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Values

Walden Asset Management ❁ Investing for Social Change Since 1975

Child Labor: Not a Minor Issue

Walden Asset Management

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There are roughly as many child laborers in the world today as there are citizens of the United States," announced Senator Tom Harkin at the recent Congressional Forum on Child Labor. Sad, but true. The International Labour Organization (ILO) estimates that some 250 million children aged 5-14 are victims of child labor around the world, half of them working full time. Of that number, an estimated 60 million children are engaged in the worst forms of child labor including slave and/or bonded labor, prostitution, and military combat situations.

Exploitative child labor is a violation of internationally accepted labor and human rights standards. The ILO Minimum Age Convention (No. 138) has been in effect for close to 30 years and, in November 2000, the Worst Forms of Child Labour ILO Convention (No. 182) was ratified. This Convention seeks to liberate children from the most exploitative forms of child labor, such as slavery, debt bondage, and prostitution. Here in the U.S., the Sanders Amendment to the Trade Act of 1930 prohibits the importation of products made with "forced or indentured labor." The Trade and Development Act of 2000 includes a provision that denies U.S. trade preferences to countries that fail to meet and effectively enforce ILO Convention 182 standards.

Despite a global body of regulations to abolish exploitative child labor, it still persists in the U.S. and abroad.

Child labor on U.S. farms. Many labor experts attest that children are among a steadily growing group of young field hands and are among the least visible and most vulnerable workers in the U.S. The United Farm Workers union estimates that there are 800,000 child farmworkers in the United States.[1] Currently, the Fair Labor Standards Act (FLSA) allows child farmworkers in the U.S. to work in agriculture at a younger age, for much longer hours, and under more hazardous conditions than minors working in non-agricultural jobs. Consequently, 40 percent of the work-related fatalities that young people suffer are in agriculture. This reflects the fact that agriculture has been classified as one of the most dangerous occupations in the country (along with mining and logging, in which no children are employed in the U.S.).[2]

Sufie Berger

Child weaver in Nepal. UNICEF estimates that at least 1,800 children still weave illegally there.

Child labor on African cocoa plantations. A recent BBC documentary shed light on the use of slave labor, particularly child slave labor, on cocoa plantations in several African nations. The ILO estimates that in the year 2000, there were 378,000 economically active children in Côte d'Ivoire alone, representing nearly one in five Ivoirians in the 10-14 year age group. The BBC claims that 90 percent of cocoa plantations in cocoa-exporting African nations use forced labor, suggesting that a significant percentage of this forced labor is children. The situation persists even though last summer the governments of countries such as the Côte d'Ivoire and Mali publicly signed an accord to put an end to child trafficking and child slavery.

Child labor in Indian carpet looms. The hand-knotted carpet industry has been exposed as a major perpetrator of child labor abuse. Child welfare organizations estimate that at least 500,000 children in South Asia, often working as indentured or slave laborers, produce many of the hand-knotted carpets found in American and European homes and businesses. Studies estimate that children working under inhumane conditions make two-thirds of all hand-woven carpets. Children work long hours

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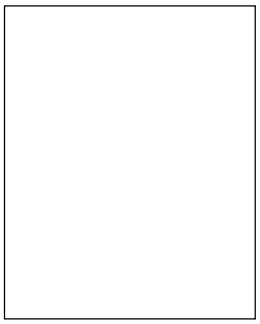
Keep a Hand in I.T.

Over the past year, much of the information technology (tech) sector has experienced a flight worthy of Icarus: first soaring dangerously high, only to crash and burn. Investment sentiment has gone from the optimistic "the Internet will change everything," to the cynical "the new economy was a myth." In 1997, technology represented about 18 percent of the S&P 500; by early 2000, it peaked at 35 percent. As of now, technology is about 20 percent of the market.

There were two major trends that led to explosive growth in tech stocks in 1998,1999, and early 2000: the excitement over growth prospects for dotcoms and the dramatic increase in the number of upstart phone companies. In 2000, sales and earnings growth for technology companies averaged 20 percent and 31 percent, respectively. In spite of the lack of a well-defined path to profitability, assumptions were made by venture capitalists and Wall Street investment bankers that created a sense of urgency to get in on the ground floor of these great trends. By the latter half of 2000, however, rising interest rates combined with the growing realization that many dotcoms' business plans didn't make sense even over the long run caused investors to turn away. Meanwhile, phone companies had to reduce their capital spending plans to make up for their own lack of profitability. The smaller phone companies ended up going out of business, while the larger firms like AT&T and Worldcom had spent so much money trying to compete that they needed to pull back their own equipment purchasing. Still another reason for the tech slowdown was the end of the Y2K spending bubble on computer goods and services for both companies and consumers.

In 2001, sales growth is expected to average about 7 percent, and earnings are likely to drop almost 14 percent. The operating expenses of these capital-intensive companies are fixed over the short term, meaning that when revenues are lower than expected, their margins (profits as a percent of sales) decline sharply. Whether margins will return to their previous high levels when revenues expand again is questionable. Competition is expected to remain intense, putting pressure on pricing and thus on margins. This is likely to continue until research creates new products with competitive advantages that allow leading companies to charge higher prices, or until companies lower their costs to the point where they can make money with the existing level of sales.



Ellen Gorowitz has been a security analyst for over ten years. She is presently covering all sectors of the technology industry . She is also the co-manager of USTC's aggressive growth portfolios.

Where are we now? As of June, technology companies are reporting few signs of the downturn ending. Many are claiming that business has bottomed or will bottom in the next quarter or two, but they have little data to back this up. Technology suppliers are hoping that interest rate cuts will fuel an upturn in capital spending, but this will take time. Because technology stocks move so quickly and tend to anticipate fundamentals, investors haven't sold these stocks to anywhere near previous trough levels of valuation. Thus, by several measures, many of them continue to appear expensive.

In spite of its volatility, information technology is an important investment sector for social investors. It will continue to be a leading growth engine of the economy: Today technology represents over half of capital equipment spending and is credited with about two-thirds of the doubling of productivity growth improvement from the first half of the 1990s to the second half. Technology companies create opportunities for improvement in the quality of life on a global scale. In addition, because of their need to attract special skills and their growth rates, tech companies tend to be more progressive in their employment policies. Social investors have benefited in the past from having technology stocks as part of a diversified portfolio, and they will do so in the future as well.—EGorowitz

About Walden Asset Management

Walden Asset Management is the socially responsive investment division of United States Trust Company of Boston. 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.

For further information, contact Geeta Bhide Aiyer at (617) 726-7250.

About This Newsletter

This newsletter is designed to share our thinking about trends and issues in socially responsive investing and to generate dialogue with our readers. We invite you to comment on any article in the newsletter by calling your portfolio manager (617-726-7250) or by writing Heidi Soumerai, editor, at the following address: Walden Asset Management, 40 Court St., Boston, MA 02108. FAX: (617) 227-2690.

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CUTTING EDGE COMPANIES
Cytyc Corporation

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's clients.

There are 400,000 cases of cervical cancer diagnosed each year worldwide, according to the National Cancer Institute (NCI), with about 80 percent in developing countries. Cervical cancer is the second most common cancer among women after breast cancer. In the United States, there are about 60,000 new cases per year, with a disproportionate impact among women of color.

If detected early, cervical cancer is curable. The introduction of the Pap test (named for developer Dr. George Papanicolaou) in the late 1940s significantly increased detection of cervical lesions that may cause cancer. About 50 million women are now screened annually in the United States. In 1996, the U.S. Food and Drug Administration (FDA) approved Cytyc Corporation's ThinPrep Pap Test™ as "significantly more effective" than the conventional Pap test. ThinPrep produces a significantly lower rate of false negative results. By March 2001, ThinPrep accounted for 41 percent of Pap tests in the United States, reflecting steadily growing acceptance.

With the ThinPrep system, the collected sample is first rinsed into a vial of liquid solution by a physician, rather than smeared straight onto a slide. Proprietary ThinPrep equipment at the lab then homogenizes the sample. A filter collects the cervical cells on a slide for analysis by a cytotechnologist. Massachusetts-based Cytyc is working to develop an imager for ThinPrep Pap Tests to aid cytotechnologists in analysis of samples. Such imagers already exist for conventional Pap tests.

According to NCI, the leading cause of cervical cancer is believed to be sexually transmitted human papillomavirus (HPV). Sexual history (self and partner's), age, smoking and lack of medical screening are among additional risk factors. About *20 percent* of men and women carry HPV, which can be controlled but not cured. Most women with HPV do not develop cervical cancer. While HPV can cause genital warts, as well as vaginal, anal, and penile cancer, it is asymptomatic without a doctor's exam in most individuals, especially men. Unfortunately, the medical community treats HPV as a woman's disease: No HPV test has been developed for men, and vaccine tests under development are administered to women only.

Cytyc has partnered with Digene Corporation to combine HPV testing into the ThinPrep system, allowing for earlier prevention in women. Another Cytyc partner has developed a test for chlamydia and gonorrhea. Cytyc also sells the ThinPrep system for non-gynecological uses.

For more information about cervical cancer, see http://cancernet.nci.nih.gov, and for more information about women's health, see www.ourbodiesourselves.org.—KScott

Ken Scott is a research analyst and portfolio manager of Walden's Innovations portfolios.

ADR Holders, Shareholders or Not?

Walden, a lead proponent of the attempted filing of a BP Amoco resolution against drilling in the Arctic National Wildlife Refuge (ANWR), was among 2,000 shareholders attending the company's three-hour long Annual General Meeting (AGM) on April 19, 2001, in London. As shareholders filed in, they were greeted by a 14-foot antelope prop brought by U.S. PIRG and were handed protest leaflets from the Students for a Free Tibet and Greenpeace about PetroChina and climate change.

During the meeting, Walden's Lauren Compere questioned BP Amoco management's recent discriminatory actions toward the owners of BP American Depository Receipts (ADR) and beneficial owners of BP Ordinary shares who cofiled the Arctic resolution earlier this year. (ADRs are securities issued by a U.S. bank in place of the foreign shares held in trust by that bank. They are issued to facilitate the trading of foreign shares in U.S. markets. Beneficial owners of BP ordinary shares hold their shares through financial inter-

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ADR Holders

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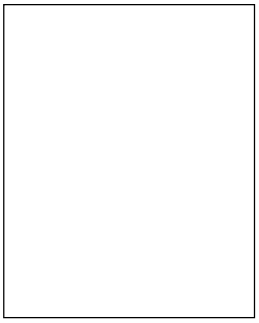
mediaries, or nominees.)

With nearly 150 cofilers signing on to the resolution, the coalition had well exceeded the requirement under British law that a proposal must have at least



Lauren Compere is a client relationship manager. She also helps coordinate our international proxy and shareholder advocacy initiatives.

100 proponents. However, BP successfully blocked the resolution, arguing that under U.K. Company Law, ADR holders and beneficial owners are not "members" in the company for the purpose of filing resolutions.

Walden also questioned why BP required shareholders to file a "special" versus "ordinary" resolution, which raised the required level of shareholder support from 50 percent to 75 percent. This requirement also changed the resolution from an advisory request (as is the case of most U.S. resolutions) to a binding instruction to management—in effect diluting shareholder support since most institutional investors will not support resolutions that bind management to a certain action.

Clearly, BP's legal and procedural tactics this proxy season may have already diminished its reputation as an industry leader interested in working constructively with all of its stakeholders. Additionally, if BP ADR investors come to be viewed as having different rights than BP Ordinary share investors, the company runs the risk that these shares may be priced differently by the market. This is especially significant for a global company like BP, with over 30 percent of its stock held in the form of ADRs. These issues should not only be of concern for social investors, but for all those investing in overseas markets through ADRs or financial intermediaries.

At the April AGM Peter Sutherland, BP's Chairman, committed to have BP management meet with Walden. Consequently, in early June Walden hosted a meeting with senior executives from BP's investor relations and corporate secretary's offices. The meeting also included representatives from the company's depository, J.P. Morgan, and several other concerned shareholders. — LCompere

Two shareholder resolutions, filed primarily by U.K. investors, did make it on BP's ballot this year. One resolution dealt with BP's investment in PetroChina and highlighted concerns over operations in Tibet. The other resolution challenged the substance of BP's climate change policies. The resolutions garnered 5% percent and 7% percent shareholder support, respectively.

Proxy Season 2001

This year, Walden filed more shareholder resolutions on more issues than ever before—32 resolutions in all. Walden has played a lead role in greater than half of these actions. While believe our advocacy leadership is attributable to the strength and experience of our research and advocacy team, our greatest successes come from working in and leading coalitions with like-minded shareholders such as religious investors, foundations and the City of New York. As evidenced below, companies take special notice of organized investor campaigns.

We should note that resolutions result only when we find companies' doors are closed to constructive discussion or when we reach an impasse. Many times, Walden arrives at an agreement before moving to file resolutions, or, we negotiate a withdrawal after filing but before company proxies are printed. These are among the most satisfying experiences even though the issues never reach the proxy ballot. — HSoumerai

Walden's 2001 Advocacy Program (Shareholder Vote Tallies)

The Environment

Recycling: Coca-Cola (5.1%), PepsiCo (8.1%)
Climate Change: Chevron (9.5%), Exxon-Mobil (13%)
Arctic National Wildlife Refuge: BP Amoco (company omitted)
Mercury Pollution: CVS*, Longs Drug Stores*
Genetically Modified Foods: Albertson's (6%), Kroger (awaiting tally), Tricon Global Restaurants*
Environmental Disclosure: Georgia-Pacific*

Diversity and Discrimination Issues

Report on Diversity: Home Depot*, Bank of America*, EMC (company omitted), WorldCom*
Sexual Orientation in Non-Discrimination Policy: AIG*
Predatory Lending: Citicorp*, Associates First*, Conseco (8%), Lehman Brothers*

Sweatshops/ Human Rights Overseas

Sweatshop/Vendor Standards: Jones Apparel Group*, Nordstrom (6.1%), Sears (awaiting tally), Wal-Mart (awaiting tally)
Fair Employment in Northern Ireland: TJX (awaiting tally)
Indigenous Rights: Occidental Petroleum (8.3%)
Lending Standards in Developing Countries: JP Morgan Chase (awaiting tally)

Corporate Governance

Tie Executive Compensation to Social Performance: AT&T (13%), Unocal (15.4%), Kohl's*
Fair Policy for Employee Retirement Benefits: IBM (14.7%)

Health

Health Risk Caused by Cigarette Filters: Eastman Chemical (awaiting tally)

*Resolution was withdrawn because company complied substantially with request.

Walden's Leadership Fosters Corporate Change

Victories in the 2001 Proxy Resolution Season

ISSUE	COMPANY	RESULT
Mercury Pollution: A dangerous neurotoxin, mercury pollution impairs fetal and child brain development through fish consumption. Improper disposal and breakage of mercury thermometers is a major pollution source.	CVS Longs Drug Stores	Companies agreed to phase out sale of mercury thermometers. Walden helped persuade other drug store chains to abandon mercury thermometers through dialogue.
Genetically Engineered (GE) Food: Scientific conclusions about the risks versus benefits of GE foods are uncertain. Long term safety testing of GE products is inadequate and consumers overwhelmingly want to know if GE ingredients are in their food.	Tricon Global Restaurants	Committed to explore this issue through a series of meetings with senior corporate staff knowledgeable about procurement and product development.
Recycling of Plastic Beverage Containers: Technology exists to reduce significantly plastic waste by using at least 25% recycled content in plastic containers. And overall beverage container recovery rates have declined from 50% in 1994 to 35% in 1999. In "bottle bill" states, rates are 80%, but companies oppose.	Coca-Cola PepsiCo	Coca-Cola has begun using 10% recycled content in about one-third of its containers, and has engaged stakeholders on a variety of recycling issues. In contrast, PepsiCo is largely unresponsive.
Drilling in the Arctic National Wildlife Refuge: Walden is co-leading an international shareholder effort to protect this environmentally sensitive national treasure. The initiative led to a challenge to shareholder rights under UK law when BP omitted our resolution from the ballot.	BP	Walden addressed concerns with BP Amoco at the annual meeting in the UK and is coordinating company follow-up with additional stakeholders on the rights of foreign (U.S.) shareholders to participate in the proxy process.
Equal Employment Opportunity (EEO): Despite recent progress in hiring and promoting women and people of color, senior management teams remain largely the domain of white men. Increased transparency on EEO policies, practices and results will help break glass-ceiling barriers.	Bank of America EMC Home Depot WorldCom	Bank of America, Home Depot and WorldCom committed to disclosure of EEO information. EMC is beginning a dialogue with Walden after mistakenly omitting our resolution in its proxy, a violation of securities law.
Predatory Lending: Higher rate "subprime" loans can be a legitimate option for individuals with higher credit risk. These lending practices become predatory when they exploit vulnerable populations, such as deliberately lending to borrowers with inadequate income who will subsequently default.	Lehman Brothers	Company shared its internal policies to avoid underwriting predatory loans. Walden is urging Lehman to make the standards public to encourage other underwriters to improve their own practices.
Executive Compensation: Investors are pressing companies to link senior executive compensation to financial *and* social performance indicators, thus committing managers to meet specific social goals.	Kohl's Department Stores	Led by religious investors, dialogue resulted in a commitment to include compliance with labor standards as a factor in determining executive compensation.
Sexual Orientation Non-discrimination: Studies reveal that gay men and lesbians continue to face significant harassment and discrimination at work. About half of major U.S. companies explicitly bar discrimination based on sexual orientation, a policy that leads to competitive advantages in recruitment and employee retention.	American International Group (AIG)	Successfully encouraged AIG to amend its policy to explicitly bar sexual orientation discrimination. AIG had been the largest U.S. financial services company not to have such a policy.
Human Rights and Global Labor Standards: Apparel retailers face growing pressure to take responsibility for ensuring that suppliers do not manufacture products under "sweatshop" conditions. Companies are urged to adopt International Labor Organization principles and to implement independent monitoring.	Jones Apparel	Walden was an active participant in discussions led by New York City pension funds in which Jones Apparel pledged to respect ILO principles, expand monitoring and continue dialogue.

Child Labor

(continued from page 1)

for years in confined, dimly lit workshops. Many develop respiratory illnesses, spinal deformities, and cuts and wounds from sharp tools. Not surprisingly, the United States is the largest importer of hand-woven carpets.

Beyond the enormous social cost of child labor, there is also a substantial economic cost. In the U.S., studies reveal that only 55 percent of child farmworkers finish high-school—the average level of education achieved for adult farmworkers is the fifth grade.[3] Surely, this is not just a U.S. phenomenon. Whether in U.S. fields or in India's carpet-belt, many child laborers, lacking enforced, legal protection and other options such as education, are destined to a lifetime of low-wage labor that can perpetuate the cycle of poverty through generations. Clearly, loss of education and its future benefits due to child labor is a global concern.

Investors Can Be Part of the Solution

Juan Somavia, Director General of the International Labour Organization, in his recent call to action to abolish child slavery stated that such activism "is moving into fair trade initiatives and socially responsible investment funds."[4] Walden has utilized shareholder leverage to confront exploitative child labor conditions since the mid-1990s. We have pursued dialogue and collaboration with a range of companies and social action groups. For example, Walden was the first investment firm to join the **Child Labor Coalition** (CLC), a national forum of more than 50 member organizations and federal agencies that works to combat child labor abuses through education and promotion of initiatives and legislation. (See www.stopchildlabor.org.)

Walden is in contact with global food companies to learn more about their vendor standards as they relate to child laborers on U.S. farms and African cocoa plantations. Our concern extends to children employed in other areas of the food industry such as poultry, seafood and meat processing, and canning of fruit and vegetables. We spoke recently with **Hershey's** and discussed its involvement in the work of the Chocolate Manufacturer's Association, a U.S. trade association that is exploring model practices for growing cocoa. **Cadbury Schweppes** told us about its Ethical Trading Working Group, which reports to its Board. Cadbury is also an active member of a steering group looking at child labor issues, which was organized by the international trade association the Biscuit, Cake, Chocolate and Confectionery Alliance in response to the cocoa plantation documentary mentioned above. A few days after it contacted Walden, Cadbury issued a public statement announcing its support for an international effort to stamp out child slavery on African cocoa plantations.

Walden is also an active member of the **Rugmark Foundation**, which has an established label licensing program for carpet manufacturers and exporters in return for their commitment to independent monitoring of facilities and financial support of Rugmark schools. Critics agree that independent monitoring of production sites is the most effective way to hold overseas producers accountable to the standards outlined in company codes of conduct. What makes Rugmark particularly exceptional is that it also works to reverse abusive child labor practices by taking children away from carpet looms, rehabilitating them, and sponsoring their education. (See www.rugmark.org.)

Walden is in contact with several retailers regarding carpet sales, among them **Federated Department Stores,** which informed us that it is having ongoing meetings with its carpet vendors to consider endorsing Rugmark. In addition, **Target Corporation** told us that the limited number of stores that carry hand-woven carpets carry Rugmark-labeled carpets. In fact, one of its carpet vendors is on the Rugmark board.

Spotlight on Child Labor

While exploitative child labor issues play a part in vendor standards, labor rights and sweatshops campaigns, Walden believes that the plight of children merits special attention. Clearly, most consumers would not consciously support a market for goods produced by the sweat and toil of children, but consumers need more information, which monitoring, reporting, and labeling can provide. Walden is actively working to increase the profile of the child labor issue among investment and social action groups, promote public awareness of child labor abuses and its use overseas, and confront companies where these abuses are known.— SHaug

[1] *Fingers to the Bone*. Human Rights Watch. June 2000.

[2] *Accident Facts*. National Safety Council. 1989.

[3] *Migrant Education: A Consolidated View*. Interstate Migrant Education Council. 1987.

[4] "What It Takes to Stop Slavery." *The New York Times*. 4/22/01.

The Carpet Slaves: Stolen Children of India

As part of Walden's work to raise awareness about the issue of child labor, we hosted in March the Boston screening of "The Carpet Slaves: Stolen Children of India," *the internationally acclaimed HBO/Cinemax documentary about exploitative child labor practices in the hand-made carpet industry in India. Our guest speaker was Nina Smith, Director of the* ***Rugmark Foundation USA****, which was highlighted in the documentary. Advocates believe that Rugmark-labeled carpets provide the best guarantee to consumers that children did not make the carpets and that contributions are being made to educate former child carpet weavers.*

Stefanie Haug is a socially responsive investment officer and participates in shareholder activism initiatives. Steff's work focuses on child labor, gender, and international issues.

Shared Interest Welcomes the African Century

by Donna Katzin

At midnight on the eve of the new millennium, when the rest of the world was lighting firecrackers and dancing in the streets, South Africa's president, Nelson Mandela, quietly lit a candle in his former prison cell on Robben Island. Carefully he handed it to the man who would succeed him, Thabo Mbeki, who placed it in the hands of a solemn group of South African children of all colors and sizes. More than a symbol of continuity, commitment and hope, it was the first glimmer of what has since been called "the dawning of the dawn" of the African Century.

The poignancy, potential, and power of that moment characterize South Africa's ongoing struggle to build an equitable new nation. As South Africa labors to overcome the inequalities inherited from its colonial and apartheid past, the economic and social fallout of globalization, and the specter of the HIV/AIDS pandemic—its grassroots communities are working with quiet determination to reconstruct themselves. Their vision was eloquently expressed by Mavis Makukukule, one of the pioneers of a new commercial sustainable agriculture project launched with the help of a Shared Interest guarantee, when she noted, "Our success will give a role model to those who never believed in themselves."

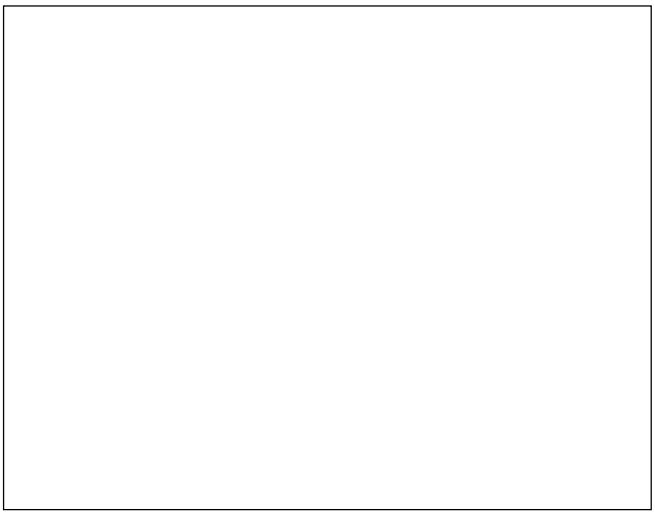
With the help of Shared Interest and its South African partner, the Thembani International Guarantee Fund, Mavis and her group of rural women in Northern Province embarked on a bold new venture: commercial farming. They worked with a community lending institution, the Bushbuckridge Local Business Service Centre (BLBSC), to secure the project prerequisites—land from traditional authorities (a significant precedent for rural women), training from neighboring Afrikaner farmers in the innovative appropriate technology of shade-cloth farming (a first in the area), and a loan from the Land Bank for a group project (which the bank would typically decline). One of the project's most notable precedents was the white farmers' agreement to place their training fees in escrow—to be used as security in the event that the new farmers had any difficulty repaying their loans.

In recent years, Shared Interest's work has spread to townships and rural communities across the country, and has begun to combine housing with economic development initiatives on a significant scale. Shared Interest's guarantee for loans by one financial institution—King Finance—to emerging contractors was designed to enable blacks with building skills to establish their own construction businesses for the first time and to take advantage of government contracts to build houses for people with monthly incomes below $100. Originally, Shared Interest extended a $750,000 guarantee that combined with several other guarantees to secure loans totaling $2.8 million to emerging contractors in the Free State Province. Within 18 months, King Finance recognized that the new borrowers were such good builders, business people, and clients that it extended $23 million in credit to similar builders in eight of the country's nine provinces. More than a new line of credit, this guarantee introduced King Finance to a new market.

Since it was established in 1994, Shared Interest has used the capital it borrows from Walden clients and other investors to guarantee South African bank loans to communities of color previously considered "unbankable." In the process it has helped create more than 5,000 very small businesses, 10,000 jobs and 25,000 houses—affecting the lives of more than 200,000 of South Africa's most economically marginalized people. It has also provided a means for socially responsible U.S. investors to help unlock the potential of South Africa's grassroots communities and lay the foundations for the African Century.

Donna Katzin is the Executive Director of Shared Interest. For more information about Shared Interest and the Thembani Fund, call 212-337-8547.

Through our Community Development Investment Service, Walden clients have invested $6.5 million in community development banks, credit unions, and loan funds. We are pleased to have included Shared Interest in this service.



Shared Interest

Mavis Makukukule, Chankie Chiloane, and Ruth Ubisi are three of BLBSC's new commercial farmers who have begun to set up their commercial farming project with the help of a Shared Interest guarantee.

After nearly five years, *Values* co-editor and social research analyst **Jane Chase** is leaving Walden to pursue graduate-level education. Jane is entering MIT's Department of Urban Studies & Planning, where she will concentrate on environmental policy and city design. Jane brought many extraordinary gifts to the Walden team—commitment, creativity, focus, insight and eloquent writing—and her achievements are certain to be felt for years to come. While she will be greatly missed, all of us at Walden, our clients, and her friends and colleagues in the social investment community, wish Jane the best and join her in celebrating this exciting endeavor.

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In April, Walden analyst **Ken Scott** made a presentation on socially responsive investing at the annual general meeting of Amnesty International USA (AIUSA). Ken, an AIUSA member for over ten years, spoke at a panel on Business and Human Rights. Other members of the panel included AIUSA staff and members of AIUSA's Business and Economic Relations Group. Ken described the tools for social change available to investors, and recommended steps that AIUSA could take to improve corporations' human rights practices.

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More recently, Ken made a presentation at Indigenous Peoples and Biotechnology—a roundtable discussion organized by First Peoples Worldwide, and co-sponsored by Walden and others. The discussion, which was hosted by New York University School of Law's Engelberg Center, brought together indigenous representatives, corporations, academics and social investors to discuss developing effective working relationships between indigenous peoples and pharmaceutical companies.

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This past June, **Tim Smith**, Director of Socially Responsive Investing, was a panelist at a conference hosted by the Harvard University Trade Union Program entitled Human Rights Dialogues with Corporations: Lessons and Rules of Engagement. Tim stressed the importance of cooperation among concerned investors and the broader human rights movement when advocating for corporate vendor standards and third-party monitoring.

More Information Available!

GMO Sleuth Handbook

What you should know about Genetically Engineered Foods and how to keep your kitchen GE-free. Published by Rural Vermont, February 2001. Walden Research Analyst, Steven Heim, helped organize research for this guide. Includes list of food manufacturers who are committed to using non-GE ingredients. Call Rural Vermont at 802-223-7222 to receive this $5 guide.

Lessons from Walden's International Social Investing and Advocacy

A review of Walden's international social investing and advocacy methods, includes a step-by-step approach for international shareholder advocacy. By Geeta Aiyer, President and Steven Heim, Research Analyst. Call Regina Morgan at 617-726-7259 to receive this informative report.

More information on Walden can be found on our web site: www.waldenassetmgmt.com.

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