



# VALUES

Walden Asset Management \* Investing for Social Change Since 1975

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## Walden Asset Management

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## PARCHED

March 22, 2007, is World Water Day. Recognized each year since 1993 by the United Nations General Assembly, World Water Day aims to highlight the necessity for cooperative and integrated approaches to water resource management. From Boston, where we have ready and affordable access to clean water, it's easy to lose sight of why a day like this is important. Boston and 98 percent of the industrialized world have water sanitation services. In developing countries, however, only 48 percent of people have sanitation coverage. The World Bank has theorized that access to safe drinking water, sanitation, and hygiene could save 1.7 million lives a year. One in three people are estimated to live in water scarce regions, with insufficient access to water for agricultural, industrial, or personal use.

In 2000, the United Nations Environmental Programme (UNEP) wrote the following in its *Global Environment Outlook*:

About one-third of the world's population lives in countries with moderate to high water stress. The problems are most acute in Africa and West Asia, but lack of water is already a major constraint to industrial and socioeconomic growth in many other areas, including China, India, and Indonesia. If present consumption patterns continue, two out of every three persons

on Earth will live in water-stressed conditions by the year 2025. The declining state of the world's freshwater resources, in terms of quantity and quality, may prove to be the dominant issue on the environment and development agenda of the coming century.

Water scarcity affects all aspects of development, from economic growth and food security to public health and gender equality (see sidebox "Women and Water," page 6). As if that weren't sobering enough, poor water management has also had serious environmental implications.

Aquatic ecosystems rely on water flows. Since the early 1900s, there has been a sixfold increase in water withdrawals from freshwater and coastal ecosystems. This has led to an estimated decline of 50 percent in freshwater species between 1970 and 2000.

The quality and quantity of existing freshwater resources is affected by a long list of environmental, political, and economic factors. Examples include: industrial use, source water pollution, agricultural needs, shifting human populations, tsunamis, hurricanes, dams, and hydropower projects. All of these changes to freshwater resources are being exponentially increased by climate change, which is disrupting typical weather and rainfall patterns. These developments



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## About Walden Asset Management

Walden Asset Management is the socially responsive investment division of Boston Trust & Investment Management Company. Walden began offering socially responsive investment services in 1975. We are among the largest and most experienced investment managers specializing in services for individual and institutional investors with social concerns.

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# A RULES-FREE ZONE IN IRAQ

It is not just Lockheed Martin, Northrop Grumman and Raytheon—traditional defense contractors that supply aircraft, missiles, and radar technology—that have won multi-million dollar contracts during the U.S. presence in Iraq and Afghanistan. Private military and security contractors, providing services ranging from interrogation and translation in detention centers to logistical support and personnel and convoy security in reconstruction efforts, have also enjoyed a sharp increase in demand.

When lucrative contracts are awarded through a non-competitive, no-bid process, allegations of contractor involvement in serious human rights violations become a great concern. In the last several years, accusations have emerged, including participation by contractors in the torture of prisoners at Abu Ghraib. Yet Bush administration officials have made virtually no effort to hold contractors accountable or to compensate victims.

Investigative reports of Abu Ghraib by the U.S. Army in 2004 implicated employees of two companies, CACI International and Titan Corp, acquired by L3 Communications. Steve Stefanowicz of CACI reportedly directed the use of dogs at Abu Ghraib, ordered that a prisoner not receive his prescription pain killers, made a male prisoner wear women's underwear, failed to report abuse, and lied to investigators. Daniel Johnson, also employed by CACI, allegedly directed and participated in prisoner abuse and interrogated a prisoner in an "unauthorized stress position." The reports accused three Titan employees of raping a male juvenile detainee, making false statements about interrogations, and failing to report detainee abuse.

Additionally, media reports and documents produced through Freedom of Information Act requests have uncovered hundreds of incidents of contractors engaging in other abuses, including shooting at and killing Iraqi civilians. Yet despite these reports and the Army's own findings, the Department of Justice has not prosecuted a single employee or contractor from any of the involved companies. To date, 17 known cases of civilians accused of detainee abuse languish on the U.S. Attorney General's docket.

Only feeble attempts have been made by the agencies awarding the contracts to regulate the contractors' behavior. The Department of Defense, where regulation actually exists, maintains that it is impossible even to require companies to register with it, let alone keep track of when and under what circumstances they use force. The lack of regulation at the agency level combined with the lack of prosecution at the judicial level leaves contractors operating in a virtually rules-free zone.

Amnesty International has called on both the companies and the U.S. government to take responsibility. In April 2006, Amnesty appealed to all private military companies to put into effect and monitor a comprehensive human rights policy and periodically issue public reports on its implementation; screen employees and train them on international human rights standards; make public the results of investigations the company may conduct into alleged human rights abuses by employees; and disclose the terms of U.S. government contracts with respect to human rights.

Amnesty International also called on the U.S. government, in our May 2006 Annual Report press conference, to promptly investigate allegations of human rights violations committed by employees or contractors of private military and security companies, and to prosecute perpetrators where clear evidence of human rights violations exists. Additionally, we asked agencies of the U.S. government awarding contracts to private military and security companies to report to Congress annually on incidents of use of force against civilians by employees or contractors of those companies. Finally, Amnesty called on the U.S. government to require private military and security companies fulfilling U.S. government contracts to screen prospective employees and contractors, to review their criminal and job history, and to provide adequate training in human rights and humanitarian law. Since our press conference last year, we have posted these calls-to-action on our website, and have met with some of the involved agencies.

In the last five months, Congress has

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# The Cooperative Fund of New England

*community development investing*

The Cooperative Fund of New England (CFNE) was founded in 1975 by co-op activists and social investors as the first lender to provide financial and technical assistance to food cooperatives in the Northeast. During the next three decades, CFNE expanded its focus to include different types of cooperatives (housing, worker, producer, etc.) as well as employee-owned businesses and community-based nonprofits.

One thing all CFNE borrowers have in common is that they provide basic human needs such as food, shelter, health care, or education. Further, the Fund's mission statement specifically notes a priority to serve people of low income. Borrowers share the vision of CFNE and its investors: an economy that supports equality, justice, and social responsibility.

CFNE is proud of a 30-year track record in which no investor has ever lost a dime. The Fund has shown that the cooperative model, when adequately supported, is a viable form of economic development and can act as a social change agent to undo systemic patterns that keep people poor. The impacts of CFNE's loans include the creation and retention of thousands of jobs and housing units throughout the Northeast.

Since its founding, CFNE has lent more than \$13 million to more than 375 community-based or cooperative groups. The loans have helped cooperatives launch successful businesses; purchase property, inventory and equipment; expand or relocate; meet cash shortages with working capital; and obtain technical assistance to boost the borrower's financial or other business capacity.

When Boston-based Red Sun Press (printer of *Values*) needed new equipment to bring its operations up to date, the worker co-op contacted CFNE to apply for a loan, which was approved. Other worker co-ops CFNE has helped include the 30-year old champion of organics, FEDCO Seeds in Maine, and Collective Copies in Amherst, Massachusetts, whose workers galvanized the college community to help them buy the shop when an absentee owner moved to shut it down.

Another early borrower from CFNE was Equal Exchange (EE), the coffee company that led the way in the Fair Trade beverage industry. Co-

founder Rink Dickinson recalls that it was only natural for EE to turn to the mission-based CFNE for a loan when it was trying to get off the ground. "The Fair Trade model is all about buying farmers' coffee when it's available. It's very capital intensive. It takes mountains of cash to buy mountains of coffee this way. From the beginning CFNE was a strong ally, and for many years they were one of the major sources of capital for us. It's what enabled us to do fair trade. Our relationship with CFNE has been a phenomenal success, from our point of view."

CFNE's first loan was to a consumer-owned food co-op. CFNE has continued to be a major contributor to the success of stores that compete successfully with natural food chains because they are organized around cooperative principles and values. Food co-ops—like housing co-ops, co-op daycare and health care providers, worker-owned businesses, agricultural producer co-ops, and community-based nonprofits—have similar and compatible visions. CFNE helps turn those visions into realities.

Today, CFNE is looking at more ways to help move its mission forward. In addition to loans many cooperatives need 'patient capital,' or equity. In response, CFNE is seeking investors for an equity capital fund as well as the investment fund. ♦

—Rebecca Dunn

*Rebecca Dunn is Executive Director of CFNE which serves the New England region with four outreach offices in Massachusetts, Connecticut, and Maine. For more information about CFNE visit <http://www.cooperativefund.org/>.*



Through our Community Development Investment Service, Walden clients have invested in numerous community development banks, credit unions, and loan funds. We are pleased to include The Cooperative Fund of New England in this service.



## SOCIAL RESEARCH AND ADVOCACY IN ACTION

The most noteworthy corporate change to emerge from the shareholder resolution process often occurs before company proxy statements cram shareholders' mailboxes. At this writing, of the 20 shareholder resolutions led or co-filed by Walden for the 2007 shareholder resolution season, seven have been withdrawn based on constructive, forward moving agreements with the companies in question. Though the issues raised by the resolutions will not be formally presented to shareholders, and there will be no votes to be tallied, the results confirm the power of the proxy to encourage meaningful collaboration.

### Resolutions Withdrawn Successfully

Our **Wrigley** resolution requested that the company adopt a vendor code of conduct based on International Labour Organization standards, establish an independent monitoring process to assess adherence to the standards, and report publicly on the company's progress. We withdrew the resolution based on Wrigley's communication of its commitment to the establishment of both a code and an audit process. Although those things are not yet in place, progress is being made and a reasonable timetable for implementation has been laid out. Additionally, Wrigley expressed openness to input from third parties during the development process and a willingness to make the code and the audit process publicly available through its website and other communication vehicles.

Two other vendor standards resolutions submitted at portfolio companies were withdrawn. Like at Wrigley, Walden withdrew its resolution at **Hershey's** when the company committed to establishing a credible supplier code of conduct. It will also develop a monitoring and implementation plan as part of its broader corporate social responsibility activities. It expects this code to be a "living document," evolving over time as it gains experience in this area. Hershey's will be working with BSR, a non-profit advisory organization with expertise in responsible business practices, and Verite, a non-profit social auditing and research organization that specializes in safe, fair, and legal working conditions. Hershey's goal is to expand its

existing quality audit process to include code criteria beginning in 2008. Walden and Hershey will continue to maintain an open dialogue regarding the company's progress in this as well as other social responsibility areas. The company is already participating in an industry coalition to try to address child labor concerns in cocoa production.

Similarly, in our conversations with **Applied Materials**, a producer of nanomanufacturing technology, we learned much more about that company's standards of conduct and the steps it is taking to translate policies into action. Importantly, Applied Materials agreed to expand its auditing and reporting on vendor standards in its 2006 Environment, Health & Safety report scheduled for publication in April.

In response to public outrage over exorbitant executive pay, Walden is advocating that shareholders be given the opportunity at company annual meetings to cast an advisory vote on Board compensation committee reports. (See opposite page "Executive Pay's Perfect Storm.") This practice would provide a mechanism for investors to express an opinion on remuneration decisions. Walden filed a resolution requesting this governance reform at **Pfizer**, whose own former CEO, Henry McKinnell,

*continued on next page*

### WALDEN'S 2007 RESOLUTIONS

#### Climate Change

Exxon Mobil\*

#### Recycling

Coca-Cola, PepsiCo

#### Diversity Data Reporting

Home Depot, **Lehman Brothers**

#### Inclusive Nondiscrimination Policy

**CenturyTel**, **Clarcor**, Commercial Metals, Expeditors International\*, Leggett & Platt

#### Vendor Standards

**Applied Materials**, **Hershey**, **Wrigley**

#### Executive Compensation

**Pfizer\*\***, Wells Fargo

#### Political Contributions Disclosure

3M, BellSouth\*, Caremark

#### Sustainability Reporting

Comerica, Dover

*\*Walden is co-filer of this resolution. Primary filers are, in order of appearance, Dominican Sisters of Caldwell, NJ, Trillium Asset Management and Domini Social Investments.*

*\*\*Walden is the co-lead filer with the Christopher Reynolds Foundation. All other resolutions are led by Walden.*

*Resolutions at companies in **bold** have been withdrawn.*



## SOCIAL RESEARCH AND ADVOCACY IN ACTION

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was a recent headline-maker with his \$180 million package as he left office. Along with more than 20 other filers, Walden withdrew the resolution after Pfizer agreed that the requested governance reform had merit and that it would work toward its implementation.

Wall Street's **Lehman Brothers** responded positively to our request for greater disclosure of equal employment opportunity information by detailing its workplace diversity programs and providing comprehensive workforce composition statistics. The investment firm has a strong, firm-wide commitment to diversity that starts at the highest levels of management. We agree wholeheartedly with Lehman president Joe Gregory, who told the *New York Times* last August, "You can't build a great company without great people, and great people are not just white, straight men aged 25 to 40."

Initiatives at filtration products provider **Clarcor** and telecommunications company **CenturyTel** continue Walden's longstanding efforts to encourage corporations to adopt inclusive nondiscrimination policies. Clarcor confirmed that its equal employment opportunity policies were inclusive of sexual orientation and added explicit language on the Career Opportunities page of its website. CenturyTel internally formalized its inclusive nondiscrimination policy, posted its policy publicly and shared with us information on internal diversity training programs.

### First Vote of 2007

In January, in what we hope is a harbinger of investor sentiment this proxy season, approximately 43 percent of shareholders voted in favor of Walden's resolution asking **Commercial Metals** to adopt an inclusive nondiscrimination policy. Among the highest votes ever on this issue, the result signals increasingly mainstream approval of equal protection in the workplace.

### Continuing Dialogue

In November, **Nike** told us that it had ended its relationship with a factory in Pakistan that for a decade had supplied hand-stitched soccer balls. A May audit had uncovered widespread problems including harassment, extensive home work, and wage and hour violations. Attempts to work with factory management to remediate the problems were unsuccessful. Importantly, Nike's commitment to the approximately 3,000 factory workers did not cease with the termination of the contract. It is working with local nongovernmental organizations to address worker displacement. Walden appreciated that Nike reached out to communicate to investors personally, a response that we believe is indicative of the positive relationship we have built over the past several years. ♦

—H. Soumerai

## Executive Pay's Perfect Storm

**P**at McGurn, a senior executive at Institutional Shareholder Services (ISS) and a corporate governance guru, strode to the microphone at ISS's February conference on the 2007 proxy season. In the room were representatives from more than 200 investment firms and pension funds. "The executive pay issue faces a perfect storm in 2007," declared McGurn.

Like separate weather patterns merging together to create an epic gale, several salient factors are converging to bring more scrutiny to executive compensation than ever before. New Securities and Exchange Commission (SEC) disclosure rules will result in company proxy statements containing significantly more information on executive compensation. McGurn expects many "holy cow" moments as shareholders review compensation package information, some revealing enormous numbers for top executives.

In Washington, D.C., Congressman Barney Frank (D-MA), Chairman of the House Financial Services Committee, is planning to hold hearings this spring on executive compensation and is proposing legislation that gives shareholders an advisory vote on reported executive pay. Recently, President Bush, standing at a Wall Street podium, expressed strong criticism of excessive executive pay.

More than 50 companies have received shareholder resolutions this year asking for an advisory vote on pay. Walden is a leading organizer of this initiative. Resolution sponsors include pension funds of the State of Connecticut, New York City, and CALPERS, as well as six trade unions led by AFSCME and SEIU, 25 religious investor sponsors and other investment firms, and foundations such as the Needmor Fund and The Christopher Reynolds Foundation. The Council of Institutional Investors, an association of investors whose members manage more than \$3 trillion in assets, have identified 10 companies to press publicly on compensation practices.

In the center of this gathering storm, Walden, along with AFSCME and Pfizer, have created the Working Group on the Advisory Vote on Pay Disclosure, a network representing companies, institutional investors, and corporate governance experts. The idea is simple – give shareholders the opportunity at company annual meetings to cast an advisory vote on Board compensation committee reports. The Working Group will explore how the use of shareholder voting on compensation reports, which is standard practice in the United Kingdom, could be applied in U.S. markets.

Why advocate for an advisory vote? At present, investors have few meaningful vehicles to express concern or dissatisfaction with compensation packages of top executives. They can withhold votes from a director serving on a compensation committee, a drastic and blunt approach. Writing the board or publicizing one's opposition to a pay package has little effect as too many companies seem impervious to such criticism. But, if shareholders have the opportunity to vote on the report of the compensation committee, even in a nonbinding fashion, they would have a direct avenue to express approval or opposition and could send a clear message to management and boards.

Many investors and experts see this reform as one whose time has come and expect it to be the norm within five years. The Working Group is an important collaboration between companies and investors who are working together to create a comprehensive approach to implementing the advisory vote for shareholders. ♦

—T. Smith

**PARCHED**

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have led to greater regulation, commoditization, and ownership assertions over water. Passionate debates are currently raging over water privatization, ownership, and water's role as a human right. According to the United Nations, more than 3,800 unilateral, bilateral, or multilateral declarations or conventions on water currently exist, including 286 treaties to cover more than 200 international river basins.

**Industry's Role?**

According to UNEP's Finance Initiative (UNEP FI), industrial uses account for one-quarter of the world's consumption of available water resources. Industry is also a major source of water pollution. UNEP FI has estimated that, in developing countries, close to 70 percent of all industrial waste is dumped untreated. Like poor populations, businesses in these regions are often constrained by the shortage of readily available clean water.

Business disruption, the need for increased investment in water treatment or waste water treatment, and the constraints placed on business growth by insufficient water resources in the U.S. and abroad all present real business risks. (See Table 1.)

As examples, both Coca-Cola Co. and PepsiCo were forced to suspend operations of their bottling units in Kerala, India, in 2004 after strong objections from the local community over the depletion of the water table. Coca-Cola and PepsiCo also continue to struggle with tarnished brand images and boycotts in

Kerala as a result of a study released by the Centre for Science and Environment in 2006. This report, which received international attention, alleged that their beverages contained unsafe levels of pesticide residue. At Intel's plant in New Mexico, the community group, SouthWest Organizing Project, successfully opposed its purchase of water from southern New Mexico in 1997. In another example Anheuser-Busch, after a dry winter on the West Coast in 2001, saw prices skyrocket as a result of irrigation allocations for barley in Idaho and increased hydroelectric-based electricity prices.

However, studies have shown that using existing techniques and practices, industry has the capability to cut water demand by 40 to 90 percent. These steps can lead to, among other things, cost savings, decreased liabilities, enhanced brand image, and decreased business interruptions.

The Pacific Institute, an Oakland, California based research institute focused on development, environment and security, recommends that the private sector follow specific steps to manage water use, including: measure current water use; assess water landscapes and water risks; consult stakeholders; engage supply chain; establish a water policy and set corollary goals; and form strategic partnerships.

While corporate awareness and active response to this issue is still low on the learning curve, some companies have begun to address water use in manufacturing and in product lifecycles. For example, Procter & Gamble has estimated that nearly 85 percent of its sales are in some way associated with the use of

**Women and Water**

**W**omen in many parts of the world have primary responsibility for obtaining, managing, and using water. Significant portions of a woman's day may be consumed in water portage. The physical burden of carrying this water is correlated with neck, back, spine, and pelvic injuries. Pelvic injuries in turn complicate childbirth and contribute to infant and maternal mortality. In addition, waterborne diseases, such as diarrhea and malaria, increase women's responsibilities as health care providers. Lack of access to clean water for washing also contributes to pre and post childbirth infections. ♦

household water. The company has designated water as a priority focus area, published water use data in its sustainability report, and formulated guidelines for water in product development. In another example, Intel has established a Corporate Industrial Water Management Group to provide water management oversight. The group includes representatives from fabrication sites, corporate tech development, and compliance. As the company says on its website:

A sustainable water resource is essential for a healthy community, balanced growth, a high quality of life, and Intel's business. With some of our key manufacturing sites in arid locations, we recognize that prudent water management is an essential component of our overall business success.

In addition, a number of companies have seen opportunities in developing technological innovations to address directly the water scarcity dilemma (see "Cutting Edge Companies: Watts Water Technologies," back page).

It is important to note, however, that best practices in the business world are, by themselves, insufficient. Many of the problems associated with water scarcity come from circumstances beyond the

**Table 1: Risks to Business Associated with Industrial Water Resource Use**

<b>Insufficient Water Quantity</b>	Disruption of operations
	Suspension of water use license
	Restriction on expansion of business
	Regulatory changes
<b>Deteriorated Water Quality</b>	Water treatment costs
	Reputational risks
	Regulatory changes

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## ASSET OWNERSHIP: DIVIDE AND CONQUER

**J**oint tenancy with rights of survivorship. This is probably the most common form of ownership for married couples.

It is also usually the first and biggest mistake you can make if you hope to preserve your assets for your heirs or your charitable goals.

While owning assets jointly may seem convenient and equitable, it often leads to substantial unnecessary taxes. This is especially true for couples whose wealth is above the applicable estate tax exclusion. The unlimited marital deduction allows a decedent to leave any amount of property to his or her surviving spouse without incurring any transfer taxes. And, each individual is currently allowed to transfer tax free \$2 million\* of property that is part of their gross estate to someone (a child, for instance) other than a spouse. But property in excess of \$2 million that is not left to a spouse can be taxed at a rate as high as 45 percent.

Equalizing and dividing ownership of assets between

spouses ensures that, regardless of which spouse passes away first, both can use their own applicable exclusion. Without taking this step, a couple may simply forfeit this tax benefit, ultimately exposing an additional, and unnecessary, \$2 million to the estate tax. A few simple steps, which may include the creation of trusts and jettisoning the joint form of ownership for much of your property, can mean big savings down the road. ♦

—S. Benevento, CFP®

*As always, we strongly recommend consulting with your tax or estate professional prior to making any decisions regarding your estate or planning goals.*

\*The Applicable Exclusion is \$2 million for 2007 and 2008, \$3.5 million in 2009, \$0 in 2010, and will revert back to \$1 million in 2011.



### PARCHED

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control of even the largest multinational. A company dedicated to water resource management is adrift when trying to address programs in regions where no formal water management systems are currently in place. In these cases, it becomes hard to understand where the company's work should end and the host government's should begin. Which entity should own the developed water infrastructure? Which entity should be responsible for making provisions to the local community? Which entity should be responsible for setting limits and monitoring compliance?

One of the Millennium Development Goals of the United Nations is to reduce by half the proportion of people without access to safe drinking water by 2015. As World Water Day is intended to emphasize, in order to reach this goal international, national, and local legislators, business leaders and community activists need to work together to coordinate and integrate their approaches to water scarcity. Anything less would be just a drop in the bucket. ♦

—M. Benton

### A RULES-FREE ZONE IN IRAQ

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attempted to address the lack of contractor accountability for human rights violations. The 2007 Defense Authorization Bill extends military jurisdiction to contractors, even where there is no formal declaration of war. While it is unclear whether this provision will survive Constitutional scrutiny, two bills recently introduced in the House and one in the Senate may help to add transparency, accountability, and civilian court jurisdiction to the industry, but have yet to be voted on. In addition, the Committee on Oversight and Government Reform has begun to hold hearings to promote investigations into various aspects of the outsourcing of the use of force.

Amnesty is pleased to see these bills introduced and investigations underway. Transparency and accountability are not only essential for protecting human rights, but also for ensuring that the government, tax-paying citizens and investors have accurate information on which to base decisions about the companies' performance. ♦

—Erica Razook

# Watts Water Technologies, Inc.

## cutting edge companies

*This column highlights companies in the business of providing solutions to social and environmental challenges. Featured companies are typically held in the SmallCap Innovations portfolios offered to Walden clients.*

For over 100 years **Watts Water Technologies, Inc.** has been making products that manage the flow of water. From pressure regulators to drainage products, if it involves water, you can bet that Watts has developed a product to direct it.

Unless you're a plumber, you're probably not familiar with the nuances of Watts' products; however, it is very likely you are on the receiving end of a Watts innovation at some point during your day. Your city's tap water is safe to drink because of a backflow preventer—a device that prevents the backward flow of contaminated water into the potable drinking water supply. The water heater in your basement is able to operate safely because of the temperature and pressure relief valves that Watts pioneered in the 1930s. The warm water that rushes out of the faucet (as opposed to scalding hot or ice cold) may be the result of a Watts' thermostatic mixing valve.

Watts has also been adept at designing products that meet the growing demand for residential resource efficiency. Among

these products are washing machine shutoff valves, boiler energy savers, and hot water demand recirculation systems that deliver instant hot water at the tap, conserving water and energy. Watts also offers radio frequency thermostats that allow users to regulate central heating and cooling systems. By utilizing radio waves to transmit commands, these thermostats can operate without wires, making installation simple and quick.

A commitment to water quality, water safety, water conservation, and water comfort has driven Watts to design products that utilize water in novel ways. One such example is Watts' radiant heat products which are under-floor heating systems that can be installed throughout the home. Another example of Watts' ingenuity can be seen in its water filtration products. Many people enjoy the taste of bottled water but are opposed to the packaging waste it generates. Heeding this call, Watts designed a zero-waste reverse osmosis water filtration system that produces exceptionally clean drinking water at the tap.


Water, of course, is a limited resource. As the population grows and the demand for water increases, the need for sound water conservation methodologies will intensify. Companies such as Watts, which supply products to conserve, preserve, and treat water, stand to benefit from the growing global demand for safe and efficient water applications. ♦

—H. Harris

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