



SOCIALLY RESPONSIBLE INVESTMENT ANALYSTS FIND MORE LARGE U.S. COMPANIES REPORTING ON SOCIAL AND ENVIRONMENTAL ISSUES

Study Finds Over 40 Percent of S&P 100 Index Companies Issuing Annual Reports on Corporate Social Responsibility; Growing Numbers Using “Global Reporting Initiative” Standard

BOSTON///July 11, 2006///A growing number of the largest publicly traded U.S. companies are reporting on their environmental and social performance, according to a new study by the Social Investment Research Analysts Network (SIRAN) conducted by the independent investment research firm KLD Research & Analytics, Inc.

SIRAN issued its first-ever analysis on the environmental and social reporting practices of companies in the S&P 100 Index a year ago in June 2005. For the 2006 analysis, KLD utilized SOCRATES, its proprietary research database, and conducted an independent review of the public websites of all S&P 100 companies to assess their disclosure of environmental, social and governance policies and performance. KLD also assessed each public report to examine the goals, benchmarking and indexing of key sustainability indicators. The latest study reflects company reporting practices for the period from June 2005 to May 2006. A summary of findings from the 2005 study and updated findings and company profiles for 2006 are available at www.siran.org/csr.php.

Among the new findings of the 2006 SIRAN study of how reporting practices have changed in the past year:

- More than three-quarters of the S&P 100 Index (79 companies) now have special sections of their websites dedicated to sharing information about their social and environmental policies and performance. This represents a 34% increase from last year, when 59 companies in the S&P 100 included this information on their websites.
- Overall, in the last year a dozen new companies issued corporate social responsibility reports for the first time, including Cisco Systems, General Electric, Time Warner, and Wells Fargo. Other members of the S&P 100, such as American International Group and Black & Decker, have pledged to issue their first reports later this year.
- Over a third of the S&P 100 Index (34 companies) say they base their CSR reports on a widely recognized external standard for reporting called the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines. This was up sharply from 2005, when 25 companies in the S&P based their reports on the GRI guidelines. The uptick reflects a concerted outreach effort by SIRAN members to promote reporting based on the GRI to the S&P 100. In 2006, 27 S&P 100 companies included an index

to GRI indicators in their reports, up from 23 in 2005. This year, six of the companies met the highest standard of reporting fully “in accordance” with the GRI guidelines.

- Forty-three companies in the S&P Index now issue annual corporate social responsibility (CSR) reports (up from the 39 companies in the S&P 100 that issued such reports for the 2005 study). Note that this net figure reflects both the addition of 12 companies that joined the ranks of CSR reporters in 2005, and the deletion of eight companies that have moved to web-based CSR reporting rather than issuing stand-alone reports, issued CSR reports in 2004 but not in 2005, or dropped out of the S&P 100.

“In 1988, when KLD started doing social and environmental research on companies there was virtually no transparency and disclosure on these issues,” says Eric Fernald, KLD’s Director of Research. “We are now seeing many of the top U.S. companies step up to the plate and respond to institutional investors’ demands for greater transparency. While there is still a long way to go in the quantity and quality of disclosure, if this trend continues, there will be a greater opportunity to assess the social and environmental goals and performance of America's blue chip companies.”

Institutional investors filed 19 shareholder proposals over the last year calling on companies to issue sustainability reports that detail their social and environmental performance. The proposals received record levels of support, including 48% in favor for a proposal filed at construction equipment manufacturer Terex.

Steve Lippman, Vice President of Social Research at Boston-based Trillium Asset Management Corporation explains, “A growing number of investors recognize that how companies manage environmental and social challenges can affect their business and their stock price. That’s why we’d like to see all of the S&P 100--and all publicly traded companies--putting out sustainability reports just as they put out annual reports.”

About KLD Research & Analytics, Inc.

KLD Research & Analytics, Inc. is an independent investment research firm providing investment management tools used by professionals to serve clients requiring investment strategies based on social and environmental responsibility. Since 1988, institutional investors, managers, trustees, consultants and advisors have depended on the quality and expertise of KLD. Institutional money managers worldwide use KLD's research to integrate environmental, social and governance factors into their investment decisions. KLD products and services, including SOCRATES (a web-based, company research tool) are used for screening, compliance and asset gathering. For more information, see www.kld.com.

About the Social Investment Research Analyst Network (SIRAN)

SIRAN is an analyst network that supports more than 150 North American social research analysts from 30 investment firms, research providers, and affiliated investor groups, and is a working group of the Social Investment Forum. The Social Investment

Forum is a national nonprofit membership organization that promotes socially responsible investing. For more information, see www.siran.org and www.socialinvest.org.

About the Global Reporting Initiative (GRI)

The GRI is an independent institution that has developed standardized sustainability reporting guidelines with the active participation of representatives from business, accounting, investment, environmental, human rights, research and labor organizations from around the world. GRI indicators include measures of economic performance (such as community donations); environmental performance (such as greenhouse gas emissions and water use); labor practices (such as worker health and safety and diversity); human rights (such as policies around child labor and indigenous rights); society (such as community impacts, bribery, and political contributions); and product responsibility (such as customer health and safety, advertising, consumer privacy). For more information, see www.globalreporting.org.

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