

SAMPLE LETTER

May 7, 2009

Investor request for information regarding management of US employee relations, in light of the proposed Employee Free Choice Act legislation

CEO/President
General Counsel
COMPANY

Dear CEO/President & General Counsel,

The undersigned investors, representing total assets under management of some US \$757 billion, are all signatories of the United Nations-sponsored Principles for Responsible Investment (PRI)¹. The PRI is a network of investors who recognize that environmental, social and governance issues can have a significant impact on long-term financial returns. In this respect, we are writing to engage in dialogue with your company on its management of employee relations and labor rights, and specifically to better understand the company's position, workplace policies and responses to proposed legislation known as the Employee Free Choice Act (bills S. 560 and H.R. 1409).

As global investors, we recognize that constructive and positive labor relations are critical to a company's long-term success. They can improve worker productivity and effectiveness, as a result of greater trust, loyalty and buy-in, as well as enable the company to attract and retain skilled staff, which in turn can feed into corporate innovation. Companies often state that "...employees are our greatest assets," yet few effectively disclose their strategies to attract, retain and build on this in a way which feeds directly into business strategy, and ultimately, business success.

One critical aspect of employee management is a company's relationship with labor unions and its policies and practices regarding union organizing drives, elections and collective bargaining. The freedom to form or join a union of one's choice or not, and to bargain collectively for the terms of one's employment, are fundamental human rights that we as global investors recognize and respect. These rights are enshrined in several internationally accepted sets of standards, such as the UN Universal Declaration of Human Rights and the Core Conventions of the International Labor Organization (ILO). Human rights organizations have pointed with concern to critical gaps between US law and the ILO conventions², a gap that, in our view, can create risks for both employees and employers. This, coupled with the widespread debate over the Employee Free Choice Act, has highlighted for us the real need to better understand how your management procedures seek to protect and enhance your employees' workplace rights.

Although the Employee Free Choice Act (EFCA) is currently proposed legislation, there are some indications that the Act could be passed in the coming year. President Barack Obama has also voiced strong support for the legislation. At minimum, there will be robust debate by corporate managers, economists, legislators and labor unions on the merits of the Act. In that spirit, we believe that it is

¹ For more information, please see: <http://www.unpri.org>.

² One such source is Human Rights Watch, *Unfair Advantage: Workers' Freedom of Association in the United States Under International Human Rights Standards*, August 2000.

prudent for companies headquartered or operating in the US to begin to prepare for its potential passage, and to evaluate current policies and practices in light of the Act and the issues it raises. Please note that, although individual investors represented in this letter may have taken a view on the legislation, the group as a whole has itself not formulated an official position.

We are writing to members of the S&P 100 Index to request information on how each company is managing labor union and employee relations issues highlighted by the legislation, and how companies are addressing the rights of its employees in terms of fair representation, protection from discrimination, freedom of association and the right to collective bargaining, and employee input on corporate procedures and strategy. More specifically, we would appreciate your responses to the following questions:

- 1) **Commitments:** What international standards and codes (e.g., the ILO's Core Conventions, and/or the Universal Declaration of Human Rights or similar globally-recognized labor norms) has the company publicly endorsed, related to freedom of association and the right to collective bargaining? Additionally, have these commitments been applied globally to employees, as well as to suppliers and joint ventures through contracts or a code of conduct?
- 2) **Management Systems:** What policies and systems does the company have in place to implement, audit and monitor labor standards compliance? More specifically, how do you protect employees in exercising their rights to freedom of association and collective bargaining in the US? How does the company report on these systems?
- 3) **Employee Engagement:** How often are non-executive employees surveyed about their job satisfaction, suggestions or concerns? What mechanisms does the company employ to gather and process employee feedback in order to flag emerging risks and to incorporate innovative ideas and efficiencies?
- 4) **Preparation and Planning:** What actions has the company undertaken to date, if any, to assess the potential business impacts of the EFCA legislation? Is employee and union dialogue (if applicable) a part of this review process?
- 5) **Policy:** Has the company formalized a public policy position on the legislation (please clarify whether this is for, against, or neutral), and if so, what activities are planned to communicate your views to shareholders, stakeholders and legislators?
- 6) **Political Engagement:** Has the company engaged in any lobbying activity on the Employee Free Choice Act, either for or against? Please detail the nature of these activities, including your membership or involvement in trade associations that are lobbying on the Act, and direct lobbying or advertising.

The information you provide will help us to better understand how employee relations and labor rights compliance are being managed within your company, and determine how well-positioned it is in relation to the proposed legislation. Once we receive your responses, we would be interested in follow-up dialogue with you.

We are happy to receive the company's response in written or email form (please use **efca-reply@unpri.org**). Please note that your responses will be shared with institutional investors that are signatories to the PRI. We would appreciate your reply by June 8, 2009.

For inquiries, please contact:

Steven Heim
Senior Vice President and Director of Social Research and Advocacy
Boston Common Asset Management, LLC
84 State St., Suite 1000, Boston, MA 02109 USA
617-720-5557 | sheim@bostoncommonasset.com

Yours sincerely,



Daniel F. Pedrotty
Director, AFL-CIO Office of Investment
AFL-CIO Employees Staff Retirement Fund



Conrad MacKerron
Director, Corporate Social Responsibility Program
As You Sow Foundation



Michael O'Sullivan
President
Australian Council of
Superannuation Investors



Steven Heim
Senior Vice President
Director of Social Research and Advocacy
Boston Common Asset Management, LLC



Bennett Freeman
Senior Vice President
Sustainability Research and Policy
Calvert Asset Management Company Inc.



Michael D. Underhill
Chief Investment Officer
Capital Innovations, LLC



Michael Quicke
Chief Executive
CCLA Investment Management Ltd.



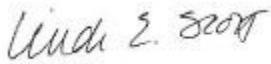
Francois Meloche
Extra Financial Risk Manager
Comite Syndical National de Retraite Batirente



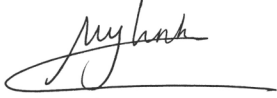
Adam Kanzer
Managing Director & General Counsel
Domini Social Investments LLC



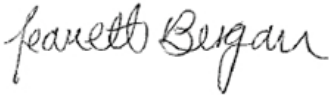
Dominique Biedermann
Executive Director
Ethos Foundation



Linda E. Scott
Consultant, Corporate Governance
Governance for Owners LLP /
GO USA Inc.



My-Linh Ngo
Associate Director SRI Research
Henderson Global Investors



Jeanett Bergan
Head of Responsible Investments
KLP Kapitalforvaltning AS



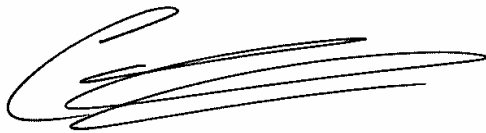
Mike Taylor
CEO
London Pensions Fund Authority



Gary A. Hawton
Chief Executive Officer
Meritas Mutual Funds



Luan Steinhilber
Director of Social Research
Miller/Howard Investments



Campbell Watterson
Deputy Chief Investment Officer
Newton Investment Management Limited



Stephen R. Brennan
Principal
Hamilton Lane



Colin Melvin
Chief Executive
Hermes Equity Ownership Services



Ian Greenwood
Chair
Local Authority Pension Fund Forum



Greg Sword
CEO
LUCRF Super



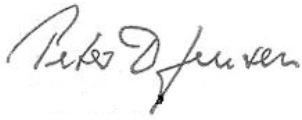
Jay Youngdahl
Co-Chair, Board of Trustees
Middletown Works VEBA



Michael Kramer, AIF ®
Managing Partner & Director of Social Research
Natural Investments, LLC



Julie Fox Gorte
Senior Vice President, Sustainable Investing
Pax World Management Corporation



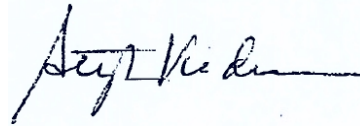
Peter Damgaard Jensen
Chief Executive Officer
Pensionskassernes Administration (PKA) A/S



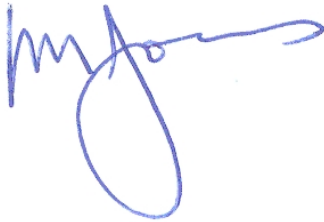
Richard W. Torgerson
President & Director of Research
Progressive Asset Management



Hans Aasnæs
Chief Executive Officer
Storebrand Investments



Stephen Viederman
Finance Committee
The Christopher Reynolds Foundation



Ian Jones
Head of Responsible Investment
The Co-operative Asset Management



Victor De Luca
President
The Jessie Smith Noyes Foundation



Lance E. Lindblom
President & CEO
The Nathan Cummings Foundation



Amy Domini
Private Trustee
The Sustainability Group at
Loring, Wolcott, & Coolidge



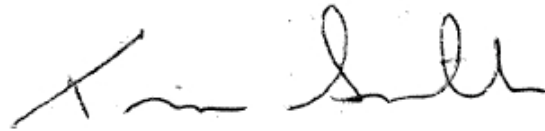
Kathryn O'Neill
Director of Corporate Social Responsibility
The United Church Foundation



Therese Niklasson
Head of Governance and SRI
Threadneedle Asset Management



Shelley Alpern
Vice President
Trillium Asset Management Corporation



Timothy Smith
Senior Vice President
Environmental, Social and Governance Group
Walden Asset Management, a division of
Boston Trust and Investment Management Corp.