

INVESTMENT POLICY SOCIAL OBJECTIVES

The Women's Foundation of California (TWF) 'Investment Funds' will be managed in a socially responsible portfolio. The issues of greatest concern to TWF include: Military Armaments, Environment and Employee Relations.

TWF will accomplish their socially responsible portfolios by implementing the following avoidance guidelines:

Military Armaments

TWF separate account investments will avoid companies who derive 10% or more of their revenue from the manufacturing or production of biological, chemical, or nuclear weapons. In order to maintain compliance with this guideline, a list of prohibited securities will be provided and reviewed annually. Separate account investment managers will use reasonable efforts to identify and avoid investments in additional companies which are inconsistent with this guideline and do not appear on the prohibited list.

Environmental Issues

TWF separate account investments will be directed away from companies that have three or more concerns in the following areas:

- **Agricultural Chemicals**-The company is a substantial producer of agricultural chemicals (pesticides or chemical fertilizers).
- **Climate Change**-The company derives substantial revenues from the sale of coal or oil and its derivative fuel products, or the company derives substantial revenues indirectly from the combustion of coal or oil and its derivative fuel products.
- **Hazardous Waste**-The company's current liabilities for hazardous waste sites exceed \$50 million, or the company has recently paid substantial fines or civil penalties for waste management violations.
- **Ozone Depleting Chemicals**-The company is among the top manufacturers of ozone depleting chemicals such as HCFCs, methyl chloroform, methylene chloride, or bromines.
- **Other Concern**-The company has been involved in an environmental controversy that is not covered by other KLD ratings.
- **Regulatory Problems**-The company has recently paid substantial fines or civil penalties for violations of air, water, or other environmental regulations, or has a pattern of regulatory controversies under the Clean Air Act, Clean Water Act, or other major laws.

- **Substantial Emissions**-The company's legal emissions of toxic chemicals (as defined by and reported to the EPA) from individual plants into the air and water are among the highest of the companies followed by KLD.

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Employee Relations

TWF separate account investments will be directed away from companies that have three or more concerns in the areas of union issues, layoffs, health & safety issues, retirement benefits, or other. Specifically, concerns may include the following:

- **Health and Safety Concern**-The company recently has either paid substantial fines or civil penalties for willful violations or employee health and safety standards or has been otherwise involved in major health and safety controversies.
- **Other Concern**-The company is involved in an employee relations controversy that is not covered by other KLD ratings.
- **Retirement Benefits Concern**-The company has either a substantially underfunded defined benefit plan, or an inadequate retirement benefits program.
- **Workforce Reductions**-The company has reduced its workforce by 15% in the most recent year or by 25% during the past two years, or it has announced plans for such restrictions.

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