

# ANNUAL SUSTAINABILITY & FINANCIAL REPORT

2011

US SIF and US SIF Foundation



Advancing Sustainable  
and Responsible Investing  
in the United States

US(SIF)

The Forum for Sustainable and Responsible Investment



## About US SIF

US SIF: The Forum for Sustainable and Responsible Investment is the US membership association for professionals, firms, institutions and organizations engaged in 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: The Forum for Sustainable and Responsible Investment 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.

### Report Overview and Boundary

US SIF and US SIF Foundation were called the Social Investment Forum Ltd. and the Social Investment Forum Foundation prior to June 2011. Thus, the name changes are reflected in this report.

This annual report covers the 2011 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.

### 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)

*For further information about this report, please contact 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).*

## Table of Contents

CEO and Chair Letter . . . . .	2
Research . . . . .	4
Media and Events . . . . .	6
Public Policy and Advocacy . . . . .	8
Working Groups . . . . .	12
Governance . . . . .	14
Policies and Practices . . . . .	18
Financials . . . . .	22
GRI Index . . . . .	34
GRI Certification . . . . .	53

## CEO and Chair Letter

Dear Members and Other Stakeholders:

US SIF achieved several milestones in 2011, including our name change and organizational re-branding as well as the launch of our first national conference. This report, as in past years, integrates sustainability and financial metrics, using the *Global Reporting Initiative (GRI) Guidelines*, as part of our commitment to broad-based sustainability in the financial markets and within our organizations. Our 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).

Some of the highlights of the following report are:

**FINANCES:** US SIF Inc. and US SIF Foundation both saw significant revenue increases and growth in diversity of funding source. On a consolidated basis, although membership dues remained the primary source of revenue (\$706,000), important additional revenue sources in 2011 were foundation grants (\$491,000), followed by event revenue (\$328,000). US SIF was thus pleased to recognize at year-end 2011 an *unrestricted* surplus of \$161,000 on a consolidated basis, plus a temporarily restricted surplus of \$382,000 in the US SIF Foundation.

**MEMBERSHIP:** Membership dues have traditionally been the primary source of revenues and this continued in 2011. US SIF focused on expanding its membership ranks and succeeded in recruiting 58 new members in 2011. Six of the new members joined in time to register for US SIF's 2011 annual conference and member-only events. Five non-member conference attendees joined US SIF shortly after attending the conference.

**RESEARCH:** US SIF Foundation published two reports in 2011. *Opportunities for Sustainable and Responsible Investing in Defined Contribution Plans* analyzed the results from a survey Mercer conducted on behalf of the Foundation to gauge the interest in and knowledge of SRI options among defined contribution pension plan sponsors. The number of respondents and the response rate both represented increases over the similar US SIF Foundation-Mercer survey of 2006. The report highlighted the possibility that the number of DC plans with SRI options could increase in the next three years.

*Sustainability Trends in US Alternative Investments* highlighted how sustainable and responsible investing trends are gaining traction in alternative asset classes. The alternative investment funds tracked in the report spanned the asset classes of private equity and venture capital funds, property investment funds and hedge funds, utilizing a broad range of approaches to ESG criteria and themes.

**CONFERENCES AND EVENTS:** In June, US SIF held its first Annual Conference, **Responsible Investing: Impact and Innovation**, in Washington, DC. In addition to serving as an educational and networking opportunity for members, the conference aimed to provide high quality programming for members and non-members. The event drew over 250 attendees and featured dynamic presentations from former Vice-President Al Gore, now Chairman of Generation



LISA WOLL



MICHAEL LENT

Investment Management, SEC Commissioner Luis Aguilar and Self-Help Credit Union founder Martin Eakes, among others. The member-only program 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 Elizabeth Warren, who was tapped by President Obama to set up the Consumer Financial Protection Bureau.

**PUBLIC POLICY AND ADVOCACY:** 2011 was one of US SIF's most active years on the public policy front. US SIF staff advocated on members' behalf for financial reform and rulemaking around the *Dodd-Frank Wall Street Financial Reform and Consumer Protection Act*, signed into law by President Barack Obama in July 2010. US SIF also continued to encourage the SEC to require publicly traded companies to report on material environmental, social and governance issues. US SIF filed a comment with the Environmental Protection Agency endorsing its proposed standard for curbing mercury and other toxic emissions from coal- and oil-fired electric generating units. We continued to engage with Department of Labor officials over concerns about staff bulletins from 2008 that appear to caution fiduciaries for private pension funds away from SRI strategies. Our efforts also included seeking Congressional support on a bill proposing a no-fee SRI option for federal employees in their retirement plan.

**MEDIA AND COMMUNICATIONS:** The US SIF rebranding initiative resulted in new names—US SIF: The Forum for Sustainable and Responsible Investment and US SIF Foundation, as well as new logos. Information on sustainable and responsible investing posted on our Twitter, Facebook and LinkedIn accounts continue to enable members to champion their affiliation with US SIF. In addition, US SIF's online monthly 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.

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

**STRATEGIC GOALS:** Our 2011 activities and achievements are discussed in greater detail in this Report and are assessed in light of how they served the five strategic goals that US SIF and US SIF Foundation established in their strategic plan for 2010-2012. The strategic goals are: support members' professional and educational development, create greater public awareness of SRI through research, media and public policy advocacy, substantially increase the numbers of individuals and institutions engaged in SRI, increase US SIF membership and create a financially viable business model for US SIF.

Sincerely,



Lisa N. Woll  
CEO



Michael Lent  
Board Chair

# Research

STRATEGIC GOAL	ACHIEVEMENTS
<i>Support members' professional and educational development.</i>	US SIF Foundation produced two reports— <i>Opportunities for Sustainable and Responsible Investing in Defined Contribution Plans</i> and <i>Sustainability Trends in US Alternative Investments</i> —making them available to members free of charge through its website. US SIF updated the Mutual Fund Performance Chart offering research on members' mutual fund offerings.
<i>Create greater public awareness of SRI through research, media and public policy advocacy.</i>	The publication of the <i>Opportunities</i> and <i>Alternative Investments</i> reports raised awareness of SRI among the general public, with more than 40 references in press articles for both reports.
<i>Substantially increase the number of individuals and institutions engaged in SRI.</i>	US SIF updated its <i>Top Ten Questions about SRI</i> factsheet to better reflect advances made in SRI product offerings. The non-member webinar for the <i>Alternative Investments</i> report and updates to the Mutual Fund Performance Chart also advanced the goal of raising awareness of SRI.
<i>Increase US SIF membership.</i>	These resources were a key selling point to attract new members in 2011.
<i>Create a financially viable business model for US SIF.</i>	The <i>Opportunities</i> and <i>Alternative Investments</i> reports generated revenue from sponsorships and sales.

**DEFINED CONTRIBUTION PLANS REPORT:** US SIF Foundation released *Opportunities for Sustainable and Responsible Investing in Defined Contribution Plans* in September. The report, which gauged the interest and knowledge of defined contribution pension plan sponsors with regard to SRI options, analyzed the results from a survey Mercer conducted on behalf of US SIF Foundation and sent to more than 13,000 potential respondents representing public, corporate, faith-based, healthcare and other plan types. A key finding from the survey was the strong outlook for the addition of SRI options to DC retirement plans. While 14 percent of the DC plan sponsors responding to the US SIF/Mercer survey already offered one or more SRI fund options, another 13 percent said they were considering adding such options in the next two to three years. These findings were reported in several trade publications, including *Pensions & Investments*.

The report included as an appendix a guide for plan sponsors to follow in exploring and adopting SRI options, which was also posted as a stand-alone report, available free of charge, on US SIF's public website. US SIF Foundation and Mercer held a webinar for US SIF members on the report's findings.

US SIF Foundation thanks Calvert Investments, Neuberger Berman and TIAA-CREF for their generous sponsorship of the report. US SIF Foundation is also grateful to the members of the US SIF Foundation Research Committee, who provided helpful commentary on the survey and the report drafts. Its members were Meg Voorhes (chair), Mark Bateman, Sarah Cleveland, Justin Conway, Joanne Dowdell, Kimberly Gladman, Paul Hilton, Amy O'Brien, Tim Smith and David Wood. (For more information on the report, visit [https://ussif.org/resources/pubs/order\\_form.cfm](https://ussif.org/resources/pubs/order_form.cfm).)

**ALTERNATIVE INVESTMENTS REPORT:** In October, US SIF Foundation released *Sustainability Trends in US Alternative Investments*. The report provides a detailed snapshot of private equity and venture capital funds, property investment funds and hedge funds based in the United States that consider environmental, social and corporate governance criteria in fund management. The report documents the growth in their numbers and assets from 2010 to 2011, and examines the networks and field-building organizations that have helped to facilitate growth in this field. The report noted that \$80.9 billion was invested in 375 alternative investment funds incorporating environmental, social and governance criteria at the outset of 2011, reflecting a 15.9-percent growth in combined assets since the beginning of 2010, when 346 alternative funds managed a combined total of \$69.8 billion. US SIF held a member webinar as well as a news conference in October to announce the findings, and in November a fee-based webinar for interested non-members. The report has received outstanding reviews from numerous US SIF members and sponsors.

US SIF Foundation thanks the lead sponsor of the report, Azimuth, as well as other supporting sponsors: Arborview Capital, Christian Brothers Investment Services, DBL Investors, Ecotrust Forest Management, Inc., The Lyme Timber Company, SJF Ventures, TerraVerde Capital Partners, Trillium Asset Management and Working Lands Investment Partners. Thanks are owed as well to the research team at the Tellus Institute Center for Social Philanthropy: Joshua Humphreys, Ann Solomon, Christi Electris, Yewande Fapohunda, Catie Ferrara, Bryant Mason and Kate Robinson; as well as Jed Emerson (Impact Assets) and Melody Meyer (Global Impact Investing Network) who contributed to the report. US SIF Foundation also is grateful for the assistance of the US SIF Foundation Research Committee members. (For more information, visit [https://ussif.org/resources/pubs/order\\_form.cfm](https://ussif.org/resources/pubs/order_form.cfm).)

**PARTICIPATION IN THE INTERNATIONAL SIF TASK FORCE:** US SIF Research Director Meg Voorhes joined an international task force with AfricaSIF, Eurosif, the Canadian Social Investment Organization and Responsible Investment Association Australasia to coordinate efforts to produce a report on global trends in sustainable and responsible investing at the end of 2012.

**RESOURCES FOR US SIF MEMBERS:** In October, US SIF staff launched its monthly Newsletter to help keep members current on research, policy issues and new developments at US SIF, and provide information on new members, job vacancies in the industry and upcoming events. An archive of all editions is available in the Member Center of the website. In addition, it updated an introductory slide presentation on sustainable and responsible investing for members to share with clients and colleagues.

**SRI MUTUAL FUND PERFORMANCE CHART:** With data from US SIF member Bloomberg, US SIF updated SRI mutual fund performance for its members' funds throughout 2011, offering useful data to retail investors and financial advisors. US SIF also updated its *10 Frequently Asked Questions about SRI*, including new data from the *2010 Trends* report.

**PLANNING:** During 2011, US SIF Foundation made plans to produce the *2012 Report on Sustainable and Responsible Investing Trends in the United States* and to create, for the first time, a permanent secure online database to store *Trends* report data and to facilitate distribution of the *Trends* survey in 2012 and beyond. Sponsors for the 2012 edition include Bloomberg, TIAA-CREF Financial Services, Neuberger Berman, Christian Brothers Investment Services, Breckinridge Capital Advisors, Sentinel Investments, Trillium Asset Management, Walden Asset Management, Wespeth Investment Management and Legg Mason.

## Media and Events

STRATEGIC GOAL	ACHIEVEMENTS
<i>Support members' professional and educational development.</i>	In June 2011, US SIF hosted <b>Responsible Investing: Impact and Innovation</b> , its inaugural annual conference, in Washington, DC. US SIF also held a combination of online, telephonic and in-person events throughout the year to support its members' professional and educational development, as well as to facilitate networking.
<i>Create greater public awareness of SRI through research, media and public policy advocacy.</i>	In addition to press releases and tele-news events, US SIF tapped social media channels in 2011 to expand awareness of US SIF and the SRI industry.
<i>Substantially increase the number of individuals and institutions engaged in SRI.</i>	US SIF held its first annual conference, which attracted a number of non-members, and again collaborated with the Financial Times for a sustainability conference in New York City. This event drew many attendees who were unfamiliar with SRI.
<i>Increase US SIF membership.</i>	US SIF promoted membership at all of the events it hosted and co-produced, and attracted several new members from these activities.
<i>Create a financially viable business model for US SIF.</i>	All of the events US SIF hosted in 2011 generated revenues to cover or exceed costs associated with them.

**TELE-NEWS EVENTS:** In addition to issuing 10 press releases in 2011 on a broad range of topics reflecting US SIF's diverse programs, research and public policy priorities, US SIF held two tele-news events during the year. In April, US SIF Deputy Director Meg Voorhes and Board Member Cliff Rosenthal participated in a joint tele-news conference with Green America's Fran Teplitz and Kat Taylor of One Pacific Coast Bank to discuss the growth in community development banks and credit unions as a high impact alternative to traditional banking options. It received favorable coverage in *Credit Union Times* and other trade publications.

**MEMBER TELE-CONFERENCE EVENTS:** US SIF held four member-wide calls and webinars in 2011 as part of its effort to expand educational and professional development opportunities for its members:

- a briefing on SRI and financial performance, featuring Kimberly Gladman of Governance Metrics International and PRI Fellow Andreas Hoepfner;
- a webinar on the findings of the report on *Opportunities for Sustainable and Responsible investing in Defined Contribution Plans*;
- a webinar discussing the *Sustainability Trends in US Alternative Investments* report; and
- a webinar on impact investing featuring Antony Bugg-Levine and Jed Emerson, authors of *Impact Investing: Transforming How We Make Money While Making a Difference*.

In November, we held our first fee-based webinar open to non-members. The non-member webinar, which focused on findings from the *Alternative Investments* report, attracted over 30 participants.



**SOCIAL MEDIA:** After the successful launch of Twitter and Facebook profiles in 2010, US SIF continued to grow its social media presence this year. Both accounts were updated to reflect our new name and logo and have grown considerably. At the end of 2011, our Twitter feed (<http://www.twitter.com/followUSSIF>) counted approximately 372 followers, compared to 69 followers at the end of 2010. Our Facebook page (<http://www.facebook.com/followUSSIF>) ended the year with more than 630 fans, compared to just over 300 at the end of 2010. Finally, we maintained our 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 events, press releases, and developments in SRI and within US SIF.



**CONFERENCES:** In March, for the third time, US SIF collaborated with the Financial Times on a sustainability conference in New York City.



In June, US SIF held its first Annual Conference, **Responsible Investing: Impact and Innovation**, in Washington, DC. The event included pre-conference member-day only programming including 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 Elizabeth Warren, who was tapped by President Obama to set up the Consumer Financial Protection Bureau. The conference attracted over 250 attendees and coverage for our organization and our industry in several publications and provided an exciting range of plenary and breakout sessions. The conference featured dynamic presentations from former Vice-President Al Gore, now Chairman of Generation Investment Management; SEC Commissioner Luis Aguilar and Self-Help Credit Union founder Martin Eakes, among others. During the conference, we announced our name change and new branding.

US SIF staff is deeply grateful to the volunteer members of the Agenda Committee in 2011 who developed ideas for sessions at the 2011 and 2012 annual conferences and helped to recruit speakers: Susan Babcock, Barb Brown, Sarah Cleveland, Noel Friedman, Paul Hilton, Jon Jacoby, Jeannine Jacokes, Erika Karp, Phil Kirshman, Heather Lang, Leslie Lowe, Craig Metrick, Dan Nielsen, Amy Muska O'Brien, Cheryl Smith, Maureen Thompson, Meg Voorhes, Mark Watson, Lisa Woll, David Wood and Betsy Zeidman.

Sponsors of the conference were: UBS, MSCI, Pax World Investments, Calvert Investments, Boston Common Asset Management, Christian Brothers Investment Services (CBIS), Bloomberg, Jantzi Sustainability, TIAA-CREF Financial Services, Trillium Asset Management, Towers Watson, Portfolio 21 Investments, Walden Asset Management, Dana Investment Advisors, Breckinridge Capital Advisors, Neuberger Berman, Calvert Foundation, Moxy Vote, Campbell's, SRI in the Rockies, Brown Flynn, Domini Social Investments, Millberg LLP, NASDAQ OMX Global Indexes, Sovereign Oneida Nation of Wisconsin, ClearBridge Advisors, CRF USA, Parnassus Investments and Mercer. Media sponsors included CSRwire, The Nation and Pensions & Investments.

**MEMBER RECEPTIONS:** US SIF held five get-togethers in 2011 for current and prospective members. These events were hosted in Boston, San Francisco and New Orleans, as well as two events in New York City.

# Public Policy and Advocacy

STRATEGIC GOAL	ACHIEVEMENTS
<i>Create greater public awareness of SRI through research, media and public policy advocacy.</i>	US SIF met with Commissioners and staff of the Securities and Exchange Commission (SEC) as well as with numerous Congressional representatives in 2011 to advance the policy priorities of US SIF members. As part of the members-only portion of our inaugural conference, US SIF held a Hill Day where members received advocacy training and met with members of Congress. In all meetings with government officials, US SIF staff highlighted developments in SRI to raise awareness about the field and US SIF member activities. US SIF issued one policy-related press release in 2011. US SIF published a policy toolkit entitled “Six Simple Steps to be An Effective Advocate” to help our members better institutionalize policy as a strategy of their work. US SIF also provided a bi-monthly report on policy developments for members.
<i>Increase SIF membership.</i>	US SIF’s public policy and advocacy work attracted attention and helped in recruiting members in 2011.
<i>Create a financially viable business model for US SIF.</i>	Through these efforts, US SIF attracted members and member support.

US SIF staff advocated on behalf of members and in furtherance of the US SIF mission throughout the year. It met with the staffs of members of the US Congress, as well as at the Securities and Exchange Commission (SEC) on several fronts during 2011. Public policy priorities during the year included commenting to the SEC on rulemaking in relation to the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act of 2010, championing mandatory ESG disclosure, supporting the Consumer Financial Protection Bureau, building support for the Federal Employees Responsible Investment Act (FERIA), and addressing SRI strategies and fiduciary duty under the Employee Retirement Income Security Act of 1974 (ERISA).

Direct efforts by staff on behalf of US SIF members on Capitol Hill and in the Executive Branch were supplemented by its events in Washington, DC, to raise awareness about SRI, including US SIF’s Annual Conference and policy and member advocacy training and Capitol Hill Day. Members visited a total of 23 Congressional offices in support of US SIF member policy priorities, including funding for the SEC, Commodity Futures Trading Commission and Consumer Financial Protection Bureau; support for the Federal Employees Responsible Investment Act (FERIA), a bill to give federal employees an SRI option in their non-fee retirement investment offerings; financial support for the Community Development Financial Institution Fund, and support for climate change legislation, among other agenda items.

**RULEMAKING RELATED TO DODD-FRANK:** Much of US SIF’s policy work in 2011 centered on numerous provisions in the Dodd-Frank Wall Street Financial Report and Consumer Protection Act that required the SEC to draft implementing regulations. US SIF met with SEC commissioners and their staffs to discuss the scope and text of such regulations and issued formal comments on proposed rules. The Dodd-Frank provisions of particular interest to US SIF, discussed in more detail below, related to:

- the mandate to the SEC to develop a federal “proxy access” rule to give shareholders the right to nominate directors and have those nominees appear in the proxy statements that publicly-traded companies must send to all shareholders,
  - disclosure of executive compensation in relation to that of average employees,
  - establishing an Office of Investor Advocate and Investor Advisory Committee,
  - disclosure of use of “conflict” minerals by publicly traded companies, and
  - disclosure by publicly traded companies engaged in resource extraction of their payments to host governments.
- **PROXY ACCESS:** US SIF and its members have been advocating for a federal proxy access rule since US SIF’s founding in 1984. Universal proxy access is a fundamental shareholder right enjoyed in most developed nations around the world. In the United States, the financial crisis underscored the need for greater accountability in America’s boardroom. In 2010, the SEC adopted Rule 14a-11 on proxy access which required that a shareholder or a shareholder group hold at least 3 percent of the shares in an issuer for at least three years to exercise this right and limited the total number of shareholder nominees in any election to no more than 25 percent of the total number of board members. Rule 14a-11 was then challenged by the Business Roundtable and US Chamber of Commerce in a lawsuit filed on September 29, 2010. In July 2011, a three-judge panel of the US Circuit Court of Appeals in Washington, D.C. ruled in favor of the business groups and found that the SEC had acted arbitrarily and capriciously in adopting the proxy access rule without realistically assessing and weighing the rule’s effect upon efficiency, competition and capital formation. The SEC decided not to challenge this decision. US SIF is closely following the developments and the impact of the court decision.
- **EXECUTIVE COMPENSATION AND PAY DISPARITY:** US SIF and its members actively supported Section 953(b) of Dodd-Frank by meeting with SEC staff and Commissioners on these rules. This section tasks the SEC with developing a new rule to require corporate issuers to disclose the following information in their proxy statements as part of their executive compensation disclosure: a) the median of annual total compensation of all employees, except the CEO (or any equivalent position); b) the CEO’s total annual compensation; and c) the ratio of these two figures.
- **OFFICE OF INVESTOR ADVOCATE AND INVESTOR ADVISORY COMMITTEE:** US SIF pressed the SEC to move swiftly to appoint an Investor Advocate and a permanent Investor Advisory Committee, and ensure that sustainable and responsible investors are included in the membership of this Committee. The Dodd-Frank Act gave the SEC a mandate to establish a permanent Investor Advisory Committee (IAC) to advise the commission on matters of concern to investors in the securities markets, as well as on investors’ perspectives on non-enforcement and evolving regulatory issues. In June, US SIF sent a letter to SEC Chairman Mary Schapiro expressing concern that the SEC had established the Advisory Committee on Small and Emerging Companies after saying that a lack of resources had delayed it in establishing the Office of Investor Advocate and the Investor Advisory Committee. In September, Commissioner Luis Aguilar referred to the US SIF letter in his own statement to SEC Chairman Schapiro expressing concern about not re-establishing the Investment Advisory Committee.
- **CONFLICT MINERALS:** US SIF and its members have been concerned about “conflict minerals” 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 in the eastern DRC. Section 1502 of the Dodd-Frank Act requires SEC registrants to provide certain disclosures about the use of specified conflict minerals emanating from the DRC and adjoining countries. US SIF and some of its members met with the SEC, including Commissioner Walters, on conflict minerals rulemaking in June, and US SIF and its members also signed multi-stakeholder letters to the SEC in March, August and November submitting specific comments regarding the timing of report filings, stockpiling and labeling of conflict minerals. In October, US SIF’s Director of Policy and Programs Alya Kayal and several members attended an unprecedented high-profile public SEC Conflict Minerals Roundtable. The Chairman of the SEC and all SEC Commissioners participated in the meeting. US SIF member representatives Bennett Freeman (Calvert Investments) and Susan Baker (Trillium Asset

Management) spoke at the roundtable to present the investor view. The panel discussions focused on key regulatory issues such as appropriate reporting approaches for the final rule, challenges in tracking conflict minerals through the supply chain, and workable due diligence and other requirements related to the rulemaking. In August, US SIF also wrote a letter to the editor of the New York Times in response to an article critical of the pending rules related to conflict minerals.

- **DISCLOSURE OF PAYMENT TO GOVERNMENTS BY RESOURCE EXTRACTION ISSUERS:** US SIF continues to monitor final rulemaking under Section 1504 of Dodd-Frank, which requires disclosure of oil, gas and mining companies' payments to the governments where they operate around the world. US SIF and its members believe that disclosure of these revenue payments will help curb the corruption that has distorted the economies and governance of resource-rich countries while at the same time increasing investment risk across the sector. In December, US SIF joined Calvert Investments for a meeting with the SEC's Division of Corporation Finance to discuss rulemaking. This provision of Dodd-Frank had already had an impact in other markets; in 2011, the European Parliament passed a mandatory disclosure rule modeled after this legislation.

**CONSUMER FINANCIAL PROTECTION BUREAU (CFPB):** US SIF and its members supported the creation of the CFPB and opposed vigorous efforts by some members of Congress to weaken and delay its fully operational status and block the appointment of any director. In June, US SIF sent a letter to President Barack Obama that he nominate a Director of the CFPB as soon as possible so that the Bureau could take on its full role. In October, President Obama nominated Richard Cordray, the former Ohio Attorney General, as Director of the CFPB.

**SRI OPTION FOR FEDERAL EMPLOYEES:** In June 2011, Rep. Jim Langevin (D-RI) reintroduced the Federal Employees Responsible Investment Act (FERIA), which directs the Federal Retirement Thrift Investment Board to select a "Corporate Responsibility Index" (CRI) as an option for Thrift Savings Plan (TSP) investment purposes. The new CRI would include companies that meet strict financial criteria, in addition to having strong corporate governance, sustainable environmental policies and practices, solid workplace relations, positive community involvement, safe products and respect for human rights around the world. The TSP, a retirement savings plan serving more than four million current and former members of the uniformed services and civilians employed by the US government, offers a choice of 10 funds, none of which are a sustainable investment option. During 2011, US SIF continued to seek Congressional support for FERIA, and asked US SIF members to discuss this as a priority with their Congressional representatives during Capitol Hill Day. In response to a request from a member of Congress for further study of this issue, the US Government Accountability Office (GAO) met with US SIF staff to learn about sustainable and responsible investment for a report that will be issued in 2012.

**PROPOSED MERCURY AND AIR TOXICS RULE:** In August 2011, US SIF filed a comment with the EPA endorsing its proposed standard for curbing mercury and other toxic emissions from coal- and oil-fired electric generating units. In the comment, US SIF said the rule would improve public health, create jobs and spur innovation, producing benefits such as reduced absenteeism and improved productivity across a broad range of economic sectors. Many other organizations and investors also wrote in support of the rule, and the EPA announced the final rule in December 2011.

**CLIMATE CHANGE:** Working with Ceres, US SIF drafted an investor sign-on letter to defend the EPA's authority and funding to regulate climate change. The letter, sent to the entire Senate in March, had 44 signatories representing \$546 billion in assets. It received favorable coverage on the Responsible Investor website; Rep. Henry Waxman also requested a copy to demonstrate business support for climate regulation.

**SRI AND FIDUCIARY DUTY:** In 2011, US SIF and its members continued to express concern to senior Department of Labor officials about two bulletins from the Department in 2008. These bulletins appear to discourage fiduciaries from taking steps to caution or question portfolio companies about corporate policies if the fiduciaries cannot document that the long-term benefits from this intervention will outweigh the immediate costs. The Department of Labor is responsible for interpreting the Employee Retirement Income Security Act of 1974 (ERISA), a federal law that sets minimum standards for private pension plans.

**CORPORATE POLITICAL CONTRIBUTIONS:** In 2011, US SIF and its members engaged in efforts 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. In November, US SIF, along with US SIF members and other investors managing more than \$690 billion for clients submitted a letter to the SEC to support the rulemaking petition submitted in August by ten law professors—the Committee on Disclosure of Corporate Political Spending—urging the SEC to require full disclosure by companies of their political spending. US SIF also monitored prospects for the reintroduction of legislation on political contributions disclosure, as well as shareholder votes on political spending disclosure resolutions.

**INTEGRATED REPORTING:** In November, US SIF submitted comments on the International Integrated Reporting Council's (IIRC) Discussion Paper entitled *Towards Integrated Reporting: Communicating Value in the 21st Century*. US SIF commended the IIRC for its work but also encouraged the IIRC to: ensure that integrated reporting does not diminish the quality of the best ESG reporting today; clarify the definition of materiality and who determines it; seek more investor input in the development of integrated reporting; and coordinate with the Global Reporting Initiative in the process.

**POLICY REPORT FROM WASHINGTON:** US SIF provided a bi-monthly online report on policy developments for members only.

**POLICY TOOLKIT:** In August, US SIF provided members with a policy toolkit, "Six Simple Steps to Be an Effective Advocate," to help them institutionalize policy as a strategy in their work to promote and advance SRI.

**POLICY COMMITTEE:** None of this work would have been possible without the help of US SIF members and the work of US SIF's policy committee: Tim Smith (co-chair), Michael Lent (co-chair), Cheryl Smith, Stu Dalheim, Bennett Freeman, Julie Gorte, Jeanine Jacokes, Adam Kanzer, Peter Safirstein, David Wood and Betsy Zeidman.

## Working Groups

STRATEGIC GOAL	ACHIEVEMENTS
<i>Support members' professional and educational development.</i>	US SIF working groups offered members various educational programs and networking opportunities in 2011.
<i>Create greater public awareness of SRI through research, media and public policy advocacy.</i>	All of the groups reached beyond the US SIF membership in 2011 to raise awareness of SRI.
<i>Substantially increase the number of individuals and institutions engaged in SRI.</i>	These activities, including providing resources and educational forums on the positive impact of SRI strategies, sought to increase the number of individuals engaged in SRI.
<i>Increase US SIF membership.</i>	The working group activities helped US SIF attract and maintain members in 2011.
<i>Create a financially viable business model for US SIF.</i>	By helping to recruit and retain members, the working groups contribute to US SIF's financial well-being.

US SIF's programmatic work is largely carried out by staff, but also is given added value by the activities of member-led working groups. The staff works with members engaged in community investing, SRI-related indigenous peoples' issues, international SRI issues and sustainable investment research and analysis. US SIF is indebted to the members who volunteered their time to participate on steering committees, organized calls and events, and provided their expertise. Most working group activity is carried out under the US SIF Foundation and is described below.

**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 2011, US SIF co-sponsored a symposium in Fort Lauderdale for with a focus on the role community investment is playing in the nation's economic recovery. CIWG also held two meetings for US SIF members during the year; one at the first US SIF annual conference in Washington, DC, and the second at the SRI in the Rockies conference in New Orleans. 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.

The members of the CIWG Steering Committee in 2011 were: Cliff Rosenthal (chair), Andy Loving, Donna Katzin, Frank Altman, Art Stevens, Michael Swack, Saurabh Narain, Sister Pamela Buganski, Elizabeth Glenshaw, Ellen Golden and Georgette Frazer.

**INDIGENOUS PEOPLES WORKING GROUP (IPWG):** The Indigenous Peoples Working Group partners with Native American organizations to coordinate research, outreach, education and advocacy around financial and economic development matters that affect Indigenous Peoples' communities. In 2011, the IPWG hosted meetings on indigenous peoples' issues at the US SIF conference, and IPWG members 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 Redskins, a professional football team with a name and mascot that American Indians and many others consider derogatory.

The members of the IPWG Steering Committee in 2011 were: Susan White (co-chair), Jan Bryan (co-chair), Carla Fredericks, Reed Montague, Stephanie Leighton and Steven Heim.

**INTERNATIONAL WORKING GROUP (IWG):** The International Working Group collaborates with other global institutional investors, researchers, and advocacy partners interested in learning and discussing 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 afternoon sessions for members with topics ranging from global trends in sustainability disclosure to ESG integration in community investments. At the SRI in the Rockies conference in New Orleans, IWG led a well-received breakfast session on "Geopolitical Issues and Sustainability Investors." The group also put together a series of webinars focused on responsible stock exchanges.

The IWG Steering Committee members in 2011 were Jacob Park (chair), Molly Betournay, Alison Bevilacqua, Tony Campos, Lily Donge, Dan Nielsen, Judith Moore, Simon Billenness, Sonia Kowal and Mariela Vargova.

The Emerging Markets Disclosure Project (EMDP), a special project of IWG aimed at promoting better ESG disclosure practices among emerging market companies, facilitated the activities of country teams in Brazil, Indonesia, South Korea and South Africa in 2011. Throughout the year, EMDP country teams engaged scores of companies on their sustainability reporting practices and won several victories in convincing companies in these markets to improve disclosure. EMDP also created a scorecard to help country teams evaluate corporate practices and to measure the progress of their campaigns. 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).

**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 to engage companies on sustainability issues. In 2011, SIRAN held eight company meetings, giving analysts within the SRI community unique access to corporate representatives to ask pressing questions about sustainability challenges and opportunities at these companies. Many of the analyst calls focused on the extractives industry and companies with particular sustainability controversies or exceptional practices. These 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:

- Water Risks & Opportunities
- Slave Labor in Brazil
- After the Spill—BP Discussion
- Commodities Sources in Global Markets
- Conflict Minerals in the DRC
- SRI-CONNECT Tutorial
- GRI Update
- Marlin Mine—Community Engagement with Locals/Indigenous Peoples
- Financial Risks of Coal
- Advancing Women in the Workplace
- SVTC's Solar Voltaic Scorecard
- Publish What You Pay Campaign—Update
- Peak Oil and Reserve Rates

The members of the SIRAN Steering Committee in 2011 were: Amy Augustine (co-chair), and Karoline Barwinski (co-chair), Darragh Gallant, Noel Friedman, Steven Heim, Heather Lang, Elizabeth Levy, Rina Levy, Mike Lombardo, David Loehwing, Heather Smith, Mary Jane McQuillen, Dan Nielsen, Marcela Pinilla, and Glenn Yelton.

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

# Governance

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 2011, 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 directors 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 once again is eligible to serve on the board and may run for election as an at-large director, or again be eligible to fill one of the four appointed director seats.

**CLASSIFIED BOARD:** The at-large directors are elected in three, staggered-term classes. The board must include, either by election or appointment, at least one director from each of the membership categories in effect on the date of the election of at-large directors. The number of at-large and appointed directors may be changed by an amendment of the organization's 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. He 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 2011. It also held by telephone one meeting of the entire board and five of the executive committee in 2011.

**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 and the nominating committee. For 2011, the executive committee members were: Michael Lent (Chair), Sarah Cleveland (Vice Chair), Amy O'Brien (Vice Chair), Paul Hilton (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 2011, its members were: Amy O'Brien (chair), John Liechty, Cliff Rosenthal, Matt Patsky, and Lisa Woll. In addition to these two committees, there were several other board committees:

- **GOVERNANCE:** reviews and updates US SIF's governance practices [Leslie Lowe (chair), Michael Lent and Lisa Woll].
- **MEMBERSHIP:** assesses membership dues and requirements, as well as new membership categories and recruitment efforts [David Sand (chair), Ingrid Dyott, John Liechty, Betsy Zeidman, Jan Bryan, Phil Kirshman, Craig Metrick and Lisa Woll].
- **AUDIT:** reviews US SIF's books and accounting practices [Ingrid Dyott and Matt Patsky].
- **DEVELOPMENT COMMITTEE:** reviews and suggests strategies to diversify and grow organizational revenues, particularly related to sustainable investment education [Paul Hilton (chair), Sarah Cleveland, Ingrid Dyott, Frank Altman, Jan Bryan, Phil Kirshman, and Lisa Woll]\*
- **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, there were other US SIF committees on which board members sat including the conference 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.

**2011 BOARD ELECTIONS:** US SIF conducted its election online in 2011. US SIF members voted in two new and two returning board members:

- Darragh Gallant, Managing Director, United States, and Director of Institutional Relations, North America, of Sustainalytics
- Reginald Stanley, Senior Vice President and Chief Marketing Officer of Calvert Investments
- David Wood, Director of Initiative for Responsible Investment, Hauser Center for Nonprofit Organizations
- Betsy Zeidman, Senior Fellow of Milken Institute

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

*\*This committee also included non board members.*

## Board of Directors



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



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



**Sarah Cleveland\***  
Founder & CEO, Sarah  
Cleveland Consulting



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



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



**Phil Kirshman**  
Senior Portfolio  
Manager  
UBS Institutional  
Consulting/Leonard  
Social Inv. Group



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



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



**Leslie Lowe**  
Managing Director  
UCI Environmental  
Accountability



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

*\*Executive Committee Member • Note: Affiliations shown are for 2011*



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



**Matt Patsky**  
 CEO, Trillium Asset  
 Management, LLC



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



**David Sand**  
 Chief Investment Officer  
 CDT Advisors, LLC



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



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



**Betsy Zeidman**  
 Senior Fellow, Milken  
 Institute

*\*Executive Committee Member • Note: Affiliations shown are for 2011.*

## Policies & Practices

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

**STAFF TRAVEL:** US SIF staff is strongly encouraged to use public transportation or other shared rides whenever possible when commuting to work or travelling on US SIF business. US SIF participates in the Washington Metropolitan Area Transit Authority's SmartBenefits program, which allows employees to pay for public transportation expenses with pre-tax income. US SIF's central office location adjacent to three major subway lines and bus transportation is a clear incentive for its employees to use public transportation, and all of them did in 2011. On business travel, train use is promoted over air travel, especially on trips to New York City, where many US SIF members are located and where many US SIF events take place. More detailed information on staff travel appears in the analysis of the organization's carbon footprint below.

**RECYCLING AND WASTE REDUCTION:** US SIF recycles office paper, cardboard, drink containers and other recyclable items, including toner cartridges for its printers. It 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 online to minimize paper use and limits print materials whenever possible. The default setting on all US SIF printers is double-sided. More information on US SIF's paper use appears in its review of its carbon footprint below.

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

**CARBON FOOTPRINT:** 2011 marks the second year US SIF attempted to calculate its carbon footprint. These calculations all surround indirect greenhouse gas (GHG) emissions, as US SIF has no direct emissions. (US SIF does not own its office space, leasing it from a third party, and it does not own corporate cars or jets.) US SIF focused measurements of its indirect emissions in four primary areas: employee commuting, business travel, office energy consumption and paper use.

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

## US SIF EMPLOYEE COMMUTING PATTERNS

EMPLOYEE	NO. OF COMMUTING DAYS PER WEEK	CAR MILES 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	0.5
#2	5	0	0	0	13	1.0
#3	5	6.0	0	0	14	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
<b>Total for 2011</b>		<b>2,208</b>	<b>0</b>	<b>0</b>	<b>10,902</b>	<b>1,127</b>

**COMMUTING:** As noted earlier, all US SIF employees used public transportation to commute in 2011. 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. Three employees left during the year and others took their places later in the year. Calculations were made assuming each of the six full-time positions were filled for the entire year. Both employees in this position had very similar commutes, so a composite—adjusting for the length of the year each worked in the position—was used in the totals reflected below. Each US SIF staff member was granted three to five weeks of vacation leave per year, in addition to sick leave, as well as the equivalent of two weeks holiday leave. Therefore, total miles in the table below are based on a 46-week work year.

**EMPLOYEE WORK-RELATED TRAVEL:** US SIF employees are required to file trip reports for all business-related travel. 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 2011 (MILES)

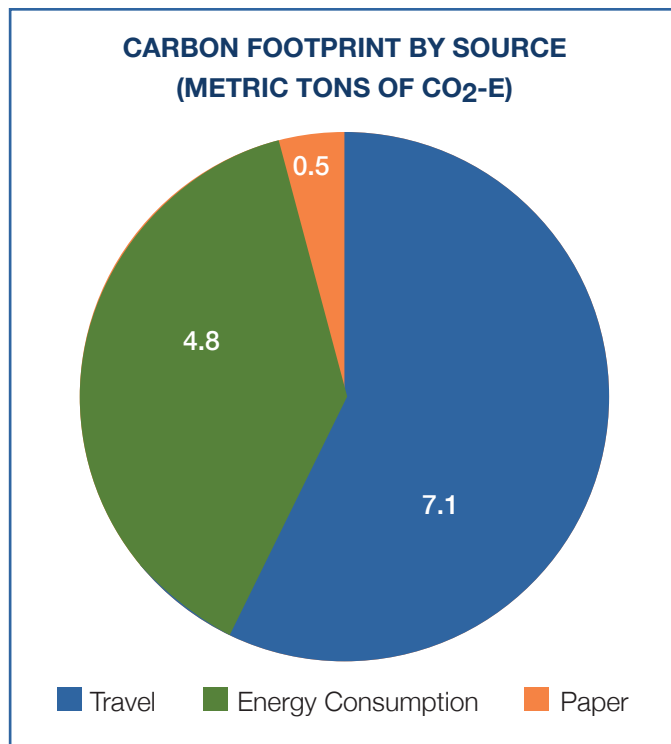
AIR	TRAIN/SUBWAY	BUS	CAR
18,032	4,541	0	94.3

### CARBON FOOTPRINT OF US SIF TRAVEL

Mode of Transportation	Total Miles Traveled	Emissions Factor	Total CO2-e in Metric Tons
Air	18,032	0.00020	3.606
Car	2,302	0.00031	0.714
Train	15,443	0.00017	2.780
Bus	0	0.00018	0
<b>Total for 2011</b>			<b>7.1</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 on Farragut Square at 910 17th Street NW, Suite 1000, Washington, DC 20006. In 2011, the Barr Building used 1,979,067 kilowatt hours (KWH) of electricity for its 92,411 of square feet or 21.42 KWH per square foot in 2011. US SIF occupies 2,235 square feet of space of the 92,411 square feet serviced by the main meter. Based on these assumptions, US SIF used 47,865 KWH in 2011. 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 have estimated the carbon footprint for the US SIF office from electricity use is **4.796 metric tons of carbon dioxide equivalent (CO<sub>2</sub>-e)**. There are several imperfections to this calculation that need to be improved upon in future reporting. First, this does not account for US SIF's use of common areas in the building. Second, Business for Social Responsibility (BSR) subleased a portion of US SIF's space in 2011. Finally, while US SIF and the building use compact fluorescent bulbs throughout the facility and lighting triggered by movement to reduce energy consumption in common areas, the Barr Building did not purchase renewable energy credits from Pepco, our local utility.



**PAPER CONSUMPTION:** US SIF used the approximate equivalent of 100 reams of paper in the production of marketing materials, reports, business cards and day-to-day office paper consumption. The average weight of a ream of paper is 2.6 kilograms per ream, and the carbon footprint for recycled content, which US SIF used, is 1.907 kilograms of CO<sub>2</sub>e per kilogram of paper consumed. Using these assumptions, the carbon footprint of US SIF's paper use was **0.496 metric tons of CO<sub>2</sub>-e**.

**TOTAL:** Based on our calculations and assumptions, US SIF's carbon footprint is the equivalent of **12.392 metric tons of CO<sub>2</sub>-e**. A breakdown of the primary contributors to this total appears in the accompanying pie chart.

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

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

**EMPLOYEE BENEFITS:** US SIF offers employees a group health and dental plan and subsidizes 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 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 family daycare 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 MEMBER BENEFITS:** During 2011, US SIF members enjoyed the following benefits:

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

**STAFF:** As of year-end 2011, US SIF had the following full-time staff members:



**Lisa Woll**  
CEO



**Meg Voorhes**  
Deputy Director &  
Research Director



**Alya Kayal**  
Director of Policy &  
Programs



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



**Supap Jitta**  
Membership &  
Marketing Coordinator



**Megan Smith**  
Public Affairs & Events  
Assistant

# 2011 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

## Report of Independent Auditors

We have audited the accompanying consolidated statement of financial position of US SIF: The Forum for Sustainable and Responsible Investment and US SIF Foundation (collectively referred to as the Organization) as of December 31, 2011 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 consolidated financial statements and, in our report dated June 15, 2011, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of the Organization as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Drolet + Associates, PLLC*

Washington, DC  
May 31, 2012

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  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
December 31, 2011  
(With Summarized Financial Information for December 31, 2010)**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 559,946	\$ 136,932
Accounts receivable	15,525	262
Prepaid expenses	21,119	15,763
<b>TOTAL CURRENT ASSETS</b>	<b>596,590</b>	<b>152,957</b>
<b>PROPERTY AND EQUIPMENT</b>		
Computers and phone equipment	8,619	8,619
Accumulated depreciation and amortization	(5,948)	(3,075)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>2,671</b>	<b>5,544</b>
<b>SECURITY DEPOSIT</b>	<b>5,774</b>	<b>5,774</b>
<b>TOTAL ASSETS</b>	<b>\$ 605,035</b>	<b>\$ 164,275</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 29,002	\$ 37,010
Deferred revenue	25,820	60,041
Deferred rent	2,091	-0-
<b>TOTAL CURRENT LIABILITIES</b>	<b>56,913</b>	<b>97,051</b>
<b>DEFERRED RENT, net of current portion</b>	<b>5,527</b>	<b>7,856</b>
<b>TOTAL LIABILITIES</b>	<b>62,440</b>	<b>104,907</b>
<b>NET ASSETS</b>		
Unrestricted	160,923	59,368
Temporarily restricted	381,672	-0-
<b>TOTAL NET ASSETS</b>	<b>542,595</b>	<b>59,368</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 605,035</b>	<b>\$ 164,275</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, 2011  
(With Summarized Financial Information for the Year Ended December 31, 2010)**

	Unrestricted	Temporarily Restricted	2011 Total	2010 Total
<b>REVENUES</b>				
Membership dues	\$ 705,716		\$ 705,716	\$ 655,659
Contributions	121,033	\$ 381,672	502,705	106,402
Sponsorship, other than events	132,500		132,500	133,000
Event related income	327,701		327,701	64,256
Investment income	1,037		1,037	1,530
Other revenue	29,040		29,040	20,561
<b>TOTAL REVENUES</b>	<b>1,317,027</b>	<b>381,672</b>	<b>1,698,699</b>	<b>981,408</b>
<b>EXPENSES</b>				
Program services	1,079,660		1,079,660	835,048
Management and general	80,023		80,023	104,828
Membership development	38,067		38,067	12,884
Fundraising	17,722		17,722	29,344
<b>TOTAL EXPENSES</b>	<b>1,215,472</b>	<b>-0-</b>	<b>1,215,472</b>	<b>982,104</b>
<b>CHANGE IN NET ASSETS</b>	<b>101,555</b>	<b>381,672</b>	<b>483,227</b>	<b>(696)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>59,368</b>	<b>-0-</b>	<b>59,368</b>	<b>60,064</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 160,923</b>	<b>\$ 381,672</b>	<b>\$ 542,595</b>	<b>\$ 59,368</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, 2011  
(With Summarized Financial Information for the Year Ended December 31, 2010)**

	Program services	Management and general	Membership Development	Fundraising	2011 Total	2010 Total
Salaries	\$ 407,928	\$ 46,355		\$ 9,271	\$ 463,554	\$ 444,993
Employee benefits and payroll taxes	71,830	8,162		1,632	81,624	78,830
Recruitment and training	356	41		8	405	235
Payroll and benefits administration	4,730	537		108	5,375	5,976
Consulting	234,536	11,674	\$ 38,067	4,032	288,309	282,379
Grant expense	20,000				20,000	-
Office expenses	117,090	12,034		2,427	131,551	123,748
SIF - sponsored events	197,226				197,226	10,791
Staff meals, lodging and travel	14,484	145		28	14,657	23,606
Financial services and fees	10,607	1,053		211	11,871	8,822
Miscellaneous	873	22		5	900	2,724
<b>TOTAL EXPENSES</b>	<b>\$ 1,079,660</b>	<b>\$ 80,023</b>	<b>\$ 38,067</b>	<b>\$ 17,722</b>	<b>\$ 1,215,472</b>	<b>\$ 982,104</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, 2011  
(With Summarized Financial Information for the Year Ended December 31, 2010)**

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>CHANGE IN NET ASSETS</b>	<b>\$ 483,227</b>	<b>\$ (696)</b>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,873	2,445
Increase in accounts receivable	(15,263)	(262)
Increase in prepaid expenses	(5,356)	(13,106)
(Decrease) increase in accounts payable and accrued expenses	(8,008)	3,183
Decrease in deferred revenue	(34,221)	(116,635)
(Decrease) increase in deferred rent	(238)	1,557
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>423,014</b>	<b>(123,514)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-0-	(4,841)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-0-</b>	<b>(4,841)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>423,014</b>	<b>(128,355)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>136,932</b>	<b>265,287</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 559,946</b>	<b>\$ 136,932</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, 2011**

---

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

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 Forum by assuming the responsibilities for, and the management of, certain educational, research, charitable and scientific activities.

The Forum and the Foundation share staff and board members and the Forum is the sole member of the Foundation.

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

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

The Forum's and the Foundation's programs include promotion and education of sustainable and responsible investing, the publication of an annual 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 Forum is exempt from Federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is a supporting organization to the Forum.

**Accounting for  
Uncertain Tax  
Positions**

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

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
December 31, 2011**

---

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

<b>Cash and Cash Equivalents</b>	The Forum and the Foundation consider as cash and cash equivalents amounts in checking and operating accounts.
<b>Property and Equipment</b>	The Forum and the Foundation capitalize all property and equipment acquisitions of \$1,000 and above. Property and equipment are recorded at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.
<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 2010 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>Accounts Receivables</b>	Accounts receivables 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 calendar year applicable.
<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, 2010. 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, 2010, 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, 2011**

**NOTE B - PENSION PLAN**

The Forum maintains a 401(k) plan (the Plan) for all employees of the Forum. Under the terms of the Plan, the Forum makes a safe harbor match and a discretionary contribution for employees participating in the Plan. All employees are eligible to participate upon employment. For the year ended December 31, 2011, the Forum made contributions of approximately \$22,600 to the Plan.

**NOTE C - LEASE COMMITMENTS**

The Forum and the Foundation conduct their operations from a leased facility. The current lease expires on April 30, 2014 and 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>
2012	\$ 75,852
2013	77,748
2014 (current lease expires on April 30, 2014)	26,128
<b>Total</b>	<b>\$ 179,728</b>

Rent expenses for the Forum and the Foundation for the year ended December 31, 2011 was approximately \$74,900. During 2011, the Forum entered into an office space sublease agreement with another organization and received rental income of approximately \$16,800 under the sublease agreement. The sublease agreement ended as of December 31, 2011. The Forum has signed another sublease agreement with the organization for 2012.

**NOTE D - RELATED PARTY TRANSACTIONS**

The Foundation made a subgrant of \$20,000 to the Milken Institute under the terms of a grant it received from the Ford Foundation; a senior employee of Milken Institute was a board member of the Forum and the Foundation in 2011.

The Foundation also paid \$55,000 for research services rendered by Mercer; a senior employee of Mercer is a board member of the Forum and the Foundation.

**NOTE E - COMMITMENTS**

During 2011, the Forum entered in to a contract for hotel and conference space for a 2012 conference. The contract contains a clause whereby the Forum is liable for liquidated damages in the event of cancellation based upon a percentage of the contract price determined by the length of time between the cancellation and the event date. Management does not believe any cancellation under 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, 2011**

---

**NOTE F - CONCENTRATIONS**

For the year ended December 31, 2011, approximately 95% of contributions revenue was received from three donors.

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

**NOTE G - TEMPORARILY RESTRICTED NET ASSETS**

As of December 31, 2011, 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	\$ 307,603
Understanding barriers to community investment	38,304
Global SIF support	5,765
Trends Report - 2012	30,000
<b>Total temporarily restricted net assets</b>	<b>\$ 381,672</b>

**NOTE H - SUBSEQUENT EVENTS**

Subsequent events were evaluated through May 31, 2012, 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, 2011 and have issued our report thereon dated May 31, 2012, 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 detailed statement of financial position and consolidating detailed 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 31, 2012

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  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2011**

	US SIF The Forum	US SIF Foundation	Eliminating Entries	Consolidated Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 133,426	\$ 426,520		\$ 559,946
Accounts receivable	13,525	2,000		15,525
Due from US SIF Foundation	34,359		\$ (34,359)	-0-
Prepaid expenses	19,619	1,500		21,119
<b>TOTAL CURRENT ASSETS</b>	<b>200,929</b>	<b>430,020</b>	<b>(34,359)</b>	<b>596,590</b>
<b>PROPERTY AND EQUIPMENT</b>				
Computers and phone equipment	8,619			8,619
Accumulated depreciation and amortization	(5,948)			(5,948)
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>2,671</b>	<b>-0-</b>	<b>-0-</b>	<b>2,671</b>
<b>SECURITY DEPOSIT</b>	<b>5,774</b>			<b>5,774</b>
<b>TOTAL ASSETS</b>	<b>\$ 209,374</b>	<b>\$ 430,020</b>	<b>\$ (34,359)</b>	<b>\$ 605,035</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 27,305	\$ 1,697		\$ 29,002
Due to US SIF Forum		34,359	\$ (34,359)	-0-
Deferred revenue	25,820			25,820
Deferred rent	2,091			2,091
<b>TOTAL CURRENT LIABILITIES</b>	<b>55,216</b>	<b>36,056</b>	<b>(34,359)</b>	<b>56,913</b>
<b>DEFERRED RENT, net of current portion</b>	<b>5,527</b>			<b>5,527</b>
<b>TOTAL LIABILITIES</b>	<b>60,743</b>	<b>36,056</b>	<b>(34,359)</b>	<b>62,440</b>
<b>NET ASSETS</b>				
Unrestricted	148,631	12,292		160,923
Temporarily restricted		381,672		381,672
<b>TOTAL NET ASSETS</b>	<b>148,631</b>	<b>393,964</b>	<b>-0-</b>	<b>542,595</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 209,374</b>	<b>\$ 430,020</b>	<b>\$ (34,359)</b>	<b>\$ 605,035</b>

**US SIF: THE FORUM FOR SUSTAINABLE AND RESPONSIBLE INVESTMENT  
AND US SIF FOUNDATION  
CONSOLIDATING STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2011**

	US SIF The Forum	US SIF Foundation	Eliminating Entries	Consolidated Total
<b>REVENUES</b>				
Membership dues	\$ 625,716	\$ 80,000		\$ 705,716
Contributions		502,705		502,705
Sponsorship, other than events		132,500		132,500
Event related income	316,745	10,956		327,701
Investment income	554	483		1,037
Other revenue	16,547	12,493		29,040
<b>TOTAL REVENUES</b>	<b>959,562</b>	<b>739,137</b>	<b>\$ -0-</b>	<b>1,698,699</b>
<b>EXPENSES</b>				
Salaries	367,955	95,599		463,554
Employee benefits and payroll taxes	63,807	17,817		81,624
Recruitment and training	369	36		405
Payroll and benefits administration	4,347	1,027		5,374
Consulting	177,460	110,849		288,309
Grant expense		20,000		20,000
Office expenses	102,553	28,997		131,550
SIF - sponsored events	188,594	8,631		197,225
Staff meals, lodging and travel	10,610	4,049		14,659
Financial services and fees	8,108	3,762		11,870
Miscellaneous	204	698		902
<b>TOTAL EXPENSES</b>	<b>924,007</b>	<b>291,465</b>	<b>-0-</b>	<b>1,215,472</b>
<b>CHANGE IN NET ASSETS</b>	<b>35,555</b>	<b>447,672</b>	<b>-0-</b>	<b>483,227</b>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<b>113,076</b>	<b>(53,708)</b>	<b>-0-</b>	<b>59,368</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 148,631</b>	<b>\$ 393,964</b>	<b>\$ -0-</b>	<b>\$ 542,595</b>

# GRI Index

In accordance with the GRI's *G3 Guidelines and its NGO Sector Supplement*, 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, page 2–3.
1.2	Description of key impacts, risks, and opportunities.	US SIF contributes to the planet's sustainability by advancing 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 activities, 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 and policy engagement, and holds conferences and other types of in-person and virtual events to inform its members and assist them in networking. It conducts much of its research and public education efforts through the US SIF Foundation. Also see member benefits on page 21.
2.3	Operational structure of the organization, including national offices, sections, branches, field offices, 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)
2.6	Nature of ownership and legal form.	Dual non-profit membership association and non-profit foundation. See page ii.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
2.7	Target audience and affected stakeholders. Markets served (including geographic breakdown, sectors served, and types of affected stakeholders/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>	Six full-time employees at the end of 2011; approximately 320 members in 2011; see financials on pages 22–33.
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 2011
3.2	Date of most recent previous report (if any).	US SIF produced its most recent GRI report for calendar year 2010. It produced its first GRI report for calendar year 2009.
3.3	Reporting cycle (annual, biennial, etc.).	Annual
3.4	Contact point for questions regarding the report or its contents.	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
---------------	-------------	-------------------

### Report Scope and Boundary

3.5	<p>Process for defining report content, including:</p> <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>	<p>US SIF has applied the internationally recognized Global Reporting Initiative G3 Sustainability Reporting Guidelines in producing this report. In order to define report content, US SIF holds consultations with internal stakeholders, including our Board of Directors, governance committees, working groups and members. We also look at external stakeholders using the report, which includes but is not limited to government officials and policy makers, students, journalists, financial professionals and other non-profits. As staff we conduct a thorough assessment of the topics most material to our work as a non-profit; this robust process takes into account our sustainability policy as well as the goals and topics outlined in our 2010–2012 Strategic Plan. Please see page 3 for a summary of our strategic goals as well as pages 12–17 for information on our committees and Board. Our Annual Sustainability Report, coupled with our comprehensive website, provides information on key issues and concerns for US SIF and sustainable and responsible investing. The report is produced for the benefit of all stakeholders.</p>
3.6	<p>Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.</p>	<p>Entire organization</p>
3.7	<p>State any specific limitations on the scope or boundary of the report.</p>	<p>Not applicable</p>
3.8	<p>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.</p>	<p>Not applicable</p>
3.9	<p>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.</p>	<p>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.</p>
3.10	<p>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).</p>	<p>None</p>

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	This marked the second year US SIF calculated its carbon footprint, and it also announced several employee policy changes.
3.12	Table identifying the location of the Standard Disclosures in the report.	This GRI Index

### Assurance

3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	US SIF submitted its annual report to GRI to verify its reporting level. The financial information presented on pages 22–33 was audited by an independent accounting firm. US SIF at this time does not have plans to submit the other portions of the report for independent verification.
------	---	---

## 4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT

### Governance

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 14–17.
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 14–17.
4.4	Mechanisms for internal stakeholders (e.g. members), 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 14–17).
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	US SIF's board directors are not compensated. The CEO's compensation is approved by the board and is tied closely to the organization meeting its strategic goals, which are outlined in the CEO letter on pages 2–3.
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.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
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 14–17.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	See the policies and practices section of this report on pages 18–21. See also page ii and the letter from the US SIF CEO and Chair on pages 2–3 for US SIF's mission statement and vision, along with its five strategic goals for 2010 through 2012.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with nationally and internationally agreed standards, codes of conduct, and principles.	See governance section of this report on pages 14–17.
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 14–17.

### **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 its sister SIF organizations globally, as well as Ceres, the Interfaith Center on Corporate Responsibility, the Investor Network on Climate Risk and the UN Principles for Responsible Investment. US SIF also has coordinated policy work with American for Financial Reform, the Council of Institutional Investors and other organizations.
4.13	Memberships in associations (such as industry associations), coalitions and alliance members 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
---------------	-------------	-------------------

**Stakeholder Engagement**

4.14	List of stakeholder groups engaged by the organization.	<p>US SIF's primary stakeholders are its members. A list of members is available at <a href="http://www.ussif.org/directory/">http://www.ussif.org/directory/</a>.</p> <p>US SIF's other primary stakeholders are its employees. US SIF staff 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, so its mission, strategy and operating plans are largely developed in consultation with members and its Board. Members—through their dues and sponsorship of key programs—provide the majority of US SIF's annual revenues.</p> <p><b>Employees:</b> US SIF would not be able to fulfill its mission, strategic objectives and operating plan without its employees.</p> <p><b>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 listservs 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 2011, due to an increasing demand for SRI education for the financial industry, US SIF created and expanded a professional course development committee to undertake these efforts.

## MANAGEMENT APPROACH AND PERFORMANCE INDICATORS

### Economic

#### Economic Disclosure on Management Approach

EC	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the Management Approach items outlined below with reference to the following Economic Aspects:</p> <ul style="list-style-type: none"> <li>• Economic Performance;</li> <li>• Market Presence, including impact on local economies;</li> <li>• Indirect Economic Impacts;</li> <li>• Resource Allocation;</li> <li>• Socially-responsible investment; and</li> <li>• Ethical fundraising.</li> </ul>	<p>US SIF is a membership organization that represents professionals, firms, institutions and organizations engaged in sustainable and responsible investing in the United States. It measures its economic performance in part by the number of members it has, and the dues it collects each year. A summary of these dues is reviewed in the financial section of this report on pages 22–33.</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 22–33.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	US SIF believes climate change is a considerable risk for its operations and the planet. It is trying to limit its own carbon footprint, while advocating for constructive climate change and energy legislation on Capitol Hill.
EC3	Coverage of the organization's defined benefit plan obligations.	See financials pages 18–21 and policies and practices on pages 21–25. US SIF does not have a defined benefit plan. It operates a 401(k) defined contribution plan for its employees, as noted on pages 20 and 29.
EC4	Significant financial assistance received from government.	None

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

**Aspect: Market Presence, including impact on local economies**

EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	The federal minimum wage in the United States is \$7.25, and the minimum wage in Washington, DC, where all of US SIF's employees work, is \$8.25. Based on a 40-hour workweek, US SIF's lowest paid employee earns significantly greater than double the minimum wage.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	US SIF taps local suppliers for IT projects and for catering local events. However, it contracts for catering and other services for events outside of the Washington metropolitan area. It also contracts with a membership consultant based in New York. In 2011, the US SIF Foundation contracted with a research firm in New York and a research consultant in Massachusetts. In 2011, 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.

**Aspect: Indirect Economic Impacts**

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not applicable
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	US SIF and US SIF Foundation jointly spent \$545,000 on salaries and benefits in 2011, their greatest economic impact. They also paid \$288,000 to consultants for a range of services in 2011. US SIF has not applied a multiplier effect to calculate the true economic impact of this spending. It is investigating methods for 2012.

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

## 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 18–21.
----	---	--

### *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 100 reams of paper in 2011.
EN2	Percentage of materials used that are recycled input materials	100 percent of paper, toner cartridges and electronic equipment.

### *Aspect: Energy*

EN3	Direct energy consumption by primary energy source.	See page 20.
EN4	Indirect energy consumption by primary source.	US SIF is calculating its indirect energy consumption for 2012.
EN5	Energy saved due to conservation and efficiency improvements.	It is US SIF office procedure to turn off all lights and non-dedicated server computer equipment every evening. US SIF's offices use fluorescent and compact-fluorescent bulbs to conserve energy, and the building owner, US SIF member Self-Help, has undertaken several other energy conservation initiatives, including placing motion detectors on lights in many common areas.
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	None
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	See above.

### *Aspect: Water*

EN8	Total water withdrawal by source.	Not material
EN9	Water sources significantly affected by withdrawal of water.	Not material

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
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 7.1 metric tons of CO <sub>2</sub> -e.
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not applicable
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 2011. (Also see policies and practices on pages 18–21.)
EN19	Emissions of ozone-depleting substances by weight.	None
EN20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	None
EN21	Total water discharge by quality and destination.	None
EN22	Total weight of waste by type and disposal method.	Not calculated, although paper use and an estimate of US SIF's carbon footprint is offered in policies and practices section of this report on pages 18–21.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
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 activities, 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 that are intended to be used as a reference. US SIF encourages recycling, but it does not track the percentage of its printed reports or promotional materials recycled by end users.
<b>Aspect: Compliance</b>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions/convictions for non-compliance with environmental laws and regulations.	\$0
<b>Aspect: Transport</b>		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	None
<b>Aspect: Overall</b>		
EN30	Total environmental protection expenditures and investments by type.	\$0

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

**LABOR**

**Aspect: Disclosure on Management Approach**

LA	<p>DISCLOSURE ON MANAGEMENT APPROACH 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>	<p>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 18–21.</p>
----	--	--

**Labor Practices and Decent Work Performance Indicators**

**Aspect: Employment**

LA1	<p>Total workforce, including volunteers, by employment type, employment contract, and region.</p>	<p>Six full-time employees in Washington, DC, performing administrative, managerial, research, writing and policy work. US SIF does not have part-time employees, interns or volunteers.</p>
LA2	<p>Total number and rate of employee turnover by age group, gender, and region.</p>	<p>Two male employees and one female employee left US SIF voluntarily in 2011, and US SIF hired three female employees in 2011. All employees were based in the Washington, DC metro area. At the end of 2011, US SIF had two employees who were 20 to 29 years of age, one who was 30 to 39 years of age, one who was 40 to 49 years of age, and two who were 50 to 59 years of age.</p>
LA3	<p>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.</p>	<p>US SIF does not have part-time employees, interns or volunteers.</p>

**Aspect: Labor/Management Relations**

LA4	<p>Percentage of employees covered by collective bargaining agreements</p>	<p>0%</p>
LA5	<p>Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.</p>	<p>US SIF does not have a policy addressing significant operational changes for employees.</p>

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

**Aspect: Occupational Health and Safety**

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%
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 2011.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, volunteers or community members regarding serious diseases.	None
LA9	Health and safety topics covered in formal agreements with trade unions.	Not applicable

**Aspect: Training and Education**

LA10	Average hours of training per year per employee by employee category.	Senior US SIF staff train and mentor junior staff weekly. Staff, from time to time, is given the opportunity to attend conferences, classes and other types of trainings to enhance their professional development. 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.
LA12	Percentage of employees receiving regular performance and career development reviews.	100 percent

**Aspect: Diversity and Equal Opportunity**

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Board: 6 white women, 1 black or African American woman, and 10 white men at the end of 2011. Staff: four white women and two Asian women at the end of 2011. See LA2 for age data on staff.
LA14	Ratio of basic salary of women to men by employee category.	All employees were female at the end of 2011.



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

## HUMAN RIGHTS

### Aspect: 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>	<p>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 18–21.</p>
----	--	---

### 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 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

#### Aspect: Non-Discrimination

HR4	Total number of incidents of discrimination and actions taken.	Zero
-----	--	------

#### Aspect: Freedom of Association and Collective Bargaining

HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	None
-----	--	------

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

**Aspect: Child Labor**

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None
-----	--	------

**Aspect: Forced and Compulsory Labor**

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
-----	--	------

**Aspect: Security Practices**

HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	None
-----	---	------

**Aspect: Indigenous Rights**

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None
-----	--	------

**SOCIETY**

**Society: Disclosure on Management Approach**

SO	<p>DISCLOSURE ON MANAGEMENT APPROACH</p> <p>Provide a concise disclosure on the following Management Approach items with reference to the Society Aspects:</p> <ul style="list-style-type: none"> <li>• Community;</li> <li>• Corruption;</li> <li>• Public Policy;</li> <li>• Anti-Competitive Behavior; and</li> <li>• Compliance.</li> </ul>	US SIF advocates for sustainable development and sustainable business practices among the companies and projects in which its members invest. US SIF members integrate environmental, social or governance criteria into their investment approaches, and these policies and practices are highlighted on US SIF's website. US SIF also takes a sustainable approach to its own operations. See the policies and practices portion of this report on pages 18–21 for more information.
----	---	--

**Society Performance Indicators**

**Aspect: Community**

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
-----	---	------

**Aspect: Corruption**

SO2	Percentage and total number of programs/ business units analyzed for risks related to corruption.	During 2012, US SIF engaged an outside accounting firm to audit its financial books for 2011. The report of that audit is found on pages 22–33 of this report.
-----	---	--

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
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.

#### Aspect: Public Policy

SO5	Public policy positions and participation in public policy development and lobbying.	See the public policy portion of this report on pages 8–11. 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://ussif.org/resources/factsheets_resources/">http://ussif.org/resources/factsheets_resources/</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

#### Aspect: Anti-competitive Behavior

SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Zero
-----	---	------

#### Aspect: Compliance

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
-----	--	-----

## 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>	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.
----	---	--

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

**Product Responsibility Performance Indicators**

**Aspect: Customer Health and Safety**

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

**Aspect: Product and Service Labeling**

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

**Aspect: Marketing Communications**

PR6	Programs for adherence to laws, standards, and voluntary codes related to fundraising and 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

**Aspect: Customer Privacy**

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Zero
-----	--	------

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

**Aspect: Compliance**

PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	\$0
-----	--	-----

**SECTOR SUPPLEMENT INDICATORS FOR NON-GOVERNMENTAL ORGANIZATIONS**

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 14–17 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 listservs, annual meeting and occasional surveys. As a result of this input, US SIF’s board approved five strategic goals for the organization for 2010–2012. In addition, US SIF has created a strategic plan, which is implemented through an annual operating plan. Both outline the path for how US SIF will achieve its strategic goals. The strategic plan is available to members through US SIF’s member center, and a review of progress to date on this plan is the focus of the annual report.
NGOSS3	System for program monitoring and evaluation, (including measuring program effectiveness and impact), learning, how the organization changes its program as a result and how it reports on this.	US SIF staff undertakes an annual review of its programs to evaluate their effectiveness in helping US SIF achieve its strategic operational goals for each year. This report is delivered to the board once a year, along with presentations from the CEO, deputy director and director of research, and the director of programs.
NGOSS4	Measures in place to ensure due attention to gender and diversity is integrated into program design and implementation, as well as in the monitoring, evaluation and learning cycle	As mentioned earlier, US SIF has a board diversity policy.
NGOSS5	Process to formulate, communicate, implement and change your advocacy positions and public awareness campaigns.	US SIF’s board and policy committee approve US SIF policy priorities and positions.
NGOSS6	Processes to take into account and coordinate with the activities of other actors.	US SIF’s staff, and at times its board and policy committee, approve US SIF’s coordination of activities with other organizations.

INDICATOR NO.	DESCRIPTION	US SIF DISCLOSURE
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 individual donations	See financial section of this report on pages 22–33.
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 2011.



## Statement GRI Application Level Check

GRI hereby states that **US SIF: The Forum for Sustainable and Responsible Investment** has presented its report “2011 US SIF and US SIF Foundation Annual Sustainability and Financial 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.

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

Amsterdam, 20 July 2012

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

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 6 July 2012. 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)