

# **UNEP FI PENSION FUND ROUNDTABLE**

**PARIS  
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**"IMPLEMENTING RESPONSIBLE INVESTMENT"**

**BARBARA KRUMSIEK  
President & CEO  
Calvert Group, Ltd.**

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## **IS SHAREHOLDER ENGAGEMENT MAKING A REAL DIFFERENCE ON CORPORATE BEHAVIOUR?**

### **1. SRI strategies - SRI comprises three main strategies:**

- a. Social screening
- b. Community investment
- c. Shareholder engagement– the focus of this presentation.**

### **2. Objective of shareholder engagement**

The objective of shareholder engagement is to encourage companies to adopt higher standards of social and environmental responsibility.

- Calvert's shareholder engagement activities are a product and an extension of our financial analysis and social screening process.
- When we decide to invest in a company, it is because we believe that the company has already achieved acceptable standards of social and financial performance.
- But we also believe that we may have the opportunity to make the company even stronger through shareholder engagement.
- So we engage with the company's management to improve their behavior by setting higher benchmarks.
- The goal is to encourage more socially responsible corporate behavior, because we believe there is a strong correlation between strong social and environmental performance and strong financial performance.

### **3. Forms of shareholder engagement**

At Calvert, our shareholder engagement takes many forms:

#### **Dialogue with company managers**

- We initiate conversations with management as part of our social research process. After we've become a shareholder, we continue the dialogue through phone calls, letters and meetings. Through our interactions, we

learn about management's successes and challenges and try to press for improvement in specific areas of concern.

### **Proxy voting**

- As a shareholder, we have an annual opportunity to express our views on issues of corporate governance and social responsibility at annual stockholder meetings.
- We take our responsibility seriously and vote all proxies consistent with the financial and social objectives of our Funds.

### **Shareholder resolutions**

- In 1986, Calvert Social Investment Fund (CSIF) became the first mutual fund to file a shareholder resolution (Angelica Corporation on labor-management issues.)
- Today, we continue to propose shareholder resolutions on a variety of issues that concern us. We file shareholder resolutions only when our dialogue with corporate managers is unsuccessful in persuading a company to take action. In most cases, our efforts have led to negotiated settlements with mutually beneficial results for shareholders and companies.

## **4. Calvert's record of shareholder engagement**

At Calvert, we have used shareholder engagement to promote change on a variety of issues.

### **Calvert 2002-2003 Proxy Season**

- Calvert filed 20 resolutions, **nine on board diversity**.
- Three were successfully withdrawn, and on the remaining six, we received an average vote of support of 27%.
- Two companies adopted Calvert's Model Charter Language (WebMd and Patterson Dental).
- Two companies appointed their first female or minority director (Gentex, Moxlex).

### **Calvert 2003-2004 Proxy Season**

- Calvert **filed 33 resolutions, ten on board diversity**.
- Six were successfully withdrawn, and three are still pending a vote.

- One has gone to vote and received a 7.18% vote of support (Danaher Corporation designs, manufactures, and markets industrial and consumer products).

## Promoting sustainability

- Calvert successfully withdrew nine resolutions requesting that companies create sustainability reports according to GRI Guidelines. Sustainability reports greatly facilitate in assessing a company's environmental and social risk. The Global Reporting Initiative (GRI) is an international standard-setting organization that has developed a set of Guidelines for voluntary reporting by corporations and other organizations on the economic, environmental and social impacts of their operations.

Calvert successfully **withdrew resolutions** from the following companies that agreed to our request:

- Terex<sup>1</sup>
- Visteon<sup>2</sup>
- Chesapeake Energy<sup>3</sup>
- Pioneer Natural Resources<sup>4</sup>
- EOG Resources<sup>5</sup>
- York<sup>6</sup>
- XTO<sup>7</sup>
- Genuine Parts<sup>8</sup>
- Masco<sup>9</sup>

**Votes of support** on the resolutions that have not been withdrawn include:

- Ryland Group<sup>10</sup> -- 42.2%
- NVR, Inc.<sup>11</sup> -- 23%
- MDC Holdings<sup>12</sup> -- 22.3% (vote not officially presented)
- AGCO Corporation<sup>13</sup> -- 38.3%
- Cooper Cameron<sup>14</sup> -- 30%

## Promoting board diversity

- Calvert successfully withdrew six resolutions after companies took reasonable steps to ensure that women and minority candidates will be routinely included in each and every board search the company undertakes to fill director positions.

- The companies are were also encouraged to expand their existing Board Nominating and Governance Charters to include language on diversity embodying Calvert's Model Language on Board Diversity.

Calvert successfully **withdrew resolutions** from the following companies that agreed to our request:

- Smith International<sup>15</sup>
- FMC Technologies<sup>16</sup>
- Grant Prideco<sup>17</sup>
- Kinder Morgan<sup>18</sup>
- North Fork Bancorp<sup>19</sup>
- American Power Conversion<sup>20</sup> (co-filed with the State of Connecticut)

**Votes of support** on the resolutions that have not been withdrawn include:

- Danaher<sup>21</sup> – 7.1%
- Swift Transportation<sup>22</sup> – 6.7%

## **Promoting sound business practices and public policies**

**Gillette:** A resolution from Calvert and Walden Asset Management asking Gillette<sup>23</sup> to declassify its board elections received a vote of 68%. Declassification means that Gillette would vote on each director annually, rather than in a staggered fashion. Annual elections of board members make it easier for shareholders to remove ineffectual board members.

**Time Warner:** A resolution from Calvert and Christian Brothers Investment Services, Inc., asking Time Warner<sup>24</sup> to address executive compensation received a vote of 8.2%. The company was asked to initiate a study of the disparity between the total compensation of top executives and the company's lowest paid workers. In addition, the resolution asked the company to consider adjusting executive pay, or the level of pay of the lowest paid workers, particularly in light of recent, sizable layoffs.

- **Promoting environmental protection**

**Weyerhaeuser:** Calvert filed a shareholder resolution asking Weyerhaeuser<sup>25</sup> to develop policies to prevent the destruction of old growth and endangered forests. The resolution received a 4.64% vote in support.

Calvert withdrew its resolution after Pulte Homes agreed to develop a smart-growth policy to address the increasing problem of urban sprawl.

- **Promoting indigenous peoples' rights**

A resolution with Calpine<sup>26</sup> on indigenous peoples' rights received a vote of 4.34 %. The resolution requests that the company cease and desist development in the Medicine Lake Highlands, an area sacred to the Pitt River Tribe. Also, it asked that Calpine develop, implement and publish a written policy on the rights of indigenous peoples.

## 5. Impact of shareholder engagement

So that's an overview of how shareholder engagement works.

**The question is, How well does it work? Does shareholder engagement really succeed in improving corporate behavior?**

The definitive evidence will emerge over time, but right now there is **anecdotal evidence**.

**Here are some examples.**

### **Example #1 – The Gap<sup>27</sup>**

- **General issues regarding sweatshops**

Calvert is concerned about substandard working conditions in supplier factories for the apparel and footwear industry. Issues include child labor, forced labor, harassment, suppression of freedom of association, and overtime wage violations.

While many major retailers have developed codes of conduct, not all have compliance programs. Those that have such programs have not previously shared meaningful data about their claims, so it is therefore very difficult to determine compliance with these codes.

- **The Gap Social Responsibility Report**

**On May 12, 2004, Gap Inc. released its Social Responsibility Report marking the first time a clothing retailer has publicly disclosed the way its overseas facilities treat employees.**

The Report ranks suppliers by compliance with Gap's supplier code of conduct, provides regional compliance indicators, and discusses issues central to non-compliance.

Calvert has been in dialogue with Gap for about five years. For the past two years, Calvert advised Gap management on the Report as part of the Public Reporting Working Group, which includes Domini Investments; As You Sow; Center for Reflection, Education, and Action; and the Interfaith Center for Corporate Responsibility.

- **Gap's key findings**

With revenues of \$15.9 billion and over 300,000 employees worldwide, Gap leads the US apparel sector and has contracts with over 3,000 factories globally.

Gap collected monitoring data on all 3,000 approved facilities, and factory ratings for 241 factories in 6 countries.

90% of the factories evaluated by Gap failed their initial inspection;

About one-third of the factories Gap examined comfortably met Gap's criteria, another third had barely acceptable conditions, and the final third missed the minimum standards.

The most frequent violations had to do with health and safety, and local law.

Gap's supplier monitoring program focuses on remediation, because its suppliers produce for multiple apparel companies and would likely move their capacity to different clients rather than improve conditions.

Gap nonetheless terminated contracts with 136 factories where it found conditions deemed beyond remediation.

- **Gap's country-specific findings**

Because factory owners sometimes try to hide violations, Gap emphasizes training for factory managers. However, due to regional differences, the training varies from one site to another.

The report notes that 10-25% of workers in China, Taiwan, and Saipan have been harassed and humiliated.

Less than half of the factories in sub-Saharan Africa have adequate worker safety regulations and infrastructure.

In Mexico, Latin America, and the Caribbean, 25-50% of the suppliers fail to pay even the minimum wage.

- **Impact of the Gap report**

Increased transparency and disclosure are crucial in measuring a company's commitment to raising human rights standards and improving the lives of workers.

Gap's report is an important first step in the direction of a model format that other companies can adapt.

The Working Group plans to encourage other retailers to publicize this kind of information.

### **Example #2 – Dell<sup>28</sup>**

**A coalition of investors led by Calvert and As You Sow Foundation** achieved a key milestone in their electronic waste initiative, as Dell Inc. became the first U.S. computer company to publicly release a global recycling goal. Dell's goal commits the company to recycling 50% more used and obsolete computer equipment in its 2005 fiscal year than it did in fiscal 2004.

### **Example #3: Pulte Homes<sup>29</sup>**

- The homebuilding industry has enjoyed considerable financial success during the past decade as the number of homeowners in the country has grown.
- While increasing home ownership is a positive development, there have been costs imposed by the resulting suburban sprawl.
  - Sprawl diminishes the quality of life and the environment by depleting natural ecosystems, farms, and forests that preserve a connection to natural systems, provide natural filters for air and water, and reduce the solar reflectivity that results in urban heat islands in summer.
  - Sprawl exacerbates and concentrates poverty in cities by pulling resources out of urban areas, and contributes to local air pollution and climate change by increasing dependence on automobiles.
- Smart growth is an alternative to scattered development.



- Smart growth practices make more efficient use of existing infrastructure, and promote social equity and environmentally responsible development.
  - Forward-looking home builders take smart growth seriously. The National Association of Homebuilders (NAHB) predicts an increasing demand for compact, walkable residential environments as the population ages and the number of children per household falls.
  - According to "Emerging Trends in Real Estate 2002," by Pricewaterhouse Coopers and Lend Lease Real Estate Investments, neighborhoods that integrate commercial, retail, and residential services along with parks and streets with sidewalks are better investments than neighborhoods of disconnected subdivisions and shopping strips accessible only by car.
  - The EPA has weighed in with similar principles, also emphasizing the importance of a variety of transportation options, balanced regional development, preservation of natural beauty and critical environmental areas, and the need for citizen participation in development decisions.
- In 2003, Calvert asked Pulte Homes to adopt smart growth principles as a guide to its homebuilding operations. Pulte responded to Calvert's concerns by developing a policy called *Live-Work-Play*, which incorporates smart growth principles and demonstrates a willingness to address the problems associated with suburban sprawl.
  - Adoption of a smart growth policy will benefit Pulte Homes by positioning the company to take advantage of real estate trends and changing demographics. Based upon discussions with Pulte and its commitment to begin implementing this program, which the company will release later this year, Calvert withdrew its shareholder resolution.
  - Calvert will continue to work with Pulte as it adopts its *Live-Work-Play* policy. We believe that by working to address these issues, Pulte Homes will establish itself as a leader in innovative homebuilding that promotes social equity and is environmentally responsible.

## The indirect impact of SRI/shareholder engagement

- These examples show that companies will respond positively to direct requests from shareholders to modify their business practices. But SRI and shareholder engagement are also indirectly affecting corporate conduct.
- Today, in part because of the growing influence of SRI, business leaders are beginning to look at their operations from a new perspective and with a new sense of intention.
- Indeed, our entire business culture is beginning to change. The growing concern for diversity in the workplace is one manifestation of that change. The growing concern for environmental responsibility in the corporate world is another.
- The ability of the federal government to produce new environmental regulation has slowed to a snail's pace, often requiring a crisis to precipitate action.
- What we are seeing is that business leaders are seeking to achieve environmental objectives in the absence of mandatory environmental requirements and direct shareholder action.
  - **Baxter:** Between 1997 and 2002, for example, Baxter reduced its emissions of air toxics by 81%, its energy use by 19%, its packaging by 15%, and its water use by 9%.<sup>30</sup>
  - **Whirlpool's** line of household products generates sales of over \$11 billion while also exceeding energy efficiency standards by 40%. And this was without a regulatory mandate.<sup>31</sup>
- Many corporations are also making excellent progress toward the goal of reducing greenhouse gas emissions.
  - The ranks of companies that have undertaken and are meeting goals to reduce greenhouse gas emissions include **BP, Shell, Staples, DuPont, Ford, Intel**, and scores of others, from the world's largest corporations to some so small that few of us have heard of them.
- Almost all of this progress was undertaken on principle, rather than as a result of regulation.
- Certainly, the prospect of future regulation is driving some of these decisions, but corporate values supporting responsible citizenship have been a much more powerful impeller.

- And SRI and shareholder engagement deserve some credit for creating a new business culture in which corporations realize that responsible citizenship is both necessary and possible.

## **6. Conclusion**

- I would like to emphasize again that these examples provide anecdotal evidence only. A true picture of the impact of shareholder engagement awaits definitive study.
- At the same time, however, we should not minimize the significance of these examples.
- To some, it may seem that, as long as SRI investors remain a minority, SRI can never produce significant changes to our system.
- My first response to this observation would be to note that SRI and shareholder engagement are on the rise, in the US and around the world. And their impact will expand as the ranks of SRI investors expand.
- More to the point, however, I challenge the whole assumption that the impact of SRI is somehow dependent on how widely SRI is practiced.
- As one who works in the front lines of SRI on a daily basis, I can assure you that SRI—via its three basic strategies, social screening, community investment, and shareholder activism—is having a real impact on real lives right now.
- Clearly, SRI and shareholder engagement are making a real difference.

# ***SUPPLEMENTALS***

## **U.S. INVESTOR ATTITUDES TOWARD GOVERNANCE**

### **Study finds that investors do value ethics**

- 81% agreed that “more and more companies are lacking corporate integrity.”
- 84% agreed that “in the long run, companies with high ethical integrity represent better investments.”

### **Investors were also asked to identify most effective ways to protect themselves:**

- 86% chose “doing more research on the companies they invest in.”
- 81% chose “investing in mutual funds that only select companies with ethical business practices.”

Source: Calvert commissioned study Neuwirth Research 2003

### **Investor Confidence Survey**

We wanted to determine just how the scandals have affected how investors think about investing, so we commissioned a well-known U.S. research firm (Harris Interactive) to conduct a survey on investor confidence.

Harris conducted a total of 600 phone interviews in November 2003. The survey examined investors’ concerns about corporate responsibility and ethical business practices and their interest in mutual funds that consider ethics when making investment decisions.

### **Highlights include:**

#### **Decline in Investor Confidence**

One of the key findings of the survey was that investors have become less confident in corporate management, the markets, and mutual funds during the past two years:

- 77% are less confident about the trustworthiness of corporate management.
- 59% are less confident about the safety of financial markets.

-45% are less confident about mutual fund integrity.

### **Widespread Investor Uncertainty**

In addition to having less confidence in corporations, the markets, and mutual funds, investors also lack confidence in their own ability to evaluate a company's ethics.

The survey also found that most investors feel ill equipped to identify companies that engage in unethical business practices.

- 78% feel that they are "not at all" or "just slightly equipped" to identify companies engaged in unethical practices.

## **WHY PENSIONS NEED TO CARE ABOUT INVESTMENT SELECTION**

As a member of a pension scheme, you are also a shareholder of the companies in which your scheme chooses to invest. Your pension scheme buys shares on your behalf with the contributions you and your employer make.

There is growing recognition that social and environmental performance of a company can affect its risk profile and reputation, and therefore the value of its shares and business prospects. Influencing the investment policies of your scheme can therefore be a major opportunity to affect the behavior of these companies.

Showing an interest in any aspect of your fund helps to ensure the trustees, investment managers and administrators are accountable to the pension scheme members. It can encourage attentive investment selection, reduce the risk of poor decisions and may improve the fund's chances of good investment growth.

**-- Source: EIRIS (Ethical Investment Research Service)**

## GLOBAL SOCIAL INVESTING TRENDS

### Canadian Want Responsible Investing, Responsible Business

#### **Canadians expect businesses to pursue social responsibilities, not just profits**

Vector Research found that 72% of Canadians (and 74% of shareholders) expect business to pursue social responsibilities, not just profits. 51% of respondents (and 54% of shareholders) indicated they would prefer a pension plan that invested in companies with a good record of social responsibility – even if it resulted in somewhat lower benefits to themselves.

Source: Canadian Democracy & Corporate Accountability Commission, 2002

#### **Canadians interested in ethical mutual funds**

A 53% majority of Canadians say they are “very interested” (11%) or “somewhat interested” (42%) in ethical mutual funds—even when cautioned that such funds may provide a lower rate of return than conventional mutual funds.

Source: Dan Rath, the Ideation Group, 1999

#### **Canadians say corporate responsibilities extend beyond profits**

Environics found that 88% of Canadians said the role of large corporations in society amounted to more than making a profit, paying taxes, creating jobs and obeying all laws. This response rate was second only to that of Australia amongst the 23 countries in which the poll was conducted.

Source: Environics, May 1999

### Social Investments Deliver Competitive Performance

#### **Canadian Social Index outperforms**

From its inception in January 2000 through October 31, 2003, the Jantzi Social Index (JSI) gained 2.36%, while the S&P/TSX 60 lost 6.92%. This socially screened stock index is modeled on the S&P/TSX 60 and was designed to generate data on the effects of social screening on financial performance in Canada.

Source: Michael Jantzi Research Associates press release November 4, 2003

#### **Environmental screens create higher returns**

In a study by Innovest Strategic Value Advisers and QED International, an equally weighted portfolio of top-ranked companies outperformed an equally weighted portfolio of all companies tracked by Innovest by 3.13% on annualized basis for the five years ending Dec. 31, 2001. In environmentally sensitive industries, top-ranked stocks outperformed bottom-ranked stocks by 5.49%.

Source: Innovest, 2002

### **Ethical mutual funds keep up with conventional funds**

Dutch researchers who studied more than 100 social investment mutual funds from the U.K., Germany and the U.S. over the period from 1990 to 2001 found “little evidence of significant differences in risk-adjusted returns between ethical and conventional funds.” The authors won the 2002 Moskowitz Prize for outstanding research in socially responsible investing from the Social Investment Forum.

Source: [www.socialinvest.org/areas/research/](http://www.socialinvest.org/areas/research/)

Two-thirds of those funds with a socially responsible investment principles in their SIP (statement of investment principle) have included this principle in the investment management agreement with the fund’s investment managers

Three-quarters of the pension funds engage with companies (73%). Just under half (46%) of these have written guidelines outlining the scope, aim and objectives of engagement activity.

Source: EIRIS 2002/2003

## **SOCIAL INVESTING TRENDS IN THE U.S.**

### **Social investment mandates grow assets while broader industry declines**

Assets in U.S. socially screened portfolios climbed to \$2.15 trillion in 2003, an increase over the \$2.01 trillion counted in 2001. Screened portfolios grew 7% from 2001, while the broader universe of all professionally managed portfolios fell 4% during the same period.

Source: Social Investment Forum news release, Oct 29, 2003

### **Social investments outperform**

Social investment mutual funds in the U.S. continued delivered strong performance during the first half of 2003. Sixteen of the 21 screened funds (76%) with \$100 million or more in assets achieved the highest rankings for performance from either or both Morningstar and Lipper for the one- and/or three-year periods ending June 30, 2003. Of the broader universe of 52 socially screened funds with a three-year performance record, fully two-thirds (67%) received the highest marks from either Lipper or Morningstar. By comparison, Morningstar reports that 32.5% of all mutual funds it tracks received a ranking of four or five-stars.

Source: Social Investment Forum news release, July 29, 2003

**Nearly one out of every eight dollars under professional management in the United States today is involved in socially responsible investing.** The \$2.34 trillion managed by major investing institutions, including pension funds, mutual fund families, foundations, religious organizations, and community development financial institutions, accounts for nearly 12 percent of the total \$19.9 trillion in investment assets under professional management in the United States, according to the 2001 Nelson's Directory of Investment Managers.

**Social investing is growing rapidly in the United States:**

- In 1984, the Social Investment Forum conducted the first industry-wide survey to identify assets involved in social investing and found a total of \$40 billion.
- In 1995, the Forum conducted a follow-up study and found that the assets involved in socially responsible investing had grown to \$639 billion.
- In 1997, the Forum found that social investing had grown to \$1.18 trillion, led by substantial growth in social screening and shareholder advocacy.
- In 1999, the Forum found that social investing experienced continued rapid growth, nearly doubling to the \$2.16 trillion mark.
- In this 2001 survey, the Forum found that social investing rose to \$2.34 trillion, despite an extended market downturn for most of the two-year period since the publication of the 1999 study. The primary driver for this growth is the total assets under management in portfolios screened for socially concerned investors, which climbed 36 percent from \$1.49 trillion in 1999 to \$2.03 trillion in 2001.



For more complete information, including sales charges and expenses on Calvert mutual funds, visit [www.calvert.com](http://www.calvert.com) for a free prospectus. Read it carefully before investing.

Calvert mutual funds are underwritten and distributed by Calvert Distributors, Inc., member NASD, a subsidiary of Calvert Group, Ltd., #5024 (6/04).

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## Footnotes:

- <sup>1</sup> As of 04/30/04, Terex represented 0.19% of Calvert Social Investment Fund (CSIF) Balanced Portfolio; 0.52% of Calvert Enhanced Equity Fund; 0.02% of Calvert Social Index Fund.
- <sup>2</sup> As of 04/30/04, Visteon represented 0.02% of Calvert Social Index Fund.
- <sup>3</sup> As of 04/30/04, Chesapeake Energy represented 0.68% of Calvert Large Cap Growth Fund; 0.86% of Calvert Enhanced Equity Fund.
- <sup>4</sup> As of 04/30/04, Pioneer Natural Resources represented 0.06% of Calvert Enhanced Equity Fund; 0.06% of Calvert Social Index Fund.
- <sup>5</sup> As of 04/30/04, EOG Resources represented 0.06% of CSIF Balanced Portfolio; 2.06% of CSIF Equity Portfolio; 0.09% of Calvert Social Index Fund.
- <sup>6</sup> As of 04/30/04, York represented 1.58% of Calvert Capital Accumulation Fund; 0.02% of Calvert Social Index Fund.
- <sup>7</sup> As of 04/30/04, XTO represented 0.30% of Calvert Social Index Fund.
- <sup>8</sup> As of 04/30/04, Genuine Parts represented 0.08% of Calvert Enhanced Equity Fund; 0.09% of Calvert Social Index Fund.
- <sup>9</sup> As of 04/30/04, Masco represented 2.37% of CSIF Bond Portfolio; 0.94% of CSIF Balanced Portfolio; 0.43% of Calvert Enhanced Equity Fund; 0.18% of Calvert Social Index Fund.
- <sup>10</sup> As of 04/30/04, Ryland Group represented 0.03% Calvert Social Index Fund.
- <sup>11</sup> As of 04/30/04, NVR Inc represented 0.55% of CSIF Balanced Fund; 1.29% of Calvert Enhanced Equity Fund; 0.04% of Calvert Social Index Fund.
- <sup>12</sup> As of 04/30/04, MDC Holdings represented 0.03% of Calvert Social Index Fund
- <sup>13</sup> As of 04/30/04, Agco Corporation represented 0.02% of Calvert Social Index Fund
- <sup>14</sup> As of 04/30/04, Cooper Cameron represented 0.02% of Calvert Social Index Fund
- <sup>15</sup> As of 04/30/04, Smith International represented 0.43% of CSIF Balanced Portfolio; 0.98% of Calvert Enhanced Equity Fund; 0.07% of Calvert Social Index Fund.
- <sup>16</sup> As of 04/30/04, FMC Technologies represented 0.02% of Calvert Social Index Fund.
- <sup>17</sup> As of 04/30/04, Grant Prideco represented 0.02% of Calvert Social Index Fund.

- <sup>18</sup> As of 04/30/04, Kinder Morgan represented 0.54% of CSIF Balanced Portfolio; 1.24% of Calvert Enhanced Equity Fund; 0.74% of Calvert Large Cap Growth Fund; 0.11% of Calvert Social Index Fund
- <sup>19</sup> As of 04/30/04, North Fork Bancorp represented 3.18% of Calvert New Vision Small Cap Fund and 0.08% of Calvert Social Index Fund.
- <sup>20</sup> As of 04/30/04, American Power Conversion represented 0.05% of Calvert Social Index Fund.
- <sup>21</sup> As of 04/30/04, Danaher represented 0.30% of CSIF Balanced Portfolio; 0.40% of Calvert Enhanced Equity Fund; 1.29% of Calvert Capital Accumulation Fund; 1.20% of Calvert Large Cap Growth Fund; 0.21% of Calvert Social Index Fund.
- <sup>22</sup> As of 04/30/04, Swift represented 0.01% of Calvert Social Index Fund.
- <sup>23</sup> As of 04/30/04, Gillette represented 0.54% of CSIF Balanced Portfolio; 1.22% of Calvert Enhanced Equity Fund; 0.59% of Calvert Social Index Fund.
- <sup>24</sup> As of 04/30/04, Time Warner represented 0.55% of CSIF Balanced Portfolio; 1.44% of Calvert Enhanced Equity Fund; 0.19% of Calvert Social Index Fund.
- <sup>25</sup> As of 04/30/04, Weyerhaeuser represented 0.23% of CSIF Balanced Portfolio; 0.51% of Calvert Enhanced Equity Fund; 1.29% of Calvert Capital Accumulation Fund; 0.19% of Calvert Social Index Fund.
- <sup>26</sup> As of 04/30/04, Calpine represented 0.03% of Calvert Social Index Fund.
- <sup>27</sup> As of 4/30/04, GAP represented 0.21% in CSIF Balanced Portfolio; 0.53% of CSIF Enhanced Equity Fund; 0.3% of Social Index Fund; 1.10% of Calvert Large Cap Growth Fund.
- <sup>28</sup> As of 4/30/04, Dell represented 0.92% in CSIF Balanced Portfolio; 2.54% of CSIF Equity Fund; 1.45% of Enhanced Equity Fund; 1.26% of Social Index Fund.
- <sup>29</sup> As of 04/30/04, Pulte Homes represented 0.07% of CSIF Balanced Portfolio; 0.09% of Calvert Social Index Fund.
- <sup>30</sup> Baxter International Inc. *Sustainability Report 2002*, page 39.
- <sup>31</sup> The 2002 Whirlpool Corporation Annual Report and Calvert estimates taken from PR Newswire, September 8, 1997, company history in 1990s from the Whirlpool company website, and Professional Builder (1993), March 1, 2001.