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# KLD Launches Iran Compliance Product

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## Iran Compliance Product Helps Pension Funds Respond to Increased Number of Legislative Divestment Mandates

BOSTON, MA – October 29, 2007 – KLD Research & Analytics, Inc. announced today the launch of a new Iran Compliance product that helps institutional investors and money managers comply with engagement and divestment mandates of publicly trading companies conducting business in Iran.

KLD's Iran Compliance product meets all U.S. state legislative requirements mandating Iran divestment. KLD's product is updated monthly and allows managers to easily monitor their portfolios.

“The past few months have seen significant movement on the Iran issue, with California, Illinois, and Florida passing divestment legislation,” said Randy O’Neil, KLD’s Managing Director of Global Sales. “KLD’s Iran Compliance product will meet the growing demand in the marketplace for divestment from companies involved in key sectors in Iran.”

KLD's Iran Compliance product identifies companies with major involvement in sectors such as nuclear, defense, oil, and mineral extraction. As of October 29, 2007, KLD identified 36 companies from 17 countries with involvement in Iran based on the following criteria:

- Contracts with or the provision of supplies to the government of Iran or state-owned companies
- Iran government has direct or indirect equity share in the company

- Involved in consortiums or projects commissioned by the government of Iran
- Oil or mineral extraction in Iran accounts for 10% of total business operations
- Investments in Iran's petroleum resources on or after August 5, 1996 equals \$20 million or more in any one-year period
- Engaged in business with Iranian organization labeled as a terrorist organization by US government
- Engaged in business operations with entities in the defense or nuclear sectors of Iran

Among the largest companies KLD has identified to be involved in Iran are China Petroleum & Chemical Co., Royal Dutch Shell and Total S.A.. KLD did not identify any U.S. companies that meet the criteria for involvement.

In the US, the Iran Divestment movement is following a similar pattern to that of the Sudan Divestment movement. California and Illinois were among the first states to adopt legislation mandating divestment from Sudan.

These early adopters have now taken the leading role in requiring their public funds to divest holdings involved with Iran. According to CalPERS spokesman Brad Pacheco, cited in an October 16 Dow Jones article, the fund has approximately \$2 billion in holdings that will be affected by the California law.

Public funds affected by legislation in Illinois must comply with these mandates by January 1, 2008; funds in California must comply by June 30, 2008.

Other states with similar legislation pending include: Georgia, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Texas.

The Iran Compliance product is part of a larger suite of products offered by KLD to help managers ensure compliance with social and environmental mandates. The KLD Compliance product suite provides automated integration of investment restrictions into trading and compliance systems.

KLD Compliance covers the full range of social and environmental restrictions including discrimination, human rights, environment, and tobacco. KLD launched its Sudan Compliance product in January 2006 and Targeted Sudan Compliance product in July 2007.

### **About KLD Research & Analytics, Inc.**

KLD Research & Analytics, Inc. is an independent investment research firm providing management tools used by professionals to integrate social, environmental and governance factors into their investment strategies.

Since 1988, institutional investors, managers, trustees, consultants and advisors have depended on the quality and expertise of KLD. Today, 31 of the top 50 institutional money managers

worldwide use KLD's corporate accountability research and ratings, performance benchmarking tools and consulting services.

For more information about KLD or KLD's Iran Compliance Service, please visit KLD's website [www.kld.com](http://www.kld.com) or contact Randy O'Neil by phone (617-426-5270) or via e-mail [roneil@kld.com](mailto:roneil@kld.com).

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