October 22, 2008

Via electronic delivery: rule-comments@sec.gov
Ms. Florence Harmon, Acting Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File Number 4-567, Request for Comments on the 21st Century Disclosure Initiative

Dear Ms. Harmon:

Calvert Asset Management Company, Inc. is the investment advisor for Calvert Group, Ltd., a socially responsible mutual fund company with approximately $12.9 billion in assets under management and over 400,000 investors. Calvert's investment approach emphasizes rigorous fundamental research that goes beyond traditional measures to uncover companies with long-term value. Calvert strongly believes that each company must address and evaluate its total sustainability footprint and we expect the greatest possible degree of transparency and disclosure from the companies in which we invest. We are writing in response to the request for comments on the 21st Century Disclosure Initiative proposed by the Securities and Exchange Commission (SEC) on October 8, 2008.

Environmental, social and governance (ESG) elements are often categorized as non-financial information. Calvert, however, does not differentiate this information from financial information, but instead considers it part of our overall investment analysis. Many traditional asset management firms are increasingly incorporating ESG elements into their overall approach. Goldman Sachs, for example, began doing so in June 2007, as evidenced by the launch of GS Sustain. Unfortunately there is no current standard for reporting on ESG issues, which is why we believe that taken into consideration an undertaking that should be the modernization of the SEC disclosure system, it is imperative for the SEC to develop a common framework for reporting of these issues. Calvert, along with a growing number of investment firms, encourages companies to report on ESG issues according to the Global Reporting Initiative (GRI) guidelines. GRI provides a framework for companies and organizations on sustainability disclosure. The SEC should utilize the GRI guidelines, which have been developed over several years through a multi-stakeholder process, as a framework. While GRI provides a useful starting point, we highlight just a few of the most significant ESG components below.

This is not an exhaustive list, but is intended to demonstrate the relevance of disclosure of several ESG issues that are helpful to investors.

Climate Change

We believe that climate change impacts have become a significant factor affecting many companies' financial condition. Therefore the material question for investors is no longer whether corporations should disclose climate risk but should focus on when and how such information should be disclosed. Commission guidance on the conditions and parameters regarding climate risk disclosure is critical. According to a series of financial reports on climate change, companies in every sector face climate risk due to energy consumption and extreme weather events, and more significantly, companies with high greenhouse gas emissions from operations or products face the largest short-term risks. This view is supported by the actions of companies, to take one example, that are participants in the United States Climate Action Partnership. These companies, which are from a broad spectrum of sectors, are calling upon the federal government to enact greenhouse gas emission legislation. Furthermore, the availability of Carbon Disclosure Project (CDP) data on Bloomberg Professional, a financial service and data provider, is another sign that more and more companies are affected by greenhouse gas regulatory systems.

Environmental Liabilities

Environmental liabilities are critical to investors' ability to make sound investment decisions. Unfortunately, the current reporting requirements are inadequate for several reasons, all of which are consistent with the findings in the U.S. Government Accountability Office (GAO) report on Environmental Disclosure on July 14, 2004. The GAO is responsible for supporting Congress in meeting its constitutional responsibility and helps improve the performance and accountability of the federal government. According to the GAO's report, stakeholders expressed the following concerns:

- *The SEC's definition of monetary sanctions does not include certain costs related to the sanctions. Specifically, in determining when the $100,000 disclosure threshold has been met, SEC regulations and guidance exclude costs associated with (1) environmental remediation and (2) supplemental environmental projects conducted in lieu of paying sanctions.*
- *Companies are not required to aggregate the estimated costs of similar potential liabilities, such as multiple hazardous waste sites, when assessing materiality.*
- *Companies are not required to disclose information about their environmental assets or environmental performance.*
- *Companies are not required to disclose quantitative information on the total number of environmental remediation sites, related claims, or the associated liabilities.*[1]

Environmental liabilities are commonly accepted as a fundamental component of investment criteria. As such, it follows that full disclosure of the abovementioned items would enhance investors' ability to make well-informed decisions about the financial health and viability of a company.

Suppliers and Supplier Standards

Supplier accountability and transparency, particularly in countries with lax regulatory structures, has increasingly gained the attention of investors due to certain risks. The most obvious risk has to do with labor standards. Calvert believes that allegations and/or incidents of labor abuses pose a threat to brand reputation and ultimately to shareholder value. In addition, the increased complexity of supply chains – put more simply, supply chains are becoming longer – has also created an added risk. At one point it was common for goods to be produced and assembled in one country and shipped to another to be sold to consumers. Now, however, it is not uncommon for components of a good to be produced in one country, assembled in another, and then shipped to a third country, where it is sold to consumers. As such, corporations are dealing with multiple regulatory regimes for a single product. Calvert believes that full disclosure of a corporation's suppliers, and at a minimum, the countries – not just regions – where a corporation is sourcing its goods, is important to investment decision-making. This sends a clear message to investors that corporations are adequately managing their supply chain risks.

Political Contributions

We would like to see the SEC require that public companies provide shareholders with comprehensive disclosure of corporate political contributions. Although federal, state, and local laws require candidates and/or contributors to report political contributions at various thresholds, there is no way for shareholders to learn how much the companies they own contribute to political campaigns and causes without combing through the records of hundreds of jurisdictions. Corporate disclosure would allow shareholders to be better informed about how their money is being used and also better able to judge the performance of corporate management.

Comprehensive disclosure would include the following elements, updated regularly:

1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code. The report shall include the following:

a. An accounting of the Company's funds that are used for political contributions or expenditures as described above;

b. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure; and

c. The internal guidelines or policies, if any, governing the Company's political contributions and expenditures.

EEO-1 Data

Calvert believes that disclosure of equal employment opportunity (EEO) data is a relevant and important part of corporate transparency. Disclosure of a company' progress on EEO helps analysts to fully assess the risks and opportunities associated with investments. As noted in a recent report on the state of EEO data disclosure among the S&P 100 Index universe, "analysts do not have sufficient information to discern the leaders – companies with strong EEO records that would accrue competitive advantage in recruitment, retention and representative decision-making – from the laggards, which bear greater legal and reputational risks in this area."[2] Companies with more than 100 employees provide some gender and racial composition data as part of a reporting requirement by the U.S. Equal Employment Opportunity Commission (EEOC) and the Department of Labor's Office of Federal Contract Compliance Program. Unfortunately that data is often unavailable to investors. Given that companies are already collecting such data, publicly reporting it would not impose any extra burden on companies. As such, Calvert urges the SEC to consider new reporting requirements of EEO data.

Global Regulations

As global support for ESG disclosure increases across different regulatory regimes, it is important for the U.S. to embrace global business trends. Already some global stock exchanges, including Brazil, South Africa, and Malaysia, have ESG disclosure requirements. European countries are clearly the most progressive, as evidenced by a combination of voluntary and required reporting of ESG issues through legislation in recent years.[3] In France, for example, a law was implemented in February 2002 requiring companies to include several social (employment policy, workplace safety, gender parity, employee training, and sponsorship activities) and environmental (energy consumption, environmental training programs, and costs associated with decreasing environmental impacts) factors in their reporting. Calvert believes that the U.S. should adopt similar disclosure standards. Doing so would provide investors with more information on a set of issues that is increasingly understood to have financial materiality and lead to improved corporate performance.

Thank you very much for your consideration of this issue. I appreciate the Staff's ongoing work in improving corporate disclosure, and I hope my comments will be useful to the Commission as you seek "to provide investors with more useful and timely information to help them make investment choices."

Stu Dalheim,
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