

NEW WEB SITE: 1 IN 3 LARGEST STOCK MUTUAL FUND HOLDINGS COULD “COOK” INVESTORS’ NEST EGGS

Global Warming and Your Mutual Fund: New Site – www.CookingYourNestEgg.org – Gives Investors Ability to Weigh 200+ Stocks in 24 Top Equity Funds in U.S.

BOSTON, MA.//September 8, 2004//A new Web site looking at the top holdings of the 24 largest equity mutual funds in the United States finds that a full third of the most widely held stocks in the funds could be hurt by the glare of global warming or benefit from steps they have taken to cope with climate change. The new site – <http://www.CookingYourNestEgg.org> – is intended by its sponsor, the nonprofit Results For America (RFA), to be an easy-to-use research tool for investors concerned about global warming who want to know more about its potential risk to the value of their mutual fund shares. The site provides extensive company-specific data selected by RFA from the SOCRATES database of KLD Research & Analytics (KLD), the nation’s premier provider of third-party corporate social research.

According to RFA, the most widely held companies where shareholder wealth is in jeopardy due to the financial risks posed by global warming include (in alphabetical order): Alcoa, American Electric Power, ChevronTexaco, ConocoPhillips, ExxonMobil, Ford Motor, General Electric, General Motors, Marathon Oil and Southern. By contrast, the RFA Web site also highlights positive climate-change related developments at a number of other widely held companies, including (in alphabetical order): Bank of America, Baxter International, Caterpillar, Dupont, Hewlett-Packard, IBM, International Paper, Johnson & Johnson, UPS and Waste Management.

The Web site displays the highlights of key KLD research findings selected by RFA on the 224 largest holdings of the top 24 largest U.S. equity mutual funds – including those from Fidelity, Vanguard, American Funds and Dodge & Cox. (See full list of funds below.) Of the most widely held stocks, a total of 71 were found to be the subjects of “negative” and/or “positive” KLD research information about global warming. The top two dozen equity funds encompassed by the RFA Web site account for \$826.8 billion in assets, as of the end of June 2004. That figure represents 20.9 percent of the total \$3,948.9 billion in stock fund net total assets tracked by the Investment Company Institute through June 2004.

Civil Society Institute President Pam Solo said: **“People who mistakenly think that global warming doesn’t have anything to do with them need only look into their mutual funds to find how they have a very real pocketbook stake in whether or not corporations heed the call to deal responsibly with climate change issues. The purpose of this Web site is simple: It empowers small investors with the information they need to make informed choices about mutual funds. We hope that concerned investors will peel back the layers of their mutual funds and then consider urging the funds to put pressure on corporations to deal with global warming financial risks.”**

KLD Research & Analytics President Peter Kinder said: **“It may be that 2004 is remembered in financial circles as the year that mutual funds stopped keeping investors in the dark about how they operate. One of the big developments this year has been the new rule to require mutual fund proxy disclosure. But investors don’t have to wait for proxy resolutions to be**

filed to start taking action - they can learn more about what their funds hold and decide if that's right for them. Global warming is an excellent place to start. Many Americans wouldn't conceive of buying food without knowing about what goes into it and whether or not it's right for them. Now, we may very well start to see the kind of 'content consciousness' on the part of mutual fund investors."

The RFA Web site focuses on the top 24 equity funds in the United States (in terms of assets). By fund family, the Web site covers the following funds: American Funds (Century Ultra Inv, Balanced A, Capital Inc Bldr A, EuroPacific Gr A, Grth Fund of Amer A, Inc Fund of Amer A, Invmt Co of Amer A, New Perspective A and Washington Mutual A); Dodge & Cox Funds (Stock); Fidelity Funds (Blue Chip Growth, Contrafund, Equity-Income, Growth & Income, Growth Company, Low-Priced Stock, Magellan and Puritan); and Vanguard Funds (500 Index, Institutional Index, Primecap, Total Stock Mkt Idx, Wellington and Windsor II).

Typical reports on companies featured in the RFA Web site include the following:

- **ExxonMobil** – “As of December 2002, oil comprised approximately 56 percent of ExxonMobil's proved reserves. This fossil fuel is among the primary sources of greenhouse gases, which are in part responsible for accelerating climate change. ... In FY 2000, ExxonMobil's oil and gas products and facility emissions were the source of 610 million metric tons of CO2 emissions, as reported by the Coalition for Environmentally Responsible Economies (CERES), a U.S.-based environmental organization. CERES stated that the amount accounted for approximately 2.6 percent of total global greenhouse gas emissions from fossil fuels. According to CERES, customer end-use comprised 87 percent of the total and facility operations 13 percent. ExxonMobil has a reputation for resisting the cautions raised by environmentalists and scientists on fossil fuels' contributions to global warming and climate change. The company has been targeted by protestors and has been the subject of boycotts for its public stands against the Kyoto Protocol and the science suggesting that humans are influencing climate change. During the early 2000s, the company showed some signs of softening its language in the debate, but as of 2003 its CEO Lee Raymond remained firm on continuing the company's aggressive development of fossil fuel production while de-emphasizing renewable energy.”
- **Abbott Laboratories** – “From 1985 through 2000, Abbott Laboratories' U.S. operations reduced energy consumed per unit produced by 46 percent. The company has pursued energy conservation since 1973.”
- **Southern** – “In FY 2002, Southern Company derived 69 percent of its electricity from power plants fueled by coal. This fossil fuel is among the primary sources of greenhouse gases, which are in part responsible for accelerating climate change. In June 2003, a report by corporate governance monitors identified Southern Company among a group of large publicly traded companies that had taken little action on climate change risks despite their heavy greenhouse gas emissions. The report, by CERES and IRRC (Investor Responsibility Research Center), surveyed company actions on board and management level responses to climate change as well as company reporting on related financial liabilities and emissions inventories. Southern Company was among those companies that had taken the least amount of action out of 20

companies surveyed. In January 2003 ... Southern Company was one of five power generating companies to receive resolutions filed by religious shareholders asking for reports on company greenhouse-gas emissions and plans for reducing those emissions ... In 2002 the company reported that it had reduced, avoided, or offset nearly 40 million metric tons of carbon dioxide emissions. As of 2002 the company had plans to reduce its carbon dioxide emissions per megawatt-hour by 17 percent by 2010 and to continue reducing CO2 emissions after that (total CO2 emissions, however, are expected to rise by 5 percent in the meantime).”

- **Hewlett-Packard** – “In 2003, HP began to calculate greenhouse gas (GHG) emissions from operations and established a 2002 CO2 emission baseline using the Greenhouse Gas Protocol. Hewlett-Packard reported in its 2003 Global Citizenship Report that energy use accounted for 76 percent of the company's climate change baseline. In its 2004 Global Citizenship Report, Hewlett-Packard reported that the company's 2003 GHG emissions decreased 5.6 percent compared with 2002. Hewlett-Packard reported in its 2004 Global Citizenship Report that its goal for energy use was to reduce electricity consumption by 25 percent of 2002 total estimated usage by the end of 2004. HP reported in its 2003 Global Citizenship Report that most of the company's buildings have automated systems to control heating and cooling, which are designed to make use off outside air for free heating and cooling. New buildings are equipped with these systems, and HP is retrofitting older buildings to include energy efficiency systems. Business travel is the company's second largest source of greenhouse gas emissions. The company reported in its 2003 and 2004 Global Citizenship Report that its telecommuting program saved an estimated two million round-trip commutes in both 2002 and 2003.”

ABOUT THE GROUPS

Results For America (<http://www.ResultsForAmerica.org>) is a project of the Civil Society Institute, which is based in Newton, Massachusetts. The mission of CSI is to serve as a catalyst for change by creating problem-solving interactions among people, and between communities, government and business, that can help to improve society. You may visit Civil Society Institute on the Web at <http://www.CivilSocietyInstitute.org>. RFA seeks to shape and tap the tremendous amount of community-level knowledge, experience and innovative action that could solve America's problems in four key areas, including the environment.

KLD Research & Analytics, Inc. (<http://www.kld.com>) is the leading provider of social research for institutional investors. KLD Research & Analytics, Inc. serves institutional clients who wish to integrate social criteria into their investment decisions. KLD is the creator of SOCRATES, a comprehensive online social research database, and the KLD Domini 400 Social Index (DS 400 Index), the established benchmark for socially screened portfolio performance.

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EDITOR'S NOTE: A streaming audio recording of a related news event will be available on the Web as of 5 p.m. EDT on September 8, 2004 at <http://www.CookingYourNestEgg.org> and <http://www.ResultsForAmerica.org>.

