VIEW from the COMMON

DEDICATED TO THE PURSUIT OF FINANCIAL RETURN AND SOCIAL CHANGE

BOSTON COMMON ASSET MANAGEMENT, LLC FALL, 2007

Human Rights for the Social Investor

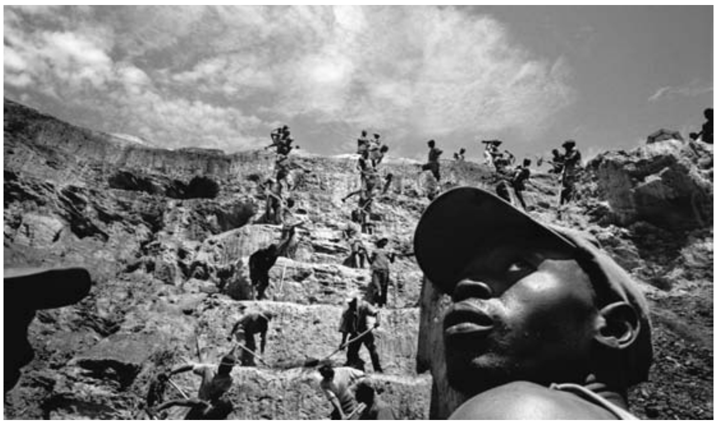

Photo by Marcus Bleasdale. Reprinted with permission of Human Rights Watch.

Miners working under grueling conditions at an open pit gold mine in Watsa, Congo. The link between natural resource exploitation and widespread human rights abuses is well known in the northeastern part of the country.

In this issue of View from the Common, we explore how corporations impact human rights globally. Corporate complicity in human rights violations ranges from direct involvement to silent acceptance of violations committed in their midst and for their benefit. As investors, we begin from the premise that the primary responsibility to protect human rights lies with the State. However, the State often fails. Corporations set up shop in communities around the globe, hire employees to assemble shoes and blouses, extract minerals, manufacture semiconductors, and harvest cocoa, rubber, and cotton. Conducting these activities in permissive environments, where States fail to protect their people, leaves corporations to make decisions that have profound implications for human rights.

Examples of business-related human rights violations abound. Chiquita recently pleaded guilty to paying the AUC, a Colombian terrorist organization responsible for civilian massacres, to protect its banana-growing operations. In Sudan, where government-sponsored genocide is well documented, companies such as PetroChina and Alstom are fulfilling government contracts, bestowing resources on a murderous regime. In Brazil, forced laborers produce charcoal for steel deep in the Amazon, and the products of their labors have been traced to some of the world's best known and unsuspecting brands, including Toyota and Whirlpool. The right to breathe clean air, drink safe water, and live in a non-toxic environment is equally encapsulated in the most basic human right of life itself. Yet in New York, the Eastman Kodak headquarters, the largest manufacturing polluter in the state, is contaminating the community of Rochester with its hazardous waste incinerators and toxic discharge.

The Universal Declaration of Human Rights contains the most widely agreed upon definition of freedoms that should be afforded to all people. Its 30 articles, adopted by the General Assembly of the UN in 1948, reference freedom from servitude, adequate standard of living, privacy, freedom of association, and personal security, among others. While some actions clearly constitute business-related human rights abuses, most circumstances are complicated and ill defined. Corporations, investors, and activists thus grapple with the scope of companies' human rights responsibilities.

Inside:

History of Darfur & Divestment

1916 Darfur, a region to the south of Sudan, is conquered by Anglo-Egyptian forces, and joined to the colony of Sudan.

1955-1972 Britain grants Sudan independence, precipitating civil war between the Arab, Islamic North and the black, Christian/Animist South.

1972 In a peace accord, Southern Sudan becomes self-governing.

1978 Oil discovered by Chevron in Southern Sudan.

1983-2002 Drought, competition for oil, and religious conflict precipitate multi-decade civil war between the North and South. The government in the North arms nomadic herdsmen who drive the Southern pastoralists off the oil concessions.

1997 U.S. embargoes Sudan, alleging human rights violations and terrorism.

2003 Rebels in Darfur continue conflict despite wider North-South peace accord. The Janjaweed, a government militia made up of drought-plagued nomadic tribesmen, begins raiding villages in Darfur.

2003 Talisman Energy exits Sudan.

2003 Boston Common screens out companies with operations in Sudan.

2005 Harvard becomes the first university to divest from a company because of its involvement in Sudan. Illinois becomes the first state to divest from Sudan. Others follow.

Responding to Genocide in Darfur

Matt Zalosh, CFA and
Nathan Foley-Mendelssohn, CFA

Block Six, an oil concession in southwest Sudan, straddles the rolling plains of Kordofan and the dry plateaus of Southern Darfur. With proven oil reserves in the ground and a dearth of local experts on its extraction, Sudan has turned to international corporations to achieve large scale oil development here. The China National Petroleum Company pumps more than 40,000 barrels of crude per day from Block Six. In recent years, Britain's Rolls Royce Marine supplied large orders of pumps, engines, and technical support to this region. A pipeline, laid by Canada's Talisman Energy in the 1990s, transports the crude 1,500 miles to Port Sudan on the Red Sea.

Foreign expertise has been critical in turning Sudan into an oil-exporting nation in the last ten years, making the country Africa's fastest-growing economy and bringing newfound wealth and booming construction to Khartoum, its capital city. Yet as global companies have helped turn Sudan's reserves to riches, the Sudanese regime has turned these riches to warfare. Approximately 90 percent of Sudan's export revenue comes from the oil sector, and 70 percent of the government's oil profits go to defense. The defense spending arms militias engaged in civil conflict in Darfur, a region the size of France to the west of Block Six. There, the arms have been employed in the slaughter of hundreds of thousands of "non-Arab" civilians, the destruction of villages, pillaging, torture, and the forced displacement of several million refugees. The scope and gravity of the crisis, and the regime's dependence on foreign oil expertise and armaments to enable it, have catalyzed a movement among conscientious investors to single out Sudan from the world's roll call of repressive regimes as one that is worthy of country-wide divestment.

The Sudan divestment movement draws heritage from the 1980s campaign against the Apartheid regime in South Africa, and shares ties to the more recent Burma divestment campaign. In the late 1970s and early 1980s, hundreds of U.S. multinationals operated in South Africa, many of them adopting the Sullivan Principles, which advocated constructive engagement in the country by promoting equality in the workplace.

By the mid-1980s, many anti-Apartheid activists, including the eponymous Reverend Sullivan, had grown convinced that engagement was not adequate to address a system as pernicious as Apartheid – divestment was necessary. From 1985 to 1990, approximately 200 multinationals pulled out of South Africa, removing billions of rand worth of capital. Since the 1990s, activists have sought to implement a similar campaign against the violent military dictatorship in Burma, but its support has been less broad-based than the South Africa campaign, and its economic impact more modest given Burma's insularity.

In contrast to South Africa, but like Burma, Sudan's economic ties to the West are slim. Foreign direct investment in Sudan is at record highs – reaching inflows equal to nine percent of GDP in 2005 – as Sudan has welcomed foreign investment to develop its oil infrastructure. But the investment is coming largely from sources in the Middle East and Asia that aren't beholden to Western investors' demands.

In contrast to Burma, but like South Africa, the support for divestment from Sudan has gained traction, at least in the U.S. Fifty-two U.S. colleges and universities have implemented some form of Sudan divestment strategy, including the $28 billion Harvard University endowment. So have twenty U.S. state pension systems, including CalPERS, the influential California pension fund.

The pressure has grown on major U.S. investment companies to follow. Retirement services firm TIAA-CREF has implemented a divestment policy. But some have resisted, fearing that such demands will lead them down a "slippery slope" to entertaining every interest group's non-financial concerns. In a high-profile campaign, activists pushed leading mutual fund firm Fidelity Investments to sell out of two Chinese oil companies, PetroChina and Sinopec, because of their strategic role in the Sudanese oil industry. Fidelity would

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Human Trafficking: Join the Free to Work Movement to End Modern Slavery

David Batstone

Deeply engrained in the psyche of western culture is the notion that slavery ended in the 19th century. It is not uncommon to read a newspaper account of 'slave-like conditions' in, say, a copper mine in Bolivia. The laborers might be kidnapped, forced to work without pay, and prohibited from leaving the mine. Calling these conditions 'slave-like' is buying into the cultural myth that 'real slavery' was vanquished long ago.

In reality, an estimated twenty-seven million individuals live in the bonds of forced labor in our world today. [1]Girls and boys, women and men of all ages are forced to toil in the rug loom sheds of Nepal and the brick kilns of China, sew together shoes in Pakistan, and harvest sugar in the Caribbean. To wit, a November 2006 Bloomberg Financial Report jolted the financial community with its feature story that the pig iron that major American auto manufacturers use in their cars is mined by slaves in Brazil. Go behind the façade in any major town or city in the world today and you are likely to find a thriving commerce in human beings.

Like most other commercial markets, selling human commodities operates according to the dynamics of supply and demand... A movement to undermine modern slavery, therefore, must incorporate a bold economic response.

We may not even realize how each one of us drives the demand during the course of a normal day. When large corporations pressure suppliers to reduce costs beyond reason, the squeeze is felt far down the chain. In the quest to save a few pennies on each item produced, subcontractors turn to vulnerable members of society and force them to work endless days with little to no pay.

Like most any other commercial market, selling human commodities operates according to the dynamics of supply and demand. Criminal agents make handsome profits off unpaid labor – using slaves makes it cheaper to produce goods or to offer valued human services. Due to these financial advantages, the slaveholder can compete successfully in any market.

A movement to undermine modern slavery, therefore, must incorporate a bold economic response. The first strategic parlay is to hold every business enterprise accountable for the use of labor in its own operations, as well as the labor practices of its suppliers and subcontractors. Investors and consumers alike should insist companies make clear that any involvement of its employees in forced labor will be not be condoned. Similarly, any involvement of its business partners in the use of forced labor would result in at least an end to co-operation. To that end, the Not for Sale Campaign has launched a Free to Work initiative, utilizing a free labor protocol called the Athens Ethical Principles as its baseline standard.

Manpower, the world's largest private sector employer, was among the first global corporations to become a "free to work" enterprise. When David Arkless, the Senior Vice President of Corporate Affairs for Manpower, first learned about the prevalence of modern slavery, he assumed that forced labor would not be a relevant concern for his company. Yet he decided to do a test case on the screening that a Manpower office in southern Europe might use to ensure that a slave would not be utilized for a work assignment. To his surprise, the office did not even check into an individual's background or otherwise find out whether they might be forced to perform the job.

David persuaded Manpower to take the lead in the private sector and sign the Athens Ethical Principles covering human trafficking. Manpower now requires its offices to screen for possible cases of forced labor and has declared a zero-tolerance policy to slavery to its suppliers and subcontractors, which numbers more than 300,000 distinct entities worldwide.

Though some human rights activists may be cynical about the tangible effect of a company signing a policy declaration, the act does deliver a key benefit. Subsequent third party monitoring by non-governmental organizations and research centers may uncover the practice of slavery in a given corporation's supply chain. When that enterprise already has made a public commitment to a standard of behavior, the obligation to address that violation becomes all the stronger.

Further strategic actions are still needed. A critical step is to develop self-regulatory measures – such as codes of conduct and pro-active policies – that are adapted to niche markets. For example, the tourist industry has the capacity to develop high-profile campaigns against human trafficking. Companies within this sector may provide information to travelers by means of catalogues, brochures, in-flight films, and ticket-slips. Travel operators may help to prevent human trafficking by checking the identity of passengers and alerting border officials of suspicious cases.

The same would apply to job placement agencies like Manpower. Hotels and entertainment facilities should also exercise constant vigilance, as the hidden exploitation of trafficked persons often takes place in their facilities. The banking sector may be helpful in

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[1]The 27 million figure is widely cited and traces back to research done by Kevin Bales, President of Free the Slaves, a non-profit organization working to end global slavery. Precise numbers for slaves are hard to come by because the slave trade operates in the shadows. The author holds no illusion of 100% accuracy of the statistic.

The Human Investment: A Leading Activist's Perspective

An Interview with Arvind Ganesan, Director of Business & Human Rights, Human Rights Watch

Arvind Ganesan at Human Rights Watch speaks with Boston Common Asset Management about how the private sector can ensure meaningful progress in protecting human rights.

BCAM: Opinions vary on how much corporations can and should be held responsible for supporting human rights. Although the duty to protect individuals from human rights abuses lies traditionally with the State, where does corporate responsibility for human rights begin, and where does it end?

AG: Any actor that has an impact on human rights should take steps to respect them. Human rights law definitely applies to States and they have principal responsibility for upholding human rights. However, companies should at a minimum ensure that their operations and activities respect the rights of their employees, communities their operations might impact, or their customers by developing meaningful human rights policies and procedures.

BCAM: Historically, where has the most meaningful progress been made with regard to human rights and the business community? What are the biggest challenges we face going forward?

AG: Typically, the industries and companies that face the most controversy for human rights problems are the ones making the most progress. The apparel and footwear, extractive industries, and now IT companies are probably the most focused on human rights issues because all of them have and still face serious human rights problems. The main challenge is that standards are still voluntary and a relatively small number of companies are serious about human rights. Developing standards that apply to all companies or business and ensuring they are followed is still the major challenge.

BCAM: Labor abuses are one of the most egregious violations of basic human rights linked to the marketplace. Many companies, whether in the technology, garment, cocoa, or cotton business, have internal policies that respect fair labor standards. How can social investors advance the impact of such policies beyond the home office and into the supply chain?

AG: The first step is being explicit that the supply chain matters. Some companies still do not accept responsibility for their suppliers or subcontractors. In other cases, companies accept responsibility for the supply chain on issues of freedom of association, but not for their own employees. Investors should demand that they have adequate policies to protect workers throughout the supply chain and then ask them to show what they are doing to protect workers up and down that chain.

"Investors should demand that [companies] have adequate policies to protect workers throughout the supply chain and then ask them to show what they are doing to protect workers up and down that chain."

BCAM: Mineral extraction companies report a higher rate of human rights incidents than other sectors. What are the primary lessons born out of the extractive industry experience?

AG: This industry has major impacts on human rights, the environment, and other social issues. The main lesson is industries cannot function without human rights standards given the complexity of their relationship with governments and society. But also, that NGOs and social investors must be aggressive in pushing standards and practices because large companies in strategic industries are cautious about change. For example, the Extraction Industries Transparency Initiative (www.eitransparency.org) is an initiative that human rights groups and SRIs are working on to increase the accountability of governments and the mineral extraction industry.

BCAM: In the absence of meaningful regulation, what are the most important steps a corporation or industry can take to ensure it is not complicit in human rights abuse, and what incentives can investors give them to act?

AG: Many governments are unwilling to regulate as opposed to being unable to regulate. The most important step a company can take is to have policies and effective procedures to prevent, mitigate, and address human rights problems. It should conduct human rights "risk assessments" to identify and mitigate problems and should show how it is doing these things to the public. Investors can play a major role by discussing these issues with companies, showing approval for "good" companies by investing in them, and hopefully working with other financial institutions to "reward" companies by making the costs of borrowing lower or raising capital cheaper for companies that have good human rights performance.

BCAM: Do you feel social investors advance the work of groups like HRW?

AG: Yes. Investors are very important for our work with companies since they often share our goals and are working to improve company performance on behalf of their clients and customers.

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Protect Human Rights, Protect Planetary Rights

*Wangari Maathai**

In order for humankind to manage and share resources in a just and equitable way, there is need for a governance system that is more responsive and inclusive; one in which most people feel that they belong, and one in which the voice of the minority is listened to even if the majority will have their way; one that respects human rights, the rule of law and deliberately and consciously promotes equity. Indeed, many of the conflicts and wars in the world are over access, control and distribution of resources like water, wood fuel, grazing ground, minerals and land.

Photo by Mia MacDonald

By managing resources better, by recognizing the link between sustainable management of limited resources and conflicts, we are more likely to pre-empt the root causes of many conflicts and wars and create a more peaceful and secure world. That is the link between environment and peace.

The responsibility to address the problems in good time for the common good of all calls for visionary political will on the part of governments and corporate social responsibility on the part of the corporate world. One of the issues on hand today is climate change, and we are all called to take some action.

[T]here is constant pressure to sacrifice forests for human settlements, agriculture and industry. Whatever options we must make, it is always better to be guided by the common good, not only of present generation, but also of generations to come. Politically, it is more expedient to sacrifice the long term common good and the intergenerational responsibility for the convenience and opportunities of today. But, morally, we are required to make the better options for the common good of all. We have a responsibility to protect the rights of generations which cannot speak for themselves today.

What use is the human right to speak, assemble, eat, or receive education if it is done in a polluted environment? What use is the human right to water if the only available water is polluted? That is why I would say that environmental rights are human rights

Perhaps, another way of putting it is to say, that humankind needs a clean and healthy environment to sustain life, but the environment does not need humankind. This is as true today, and it will be true many generations down the road of time.

Protecting the environment and promoting cultures of peace takes patience, commitment and persistence. It has to become a conscious and deliberate struggle to change our mindset about peace and security. It will not happen overnight, but we must be committed and patient.

Dr. Wangari Maathai, "Tree Lady," as some call her, started the Green Belt Movement in 1977. She is the first African woman and the first environmentalist to receive the Nobel Peace Prize (in 2004).

The Green Belt Movement is a women's civil society organization, based in Kenya, advocating for human rights and supporting good governance and peaceful democratic change through the protection of the environment.

In 2006, Boston Common Asset Management became an early supporter of the Green Belt Movement's carbon offset project.

**Adapted from addresses before the President of India and the United Nations Human Rights Council, Switzerland. Printed with permission of the Green Belt Movement.*

Eco-inequality:

A Clean Environment is a Fundamental Right

1 mile: Proximity of 11 million people, including three to four million children, to U.S. federal Superfund sites.

9 years: Shortened life expectancy in Copsa Mica, Romania, considered the most polluted town in Europe.

30,100: Estimated number of annual deaths from particle pollution emanating from U.S. power plants.

1 percent: Number of China's 560 million city dwellers breathing air considered safe by the European Union.

4.2 billion: Pounds of toxic chemicals released in the U.S. by industry into the environment, including 72 million pounds of carcinogens.

11 million: Gallons of oil spilled into Prince William Sound by the Exxon Valdez. Today, Exxon is appealing yet again to eliminate $5 billion in punitive damages, maintaining no punitive damages are warranted.

8 years: Out of the last ten rank among the warmest on the planet ever recorded.

4,090: Worldwide deaths from extreme temperatures experienced in 2006.

Indigenous Peoples: Rights to Self Determination, Cultural Preservation, and a Traditional Way of Life

Steven Heim

Indigenous peoples are the original inhabitants of lands around the world. Their efforts to achieve self determination to protect their traditional ways of life and governance are in the forefront of human rights struggles today. Indigenous peoples number over 350 million persons worldwide, and in some countries such as Bolivia represent the majority of citizens. Where national governments or private corporations hold title to the subsurface minerals of ancestral lands, they often create conflict and abuse human rights. Indigenous peoples living in voluntary isolation are the most vulnerable; their very existence is threatened by communicable diseases and destruction of the forests and rivers that sustain them. Many in the human rights community believe their territories should remain "no go" zones for corporations in order to protect their right to a way of life they've been practicing for thousands of years.

Photo by Amazon Watch

Indigenous leaders from Ecuador and Peru protesting oil development in their territories outside the 2006 ConocoPhillips annual shareholder meeting in Houston. Left to Right: Jose Gualinga (Kichwa leader, Ecuador), Andres Sandi (Achuar, Peru), and Domingo Ankuash (Shuar, Ecuador)

Much of Boston Common's advocacy work related to indigenous peoples has centered on urging extractives industry companies to obtain approval before entering indigenous peoples' territory. As the drive to exploit natural resources leads corporations into ever more remote locations, the concept of free, prior, and informed consent for indigenous peoples is gaining importance. The challenge for extractives companies is to respect indigenous peoples' governance process and decisions about development. And this is important for more than a basic concern over human rights. In 2007, ConocoPhillips demonstrated one possible outcome of the failure to gain indigenous peoples' consent when it gave back to the government 40 percent of one of its oil blocks in Peru, where it met strong opposition by the Achuar people. Unfortunately, some companies use "divide and conquer" tactics to get approval for their projects, harming the social fabric of indigenous groups by convincing individuals to refute traditional consensus methods of decision making.

Since 2003, Boston Common has led a shareholder dialogue with Burlington Resources, and later ConocoPhillips following its acquisition of Burlington in 2006, regarding operations in the Amazon regions of Ecuador and Peru. In 2004, the company adopted an indigenous peoples policy and declared it would not condone military force to enter indigenous territory even with formal approval. Also in 2004, Boston Common initiated direct communication between investors and indigenous federations in Ecuador, meeting federation representatives in Ecuador the following year. From 2003 to 2006 we also led a shareholder dialogue with Newmont Mining that led to improvements in its community consultation processes. We are active in a similar dialogue with BP regarding its relocation of an indigenous community in Papua, Indonesia, the site of its Tangguh gas pipeline.

After 23 years of lobbying and negotiations by indigenous peoples, the United Nations adopted the Declaration on the Rights of Indigenous Peoples on September 13, 2007, asserting their rights to self determination to protect their cultures and ways of life. While we have far to go in attaining the goals of the Declaration, we look forward to ensuring the shareholder voice persists in the struggle.

■ *Steven Heim is Director of Social Research for Boston Common Asset Management and has over 16 years experience in SRI. Steven has led or participated in shareowner advocacy for indigenous peoples rights with several U.S. and foreign oil companies.*

End Human Trafficking

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tracing the money flows of traffickers. And finally, the media would be an important channel of raising awareness.

Social investors also have a significant role to play in the Free to Work movement. To begin with, it is vital to recognize companies with "free to work" policies. Social investors can use their influence on boards and in shareholder meetings to move forward operational protocols such as the Athens Ethical Principles, addressing forced labor. When necessary, shareholder resolutions and consumer boycott campaigns can be used to raise the pressure on enterprises to address the possibility of forced labor in their supply chains.

A rising number of companies are turning to a global labor market to fulfill material production and services needs. At the same time, the trafficking in human beings has reached epidemic proportions. The confluence of these two factors will make modern slavery a primary corporate social responsibility concern in the decade ahead.

■ *Dr David Batstone is an award-winning journalist and professor of ethics at the University of San Francisco. After spending a year researching the slave trade for his book Not for Sale, he launched an international campaign to fight it. To join, go to NotforSaleCampaign.org.*

Ganesan

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One of the best examples of the shared goals of SRIs and human rights groups is the work both are doing with internet and telecommunications companies to develop human rights standards for this industry. This is an area where both investors and NGOs want to see standards because of controversies over censorship in China and harassment and jailing of online activists around the world. Major companies in the industry such as Google, Microsoft, Yahoo, Vodafone, and Telia Sonora are on board as well. Our work focuses on documenting abuses around the world and trying to develop standards to ensure companies do not become complicit in the abuses of governments.

■ *Arvind Ganesan is the Director of the Business and Human Rights Program at Human Rights Watch. He is responsible for the organization's policy, research, and advocacy on business and human rights and related issues. Human Rights Watch conducts regular, systematic investigations of human rights abuses in some seventy countries around the world. Its goal is to hold governments, business, and other institutions accountable if they transgress the rights of their people. Learn more at www.hrw.org.*

Responding to Genocide

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not concede to these entreaties in principle, but did so in practice. The firm sold most of its stake in PetroChina and Sinopec in March 2007, but said it was motivated to do so only by considerations of investment return. Shareholders have pressed investing icon Warren Buffet, chief of insurance company Berkshire Hathaway, to divest his firm's $3 billion PetroChina stake. Buffet, like Fidelity, has voiced unwillingness to concede, but quietly has reduced his position.

Many of the institutional investors who have embraced divestment from Sudan are emphasizing a targeted divestment model. This model focuses on companies that have a direct business relationship with the Sudanese government, whose operations impart minimal benefit to the country's underprivileged, and who have demonstrated no substantial policy regarding the Darfur crisis. The targeted divestment model only requires divestment from companies that are unresponsive to shareholder engagement.

The Sudan Divestment Task Force has classified only about twenty public firms worldwide as subject to targeted divestment. Only about a dozen are large companies domiciled in developed or emerging markets, which would make them part of a typical U.S. investor's opportunity set. Most of these are Chinese firms that sell armaments to Sudan or take part in Sudan's oil industry. These "Highest Offenders" represent a mere 0.3 percent of the total value of world stock markets.

While the targeted divestment approach is constructive, there is a case to be made for divesting from corporations with any direct operations in Sudan, regardless of their nature and scope. The rationale for this approach: any decision by corporate management to conduct business in Sudan supports the regime, and conscientious investors should take all reasonable steps to economically isolate it. For clients with human rights guidelines, Boston Common takes this broader approach.

The primary targets of this broader divestment policy are select Northern European multinationals in the Energy and Industrials sectors. A 1997 Executive Order bans U.S. firms from doing business in Sudan, but a few still do through distributors or foreign subsidiaries. The list of affected companies has dwindled, because many multinationals have a higher stake in catering to Western consumers and investors than in the modest profits Sudan offers. U.S. firms that have cut all ties with Sudan in the last few years include 3M, Xerox, and Cummins Engine. Where companies still fail this broader divestment policy, we have found it relatively straightforward to identify other investment opportunities in the same industry with similar risk-reward characteristics. For instance, to substitute for the Swedish telecommunications equipment company Ericsson, which has a contract to expand a telecommunications network in Sudan, we own handset manufacturer Nokia.

Beyond screening companies out, the divestment movement is working to convince companies to change their Sudan policy. For example, in the course of Boston Common's research on Brazilian oil and gas concern Petrobras, we learned that Sudan was seeking investment from Petrobras to develop offshore oil deposits in the Red Sea. As shareholders in Petrobras, we asked the company not to pursue any future plans to invest in Sudan. Following our dialogue, Petrobras issued a public statement clarifying that it has no intentions to invest in Sudan in the foreseeable future – despite comments made to the contrary by Sudanese officials.

A stigma has come to be associated with operating in Sudan. Talisman Energy, which in the 1990s laid the pipeline to the Red Sea and made significant improvements to the productivity of Sudan's oil industry, exited the country in 2003. "Talisman's shares have continued to be discounted based on perceived political risk in-country and in North America to a degree that was unacceptable," Talisman's CEO Jim Buckee explained at the time. In April 2007, Rolls Royce, which sold pumps and engines in Sudan, stated its intentions to gradually discontinue its activities there. As with South Africa and Burma, a sense of outrage at human rights atrocities has given rise to a call for action among investors. The divestment movement is unlikely ever to dissuade some participants in Sudan, such as the national oil companies of China, Malaysia, and Kuwait, but others can be, and indeed have been, moved to act.

■ *Matt Zalosh, CFA, is a portfolio manager at Boston Common and conducts investment research on financial services and health care. He has experience as a financial analyst at Dodge & Cox and at the Overseas Private Investment Corporation and Leucadia International.*

■ *Nathan Foley-Mendelssohn, CFA, conducts investment research at Boston Common in the Energy and Consumer Staples sectors. He holds a BA, with honors, in History and International Relations from Harvard University.*

Boston Common Asset Management Milestones

December 2002 — Boston Common Asset Management founded by Geeta Aiyer and colleagues.

May 2004 — Files shareholder proposal at Apache Corp. requesting greenhouse gas emissions report. Proposal receives record support.

March 2005 — Establishes direct contact with Southern Amazon indigenous groups concerned about oil development.

February 2006 — Submits written testimony to Congress on the role of U.S. technology companies in compromising privacy and free speech in China.

November 2006 — Files proposal at Aflac requesting shareholders be allowed to vote on executive pay. Aflac becomes the first U.S. company to grant investors the vote.

February 2007 — Launches Boston Common International Catholic Fund with growth and value components.

September 2007 — Outperforms S&P 500 by 3.6% per year and Domini 400 Social Index by 5.7% per year over the trailing 3 year period.[1]

[1]U.S. Large-Cap Core Equity SRI Tax-Exempt Composite. Past performance does not guarantee future returns. Returns are gross of fees and annualized for the 3 year period ending 9/30/2007. Not AIMR compliant without disclosures, which are available upon request. The Standard & Poor's 500 Index is a broad market capitalization weighted average of U.S. companies. KLD's Domini 400 Social Index is a widely used benchmark for measuring the impact of social screening on financial returns and the performance of socially screened portfolios. It is a float-adjusted market capitalization weighted common stock index modeled on the S&P 500 ® Index.

About Boston Common

Boston Common is an employee-owned investment firm dedicated to the pursuit of financial return and social change. We have delivered strong investment returns by investing in socially-responsible enterprises and encouraging them to further improve the social profile of their operations. We work with about $1 billion in assets, including subadvised accounts, across a diverse offering of investment strategies. These include U.S. core- or value-oriented equity and balanced accounts, as well as international and small cap options. Boston Common works to advance our clients' social mission through independent research and effective shareholder advocacy. We use our leverage as shareholders to influence corporate practices, often in collaboration with activist organizations and coalitions of shareholders.

BOSTON COMMON
ASSET MANAGEMENT, LLC
84 State Street, Suite 1000
Boston, MA 02109

Tel (617) 720-5557 Fax (617) 720-5665
www.bostoncommonasset.com

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