</p>

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
<b>Aspect: Marketing Communications</b>		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	None
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Not applicable
<b>Aspect: Customer Privacy</b>		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Zero
<b>Aspect: Compliance</b>		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	\$0
<b>SECTOR SUPPLEMENT INDICATORS FOR NON-GOVERNMENTAL ORGANIZATIONS</b>		
NGOSS1	Involvement of affected stakeholder groups, (as per the organization's mission statement), in the design, implementation, monitoring and evaluation of policies and programs.	Members have input into US SIF's policies and programs through several channels: board representation, annual in-person meeting, periodic surveys on events and other priorities, and contacting US SIF staff directly. See the governance section of this report on pages 4–7 for more information on the representation of key member groups on the board.
NGOSS2	Feedback and complaints mechanism in relation to programs and policies and responsive actions taken, including self-noted breaches of policies.	As mentioned earlier, US SIF elicits feedback from its members through its electronic discussion groups, annual meeting and occasional surveys. As a result of this input, US SIF's board approved five strategic goals for the organization as part of a strategic plan for 2010–2012, which is implemented through an annual operating plan. The strategic plan is available to members through US SIF's member center, and a review of progress to date on this plan is the focus of the annual report. Also, US SIF sought and received feedback in 2012 on the 2013–2015 strategic plan.



INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
NGOSS3	System for program monitoring and evaluation, (including measuring program effectiveness and impact), learning, how the organization changes its program as a result and how it reports on this.	US SIF staff undertakes an annual review of its programs to evaluate their effectiveness in helping US SIF achieve its strategic operational goals for each year. This report is delivered to the board once a year, along with presentations from the CEO, deputy director and director of research, and the director of programs.
NGOSS4	Measures in place to ensure due attention to gender and diversity is integrated into program design and implementation, as well as in the monitoring, evaluation and learning cycle.	As mentioned earlier, US SIF has a board diversity policy. US SIF has a board recruitment document that prioritizes diversity. Additionally, in 2012, US SIF created a diversity task force to help members promote and advance diversity and inclusion in the financial services industry.
NGOSS5	Process to formulate, communicate, implement and change your advocacy positions and public awareness campaigns.	US SIF's board and policy committee approve US SIF policy priorities and positions.
NGOSS6	Processes to take into account and coordinate with the activities of other actors.	US SIF's staff, and at times its board and policy committee, approve US SIF's coordination of activities with other organizations.
NGOSS7	List standards used for tracking and allocating resources.	US SIF's accounting systems ensure that it allocates funding to the proper pools and programs.
NGOSS8	Breakdown of funding received by source, including listing of 5 largest 1 individual donations.	See financial section of this report on pages 24–36.
NGOSS9	Mechanisms for workforce feedback and complaints, including number of complaints received and their resolution.	As mentioned earlier, all US SIF staff undergo annual reviews and set goals with their supervisor, which are monitored throughout the year. In the case of the CEO, US SIF's board reviews the CEO's performance and goals annually. The board also sets goals for itself and reviews those regularly. US SIF has a board-approved personnel handbook with a grievance policy included. No grievances were filed in 2012.



## Statement GRI Application Level Check

GRI hereby states that **US SIF: The Forum for Sustainable and Responsible Investment** has presented its report "US SIF and US SIF Foundation 2012 Annual Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 3 July 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo in the background.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 19 June 2013. GRI explicitly excludes the statement being applied to any later changes to such material.





The Forum for Sustainable and Responsible Investment

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