



2008 Communications on Progress Submitted to the UN Global Compact on March 18, 2008

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1. CEO Statement of Continued Support for the UN Global Compact:

Sustainability is at the core of our business and, as such, Calvert continues its strong support for the UN Global Compact and its principles. We demonstrate this commitment in every aspect of our business, from our investment decisions to how we operate with our own associates as a business. To that end, we will be publishing our next Sustainability Report, covering 2006 and 2007, later this year.

We are pleased to submit the “2008 Communications on Progress” (COP). This submission focuses on our efforts to address Calvert’s engagement in three new key areas – all of which support one or more principles of the UN Global Compact, such as:

1. Calvert’s work with the US Securities and Exchange Commission on shareholder rights. This work supports all of the principles of the UN Global Compact.
2. Our efforts to support and engage in public policy issues around the Employment Non-Discrimination Act (ENDA). This work supports Principle 6 of the UN Global Compact on labor standards.
3. Calvert’s partnership with the Boreal Initiative. This work supports Principles 7-9 of the UN Global Compact on the environment.

In addition to the three new highlighted areas above, Calvert continues its commitment to provide analytical and advocacy expertise to the Sudan Divestment Task Force and Save Darfur Coalition. This work was highlighted in the 2007 COP. In the face of the ongoing genocide in Sudan, Calvert feels compelled to seize the opportunity to take a stand and offer support consistent with our capabilities. This work is conducted as part of our community involvement.

During the past year, Calvert has continued to focus not only on becoming a more sustainable company but also on increasing the sustainable impact of our products.

We've become more vocal in our advocacy of important issues to our planet, investors, and shareholders. We've become more involved in public policy debates as they relate to the issues we have identified as priorities, including climate change and Sudan/Darfur and, in fact, have testified as experts before state and federal governments.

In May 2007, we launched two new funds – the Calvert Global Alternative Energy Fund and the Calvert International Opportunities Fund, which allow us to invest in emerging markets, where we see potentially significant growth opportunities and companies contributing to progress on social and environmental issues. The Calvert Global Alternative Energy Fund builds on our previous commitments to make climate change a top advocacy priority and is a major step forward in focusing an entire investment strategy around the most compelling sustainability challenge facing the 21st century world – climate change.

As the largest socially responsible mutual fund family in the United States, with more than \$15 billion in assets under management and over 400,000 shareholders among 41 different funds in every major asset category, we continually strive to improve ourselves both as a company and through our products to become an even better, more responsible corporate citizen. Over the years, we've faced both rewards and challenges in operating as a socially responsible business. In our efforts to be a leader and create a model of corporate responsibility both internally and in our investment policies and practices, we know we cannot rest on our laurels but must continually improve upon our rich history. We remain steadfast in our commitment to change corporations as well as ourselves for the greater good.

Sincerely,
Barbara J. Krumsiek
President and CEO
March 18, 2008

2. Practical Actions Taken During the Previous Year

Calvert has undertaken numerous practical actions during the past year to further the principles of the UN Global Compact. We include some recent examples outlined below:

US Securities and Exchange Commission (SEC) Rule Proposal

Calvert is committed to supporting the UN Global Compact's 10 principles on human rights, labor, the environment, and anti-corruption. As an asset management firm, we pay particular attention whenever the rights of shareholders to uphold these principles are threatened. In July 2007, the Securities and Exchange Commission (SEC) proposed a rule that might have significantly undermined the rights of shareholders to address corporate practices regarding critical issues such as climate change, corporate governance, and human rights through the filing of advisory shareholder resolutions. This SEC proposal included a set of ideas that would have had negative consequences had they become a part of the new rule due in the Fall of 2007, including whether companies should be able to opt out of the advisory resolution process or whether certain issues should be blocked from inclusion from corporate proxies. Calvert became very concerned and focused its energies on protecting – and even enhancing – the advisory resolution process as a means of improving corporate governance. Calvert

submitted formal comments to the SEC prior to the July SEC proposal, and sent another comment letter specifically in response to the Rule Proposals in early October 2007. Calvert posted a statement on its website shortly thereafter, highlighting concerns over the potential threat and urging Calvert shareholders to indicate their concern over this challenge to shareholder democracy.

Employment Non-Discrimination Act (ENDA)

In light of UN Global Compact's Labor Standards Principle 6 covering the elimination of discrimination in respect of employment and occupation, as well as Human Rights Principle 1, Calvert has taken initiative to strongly support and engage in public policy issues, such as the Employment Non-Discrimination Act (ENDA), the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW or The Women's Treaty), and trafficking. Specifically, as a member of the Business Coalition for Workplace Fairness, Calvert demonstrated its support for ENDA (H.R. 2015) by sending letters to the two relevant Congressional Committees asking them to support passage of the legislation. Calvert also collaborated with another SRI firm, Walden Asset Management, as well as with other institutional investors to send letters to 450 companies with inclusive Equal Employment Opportunity (EEO) policies asking them to publicly support ENDA.

Boreal Initiative Partnership

In light of UN Global Compact's principles 7-9 on the environment, Calvert constantly seeks ways to support progressive environmental programs and to address growing concerns about climate change. In addition, Calvert is a vocal advocate of Indigenous Peoples' rights. Calvert has long been concerned about the threats facing the Boreal Forest, which spreads across North America from the interior of Alaska to Canada's Atlantic coast and is one of the largest intact forests remaining on Earth, comparable in scale to the Amazon rainforest and the Siberian taiga. It accounts for about 25 percent of the world's original forestland and supports significant populations of woodland caribou, bears, and wolves. Canada's Boreal region plays a critical role in mitigating the impacts of climate change, storing massive amounts of carbon, filtering immense quantities of water daily, and providing food and shelter for more than 600 First Nations communities. The Boreal is threatened due to unsustainable resource development practices. Calvert has partnered with the Canadian Boreal Initiative (CBI) to implement the Boreal Forest Conservation Framework. This commitment extends Calvert's network through which we can advocate for responsible behavior among forestry product firms, energy producers, home builders, and other companies that have an impact on the Canadian Boreal Forest and, as a result, on the livelihoods of people who live in the region.

Darfur Partnership/Sudan Targeted Divestment

In furthering the UN Global Compact's human rights principles, Calvert described its efforts in its 2007 COP on continuing to provide research, analytical, and advocacy support to our partners, the Sudan Divestment Task Force (SDTF) and the Save Darfur Coalition. We remain committed to this effort, with plans in motion to renew our MoU for 2008, and continue to actively engage on this issue.

In August 2007, Calvert held a joint meeting in New York with the Sudan Divestment Task Force and Amnesty International USA Business & Human Rights in which we addressed Sudan and shareholder activism for investors and NGOs. Calvert helped draft a shareholder resolution and is working with the task force, Amnesty, and other investors to engage financial firms that are major shareholders in companies that provide support to the government of Sudan. Calvert urged these investors to use their influence for positive change in Darfur.

In October 2007, Calvert testified on Sudan to the United States Senate Committee on Banking, Housing, and Urban Affairs in response to the Committee's effort to hear from experts on divestment and other tools that can help end the crisis in Darfur. The Committee was particularly interested in learning how Calvert and other SRI asset managers can help increase pressure on the Khartoum Government in ways consistent with their fiduciary responsibilities. Eleven Senators attended the hearing, a significant turnout that reflected the significance and urgency of the issue.

Calvert and Trillium Asset Management have provided guidance to Dream for Darfur, an advocacy group encouraging Beijing Olympic-sponsoring US companies to pressure the Chinese government to use its leverage to end the crisis in Sudan. Calvert helped write a letter from a coalition of investors to corporate sponsors calling upon them to use the access that sponsorship of the Olympics affords to engage the Chinese government. Continued pressure is required in order to move Beijing to use every tool at its disposal in convincing the Government of Sudan to allow a robust peacekeeping force to move into Darfur before the Olympic games begin.

In December 2007, Calvert joined SDTF in a presentation to the Pennsylvania State Employees' Retirement System (PSERS) board in Harrisburg, PA. The Board of PSERS is considering voluntarily adopting the targeted Sudan divestment model and specifically requested that Calvert attend to address the fiduciary issues investors face when considering divestment. Calvert discussed the minimal impact of the targeted divestment model on the investment universe, as well as the ability to find strong peer replacements, both strong considerations in fiduciary duty of investment managers.

3. A Measurement of Outcomes

SEC

Since the October 2007 close of the formal comment period on the SEC Rule Proposal, Calvert has continued to coordinate with our SRI peers, religious investors, and labor funds to communicate to the SEC and members of Congress our strong opposition to any weakening of shareholder rights. As part of this effort, Calvert Senior Vice President and General Counsel William M. Tartikoff met with SEC Chairman Christopher Cox, together with Social Investment Forum (SIF) CEO Lisa Woll to communicate our views. Chairman Cox assured us that there would be no action on advisory resolutions this year and that the earliest the issue would come up would be spring of 2008. In September and October 2007, Calvert went to Capitol Hill to urge lawmakers to defend the advisory resolution process, and met with the staff of Senate Banking Committee Chair Christopher Dodd, as well as with the staff of Senator Jack Reed of Rhode Island, who also serves on the Committee. Calvert also participated in a press event sponsored by the

SIF to garner more media attention for the issue. We understand that the SEC will revisit the proxy access issue in 2008 though it is unclear whether the issue of advisory resolutions will be included in the review. In a sign that investor lobbying is paying dividends, Senate Banking Committee Chairman Dodd and eight of his colleagues sent a letter in November 2007 to Chairman Cox that strongly supports the current rules on proxy access and advisory resolutions. This is in addition to a letter sent during the summer by House Financial Services Committee Chairman Barney Frank and several other committee members. Calvert will remain alert and is prepared to work with our SIF colleagues as well as on our own to defend our right to file advisory resolutions if such a proposal were to resurface.

The serious threat to the investor's ability to address fundamental sustainability issues through the corporate proxy appears to have receded for the present. This is likely only a temporary pause in the debate over shareholder rights. We will remain involved in the broad investor coalition that has come together as we seek to defend and enhance the rights of shareholders to participate in corporate governance and as we continue to advocate for sustainable and profitable companies.

ENDA

Calvert is pleased to see the outcome of our work on ENDA. To date, we have heard back from a number of companies, including Bristol-Myers Squibb and the Corporate Executive Board, stating that they have joined the Business Coalition for Workplace Fairness and written to the US Congress at our request. In response to the introduction of a version of ENDA with no gender identity protections, a subsequent institutional investor letter was sent to over 75 companies with fully inclusive nondiscrimination policies asking them to add their voices to the growing number of companies publicly advocating for passage of H.R. 2015. Calvert has also posted an article on its website encouraging shareholders and interested readers to contact their Congressional representatives in support of this issue. A weakened version of ENDA (H.R. 3685) passed the House on November 7, 2007. Calvert will continue its work on this legislation, especially as it makes its way through the Senate.

Boreal Initiative

Calvert has a long history of evaluating potential investments against strong environmental and climate change criteria and increasing numbers of financial institutions are following our lead. As a signatory to the Boreal Forest Conservation Framework and newest member of a Leadership Council, Calvert committed to link core business strategies such as shareholder advocacy.

In December 2007, Calvert filed a shareholder resolution with Weyerhaeuser Inc., a forest products company that has come under criticism for violation of Indigenous Peoples' rights along its supply chain. Calvert's proposal asked the company to provide a report to shareholders on implementation of the company's Aboriginal Relations policy in light of concerns raised by the Grassy Narrows First Nation due to indiscriminate logging in a portion of their traditional territory, known as the Whisky Jack forest. After a dialogue with Calvert, Weyerhaeuser agreed to the resolution, resulting in our withdrawal of the resolution.

Sudan Divestment

There have been a number of measurable outcomes from Calvert's work on Sudan. Significantly, on December 31, 2007, President Bush signed the Sudan Accountability

and Divestment Act (SADA) into law. The legislation authorizes states, localities, and private investors to divest from companies operating in the economic sectors that are believed to provide the most revenue to the Khartoum regime, while also providing legal protection to fiduciaries that elect to divest. Calvert worked with our partners, Save Darfur Coalition and the Sudan Divestment Task Force, to support the legislation.

Calvert continues to receive much positive recognition for our work on Sudan. The outcome of the Sudan partnership has been well-received in the press. Our website at <http://www.calvert.com/sudan/> outlines our efforts in detail and also provides an opportunity to communicate to our stakeholders and the general public on how to help in this crisis. Calvert's Sudan Special Report is a reflection of our continuing commitment to the UN Global Compact principles, our belief that even though Calvert Funds do not invest in Sudan, we can – and must - do our part to end the crisis. For example, Calvert's Senior Vice President of Social Research and Policy, Bennett Freeman, was named as one of the 100 Most Influential People in Business Ethics by Ethisphere magazine, which noted that "Freeman stood out in 2007 for his pragmatic approach to encouraging divestment from Sudan without inflicting harm on the Sudanese population itself."