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Toxic Toys - Investors Call on Toys R Us to Phase Out and Label

Investors Warned: Don't Participate in IPO Until Toys "R" Us Phases Out Toxic PVC Toys

NEW YORK, Sept. 30-- A coalition of over 20 investors released an open letter to the investing community concerning Toys "R" Us' sale of toxic polyvinyl chloride (PVC) toys. The letter was signed by members of the Interfaith Center on Corporate Responsibility, a coalition of 275 institutional investors with more than $100 billion in assets.

Toys "R" Us, which went private in a 2005 purchase by Kohlberg Kravis Roberts & Co., Bain, and Vornado Realty, plans to return to the public markets, aiming to raise $800 million.

"We urge investors not to participate in Toys "R" Us' IPO unless they commit to labeling toxic chemicals in toys it sells and to phase-out PVC toys," said Pat Zerega, Corporate Social Responsibility program, Evangelical Lutheran Church in America. "Providing fresh capital to Toys "R" Us and its private equity owners will encourage business practices that put children's health at risk and threaten shareholder value over the long-term," said Laura Berry, of the Interfaith Center on Corporate Responsibility.

Under pressure from concerned parents and product safety advocates, in 2008 Toys "R" Us announced a new policy to reduce PVC plastic in children's and infants' toys and set a goal of offering PVC-free products. "Recent testing found the company has failed to fully implement this commitment," said Sr. Mary Ellen Gondeck of the Congregation of St. Joseph. Popular products like Barbie, Bucket O Soldiers, and Toy Story 3 Buzz and Woody figurines, were found to contain PVC.

Chemicals associated with PVC can cause health problems including cancer, neurological, and immune system damage. "Toys "R" Us' failure to phase out PVC products and label toxic chemicals in toys could hurt them during the critical Christmas season, which accounts for roughly 40% of Toys "R" Us' annual revenues," said Susan Baker of Trillium Asset Management Corporation.

According to Michael Passoff of As You Sow, "Phasing out PVC has significant environmental and health benefits, builds public trust and safeguards Toys "R" Us' brand reputation and market share."

ATTENTION: The letter with the complete list of signatories is available at http://www.elca.org/corporate and www.iccr.org.