



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements		<input checked="" type="checkbox"/> To support investment decision-making in a company relevant ESG issues <input checked="" type="checkbox"/> To encourage corporate transition for clients' needs or sustainability <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in internal staff	
Collaborative engagements		<input type="checkbox"/> To support investment decision-making in a company relevant ESG issues <input type="checkbox"/> To encourage corporate transition for clients' needs or sustainability <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in collaborative engagements	
Service provider engagements		<input type="checkbox"/> To support investment decision-making in a company relevant ESG issues <input type="checkbox"/> To encourage corporate transition for clients' needs or sustainability <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage in service providers	

# RI TRANSPARENCY REPORT

## 2014/15

Boston Common Asset Management

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Private							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

# Boston Common Asset Management

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2 Additional information. [Optional]

Boston Common Asset Management is a boutique investment manager and a leader in global sustainability initiatives. It specializes in long-only, global equity and balanced strategies for U.S. investors. The firm's investment process combines financial analysis with a proprietary Environmental, Social, and Governance (ESG) framework. Boston Common's overall goal is to preserve and build capital and to add value through targeted company and industry engagement efforts. The firm is recognized as a women- and minority-owned business by the Massachusetts Supplier Diversity Office.

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

United States

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

35

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------



**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

<b>OO 04</b>	<b>Mandatory</b>	<b>Gateway/Peering</b>	<b>General</b>
--------------	------------------	------------------------	----------------

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2014

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		2	095	100	000
Currency	USD				
Assets in USD		2	095	100	000

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

<b>OO 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>General</b>
--------------	------------------	--------------------	----------------

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	<10%
Fixed income – corporate	<10%	0
Fixed income – government	<10%	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0

Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

### Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

#### OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

#### OO 10.3

Additional information. [Optional]

Boston Common's unique investment research process enhances conventional investment analysis with our proprietary Environmental, Social, and Governance (ESG) framework, seeking higher quality, attractively-valued businesses that we believe will outperform over the long term. In addition to our investment process, we add value through our shareholder engagement efforts that seek to improve transparency, lower business risks, and promote long-term thinking by corporate managements plus change for the better the industry and policy context in which they operate. Since our inception in 2003, Boston Common has built a strong investment record and meaningfully improved corporate practices globally.

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
---------	--

- Fixed income – corporate
- Fixed income – government
- None of the above

OO 11.3	Additional information. [Optional]
---------	------------------------------------

For corporations issuing debt, Boston Common employs the same comprehensive ESG guidelines that we use for the evaluation of equities. Our framework outlines ESG characteristics that we seek, those that we avoid, and those that we exclude from our portfolios.

In the case of government debt, we would examine the purpose for which the bonds were issued, - again with reference to our comprehensive ESG guidelines. We would not purchase bonds that are to be used to fund the construction of prisons, for example.

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1	The modules and sections that you will be required to complete are listed below.
---------	--

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation
--------------------------------------

- Listed Equity incorporation

Direct - Listed Equity active ownership
---

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities

**Closing module**

- Closing module

# Boston Common Asset Management

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Boston Common Asset Management is a specialty investment manager and a leader in global sustainability initiatives. Since Geeta Aiyer founded the firm at the end of 2002, Boston Common's focus has been global, managing international and U.S. portfolios to meet the needs of institutional and individual investors. The firm seeks to preserve and build capital through diversified portfolios of what we believe are high-quality, sustainable, undervalued stocks. Boston Common's investment approach rests on our long-term analytical time horizon. Our unique investment research process enhances conventional investment analysis with our proprietary Environmental, Social, and Governance (ESG) framework seeking higher quality, attractively-valued businesses that we believe will outperform over the long term. Additionally, the firm looks to add value through targeted company and industry engagement efforts that seek to improve transparency, lower business risks, and promote long-term thinking by corporate managements and improve the policy and industry context in which they operate.

To provide more detail to clients, Boston Common has developed a comprehensive set of ESG guidelines which underpins our analysis of environmental, social and governance risks and opportunities as we select stocks for our portfolios. These guidelines detail what types of ESG characteristics we use to evaluate firms, dividing them into qualities that we seek, we avoid and we exclude from our portfolio(s). We also have a detailed set of guidelines to govern our shareholder advocacy and engagement activities based on an analysis of key challenges and opportunities facing different companies in the same sector.

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.bostoncommonasset.com/investing.php>

- No

**OA 02.3**

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- Yes
- Yes, all
- Yes, some

**OA 02.4**

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Approach to the Energy Sector	<a href="http://www.bostoncommonasset.com/documents/ThoughtPiece-2013-01-Energy_002.pdf">http://www.bostoncommonasset.com/documents/ThoughtPiece-2013-01-Energy_002.pdf</a>
Promoting access to Medicines	<a href="http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-09-AccessstoMedicines_000.pdf">http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-09-AccessstoMedicines_000.pdf</a>
Natural Gas and Hydraulic Fracturing	<a href="http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-05-HydraulicFracturing.pdf">http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-05-HydraulicFracturing.pdf</a>
ESG Approaches in Asia	<a href="http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-05-Asia_000.pdf">http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-05-Asia_000.pdf</a>
Addressing Conflict Minerals in Portfolios	<a href="http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-03-ConflictMinerals.pdf">http://www.bostoncommonasset.com/documents/ThoughtPiece-2012-03-ConflictMinerals.pdf</a>
Financing Climate Change	<a href="http://www.bostoncommonasset.com/documents/ThoughtPiece-2014-07-FinancingClimateChange.pdf">http://www.bostoncommonasset.com/documents/ThoughtPiece-2014-07-FinancingClimateChange.pdf</a>

- No

**OA 02.5**

Additional information. [Optional]

Boston Common has produced a number of 'thought pieces' articulating our responsible investment approach to a number of controversial or high profile issues. These publications provide a framework for our understanding of the issue and how we can best respond as responsible investors. We have also produced for internal use ESG peer sector benchmarking reports which further inform our investment and engagement approach to material ESG risks and opportunities.

**OA 03****Mandatory****Core Assessed****PRI 1,2****OA 03.1**

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

<b>OA 03.2</b>	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
----------------	---

There are no exceptions to the application of our responsible investment policy. We integrate financial and sustainability factors into our investment process because we believe Environmental, Social and Governance (ESG) research helps us find companies that could benefit over the long-term from three sources: (1) Visionary management teams should capitalize on new market opportunities and revenue streams; (2) Productivity and efficiency improvements should support higher profit margins; and (3) Unanticipated costs stemming from inadequate attention to ESG risks can be avoided. As a result, we believe portfolio quality, return potential, and risk reduction are enhanced by integrating ESG factors with financial research.

<b>OA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
--------------	------------------	----------------------	----------------

<b>OA 04.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	---

Yes

<b>OA 04.2</b>	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
----------------	--

Our organization's Conflict of Interest Policy requires each employee, on both their employment start date and on an annual basis, to disclose all potential conflicts of interest to the Compliance Department - Compliance then monitors all trading against this list of conflicts on a quarterly basis.

No

## Objectives and strategies

<b>OA 05</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
--------------	------------------	------------------------------	----------------



**OA 05.1**

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year  
 Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly  
 Biannually  
 Annually  
 Every two years or less  
 It is not reviewed  
  
 No

**OA 05.4**

Additional information. [Optional]

Boston Common reports quarterly to all clients on both our Responsible Investment activities and the financial performance of our portfolios. We include a 'what worked and what didn't' summary which touches upon ESG issues alongside financial ones. For our engagement activities, we report out on what we have achieved under "Milestones" and where we are headed under "Work in Progress" in our quarterly Activist Investor Social Updates.

## Governance and human resources

**OA 08**

**Mandatory**

**Gateway/Core Assessed**

**General**

**OA 08.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees  
 Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee  
     Oversight/accountability for responsible investment  
     Implementation of responsible investment  
     No oversight/accountability or implementation responsibility for responsible investment  
 Other Chief-level staff or head of department, specify  
    Head ESG Research /Shareholder Engagement

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	---

Number
--------

4

<b>OA 08.3</b>	Additional information. [Optional]
----------------	------------------------------------

Boston Common has 16 employees dedicated to financial and ESG research as well as shareholder engagement. We consider this the full investment team. All employees are directly related to the domestic and international equity strategies in some capacity. Of the 16 employees related to the investment process, 15 are based out of our Boston office and 1 is based in our San Francisco office.

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
--------------	------------------	----------------------	----------------

<b>OA 10.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Boston Common has been a member of PRI since 2009 and has been an active participant in a number of PRI collaborative engagements as well as the Clearinghouse. At the end of 2014, Geeta Aiyer, founder and president of Boston Common was elected for a three year term to the PRI's advisory council. Her willingness to serve on the PRI's governing body alongside our continued leadership of several steering committees is a clear indication of our support for the PRI. We believe it is the most significant platform for coordinated global shareowner engagement and the promotion of ESG integration. Boston Common is leading steering committees focused on oil and gas sector engagement and labor standards in the agricultural supply chain. We are also participants in collaborative engagements on water and directors nominations taking the lead on engagements with some of our portfolio companies on these topics.

- Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

We participated in one meeting in Japan in March 2014.

- Association for Sustainable & Responsible Investment in Asia  
 Australian Council of Superannuation Investors  
 CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Boston Common is a full investor member of CDP and the related group Carbon Action. We have engaged companies regarding their CDP reports and setting GHG reduction targets. In 2014, we engaged a number of Japanese companies to respond to the CDP climate survey and succeeded in getting J Front Retailing to respond for the first time. We also engaged PNC Financial to raise the quality of their CDP response. Boston Common launched a collaborative engagement looking at climate risk in the banking sector. We are engaging 63 banks globally and CDP is providing some research and engagement support.

CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Boston Common is a signatory to CDP Forests. We were also active participant in its predecessor organization, the UK-based Forest Disclosure Project. In June 2014 Boston Common was the featured speaker for a CDP webinar for Latin American companies that encouraged them to participate in CDP Forests and CDP Water.

CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have worked with CDP Water to identify any of our portfolio holdings which have not responded to their survey. During 2014 we engaged 22 companies that had not responded or had declined to respond to CDP across all our strategies. We have engaged a subset of these companies including Adidas. In 2014 we also engaged a several Japanese holdings including 5 face-to-face meetings to respond to CDP Water and in early 2015 began engagements with a number of Indian companies.

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Boston Common is a contributing signatory to the investor statement on transparency in the Extractives sector.

- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lauren Compere Director of Shareholder Engagement has been a member of the governing board of the Interfaith Center of Corporate Responsibility (ICCR) since 2010. In 2014 Boston Common continued its lead investor role in the ICCR-led initiative to address systemic problems in the Bangladesh apparel supply chain. This included helping to organize a joint ICCR-PRI Webinar for investors (June 2014) as well as a field trip to Bangladesh (May 2014). An investor statement signed by over 200 organizations from 16 countries with combined assets of \$3.1 Trillion called on companies to enact system wide reforms to combat unsafe working conditions. Boston Common led engagements with several global companies including Adidas - which became a signatory to the Accord on Fire and Safety in Bangladesh in Sept. 2013. We co-organized an investor salon on Bangladesh with Tau Investments and ICCR (October of 2014) to look at venture capital and private equity solutions. Boston Common is on the ICCR Working Group leadership teams of: Climate Change, Human Trafficking, Food, Water and Global Health.

- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We have been members of ICGN since 2012 and have attended annual forums in Brazil and Japan. Lauren Compere sits on the Business Ethics Committee of ICGN (joined December 2013) and is working with ICGN on a Viewpoint paper on Human Rights through a governance lens.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Boston Common is an active member of the Investor Network on Climate Risk and the Ceres Coalition. We are active in the strategy and program development work by INCR related to climate change and sustainability. Some of our 2014 activities with Ceres and INCR included the following: We participated in the UN Investor Summit on Climate Risk (January 2014) and the annual Ceres Conference (May 2014). We are an active member of the INCR Policy Working Group. Boston Common was the primary investor speaker for a Ceres press conference launching its new water stress and hydraulic fracturing report (February 2014). Boston Common coordinated with Ceres and Carbon Tracker to provide a quote for a Financial Times story on high cost oil reserves (May 2014). We provided to Ceres a case study on a new shareholder engagement model that is being published in a new investor guide on engagement Ceres is drafting with BlackRock (August 2014, and March 2015). Ceres staff participated in investor briefings Boston Common organized with oil & gas companies on environmental risk management related to hydraulic fracturing. (July 2014). Boston Common was one of the investors featured in a Ceres report that provided case studies on how investors approach water risk in their portfolios (August 2014 - Published in March 2015). Boston Common is active in the Ceres corporate program and participated in the annual Ceres sustainability stakeholder meeting with Ford Motor Co. (February 2014). Boston Common signed on to the INCR Global Investor Statement on Climate Change (September 2014).

- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
USSIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Boston Common has been a member of USSIF since we were founded in 2003. We support the organization through our participation on their Board as well as membership in various Steering Committees including SIRAN (Sustainable Investment Research Analyst Network), the Indigenous Peoples Working Group, their Diversity Task Force and the International Working Group. Boston Common staff have also chaired the advocacy subcommittee of the Indigenous Peoples Working Group of USSIF since 2007.

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Boston Common staff served as Expert Advisors for the UN Global Compact's new business reference guide on the UN Declaration on the Rights of Indigenous Peoples. The UN Global Compact published the new guide in December 2013. Boston Common has also participated in PRI Clearinghouse initiatives related to UN Global Compact and our President also spoke at the UN Global Compact Summit in 2014.

- Other collaborative organisation/initiative, specify  
Silicon Valley Toxics Coalition

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Boston Common is the primary investor supporter of the annual Solar Scorecard published by the Silicon Valley Toxics Coalition. The Scorecard is a resource for consumers, institutional purchasers, investors, who wants to purchase PV modules from responsible product stewards. The Scorecard reveals how companies perform on SVTC's sustainability and social justice benchmarks to ensure that the PV manufacturers protect workers, communities, and the environment. Boston Common is also the only investor on the Solar Energy Industries Association's Advisory Council for its Solar Commitment code for sustainability and corporate responsibility. Boston Common shared this collaborative engagement opportunity with PRI signatories.

- Other collaborative organisation/initiative, specify  
Investor Environmental Health Network

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Investor Environmental Health Network is a collaborative partnership of investment managers, advised by nongovernmental organizations, concerned about the financial and public health risks associated with corporate toxic chemicals policies. Boston Common helped co-found the IEHN in 2005 and is active in shaping and implementing its engagement initiatives. The most recent initiatives include a focus on hydraulic fracturing for shale energy development and procurement and recycling of lead acid batteries. In conjunction with IEHN and Apache Corporation we organized two investor briefings in 2013 on chemicals and water use and management.

Boston Common co-authored the report, *Disclosing the Facts: Transparency and Risk in Hydraulic Fracturing Operations*, which benchmarks 24 companies engaged in hydraulic fracturing against investor needs for disclosure of operational impacts and mitigation efforts.

The report was authored by As You Sow, Boston Common Asset Management, Green Century Capital Management, and the Investor Environmental Health Network (IEHN).

Available online at [disclosingthefacts.org](http://disclosingthefacts.org).

- Other collaborative organisation/initiative, specify

Global Network Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The GNI represents a collaborative approach among companies, civil society organizations, academics and investors to protect and advance freedom of expression and privacy in the ICT sector. Boston Common's Director of Shareholder Engagement serves as a board alternate of the GNI (Attends all meetings and contributes to quorum if adequate number of standing members absent).

- Other collaborative organisation/initiative, specify

BASIC - Boston Area Sustainable Investment Consortium

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced



Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

BASIC's mission is to connect Boston-area SRI professionals via educational, social, and networking activities. BASIC strives to achieve its goal primarily by hosting a robust series of events throughout the year. BASIC also operates online channels for knowledge sharing, interactive discussion, and organization facilitation. BASIC does not take political positions, lobby, advocate specific SRI strategies, or provide job search assistance. A member of the ESG research team serves on BASIC's leadership team and is the event chair - responsible for sourcing events and venues in collaboration with other volunteers.

**OA 10.2** Additional information. [Optional]

Boston Common is a founding institutional investor member of the 30% Coalition - an association of senior business executives, statewide elected officials, national women's organizations, institutional investors, labor unions, corporate governance experts and board members, seeking to raise the share of board seats held by women from its current 19 percent average to 30 percent by 2016.

We are an active member of WISE - Women Investing for a Sustainable Economy - a membership organization for women working in Responsible Investment with chapters throughout the US.

We are an adviser member of Confluence Philanthropy - a network of Foundations and endowments committed to aligning their investments with their mission. We have done a number of briefings for their members on mission aligned investing in 2014.

We served on the independent Advisory panel and Expert Group of the Access to Nutrition Index and also hosted an investor briefing in NYC on the Access to Medicines Index in 2014.

Finally, Boston Common has been a member of the Ecumenical Council for Corporate Responsibility (ECCR) since 2012 - a church-based investor coalition, that leads and collaborates with others in advocacy and awareness raising on issues of business, human rights and environmental stewardship.

OA 11	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

<b>OA 11.1</b>	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
----------------	--

Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

**OA 11.3**

Additional information. [Optional]

Boston Common staff regularly participate in webinars, conferences and workshops to educate consultants, trustees and advisers about responsible investment. In the last year, we have lead engagements around supply chain accountability, water stewardship, and climate change and bank financing; supported the annual Solar scorecard of the Silicon Valley Toxics Coalition, and co- authored the 2014 version of the report 'Disclosing the Facts: Transparency and Risk in Hydraulic Fracturing Operations' as part of the Investor Environmental Health Network.

# Boston Common Asset Management

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities


### Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
--------	-----------	-----------------------	-------

LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
----------	--

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 100
--	--

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

	Total actively managed listed equities
--	--

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
----------	---

Boston Common endeavors to integrate financial and sustainability factors into its investment process because we believe ESG research helps us identify companies that should be successful over the long-term. It We seek companies that can capitalize on new market opportunities, implement efficiency improvements, and avoid unanticipated costs stemming from inadequate attention to ESG risks. As a result, Boston Common believes ESG research helps improve portfolio quality and financial return potential.

**LEI 03.3**

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

We begin the equity selection process by creating a diversified monitor list of what we believe are high-quality stocks. For our U.S. strategies, we start with the investable universe of 1,000 U.S. stocks with market capitalizations above \$2 billion. For our international and global strategies, we construct monitor lists of securities drawn from the appropriate benchmarks - MSCI EAFE, MSCI ACWI, MSCI ACWI exUS or MSCI Emerging Markets indices. We screen these lists using statistical metrics such as capitalization, liquidity, profitability, and leverage as well as environmental, social, and governance criteria. These screens exclude companies that have consistently lost money, that have taken on unsustainable levels of debt, or that have experienced such volatile operating performance that we would not be confident in projections about their future profitability. We further refine this list by judging the quality of the remaining companies. We exclude from the list companies whose business models we consider unsustainable and whose financial reporting and managerial accountability we consider untrustworthy.

Boston Common has also created proprietary databases and data sets reflecting the ESG characteristics of a broad set of global companies. These databases are used in the preliminary screening of the investment universe. Based on the result of the preliminary screening process, we add to the list a selection of mid-sized companies in areas with high ESG impact in order to restore sufficient diversification. This process produces a monitor list of several hundred stocks that we view as high quality.

Our fundamental research focuses on identifying individual stocks from our monitor list that are trading at a discount to intrinsic value and have potential for recovery over the next 12-18 months. To manage risk, we quantify reasonable downside based on historical analogs and on the intrinsic value that would be justified in alternative scenarios.

## (A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

**LEI 06.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

- Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

## Description

Boston Common employs a comprehensive set of ESG guidelines that are an integral part of our standard investment process. We look to avoid companies that are egregious violators of regulations, exhibit a pattern of negligence, or have a deteriorating record on measurable conduct. We favor companies that have made changes in policies and programs to address past problems. These criteria are industry-relative, such that a company is judged in relation to its peers.

We exclude companies with consistently poor ESG records, egregious practices, or unsustainable business models. Our assessment of worst actors utilizes sector-relative calibration, eliminating approximately the bottom quintile of companies within a sector. We add in companies with exemplary practices or innovative, desirable products and sustainable business models. Although we analyze information at a sub-sector level, we do not feel compelled to include best-of-class representatives from each group. For instance, we do not find any gold or uranium mining industry name that passes ESG risk hurdles. We are active portfolio managers and look for opportunity and diversification at higher levels of aggregation, typically at the sector or super-sector level.

- Positive/best-in-class screening

### Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

## Description

We typically seek companies with superior records in environmental responsibility, labor relations, and human rights, that display a commitment to good standards and compliance, and that demonstrate improving records in these areas. We also examine whether a company's standards for its vendors broaden the impact of its policies. We favor companies that have made changes in policies and programs to address past problems and strive toward corporate accountability, allowing shareholders to influence strategic decision-making. We value Board diversity and independence in order to promote the preservation of the company's long-term interests and those of its shareholders; and expect alignment of interests through remuneration, in order to ensure that senior executives and management interests are aligned with the interests of shareholders to enhance long-term value.

- Norms-based screening

### Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Montreal Convention on Anti-Personnel Landmines, Convention on Cluster Munitions, United Nations Declaration on the Rights of Indigenous Peoples

	Description
--	-------------

We avoid egregious violators of international norms, and avoid companies that have a history of knowingly using forced labor, child labor, or sweatshops and a history of discriminating illegally against their employees. These criteria apply to a company's suppliers as well as to its contractors. Further, we avoid companies that have a history of significantly and directly supporting human rights abuses.

We have adopted an absolute exclusion of investment in companies that manufacture biological, chemical, or nuclear weapons, anti-personnel landmines or cluster munitions.

<b>LEI 06.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

We believe ESG research helps improve portfolio quality and financial return potential. There was no 'separate process' to establish our ESG criteria -we articulated a comprehensive approach to the consideration of ESG factors from our inception 12 years ago. Our preference has always been to seek out companies who were on average better than their peers on the relevant ESG metrics for their sector. We have undertaken a semi-formal review process every three to four years to determine if there are issues we need to formally include in our guidelines. We do this more frequently for certain emerging issues. This review process has led to us identifying additional areas of concern. For example in the area of energy and climate change, as a result of changing market conditions which have made the extraction of oil sands more economical, we have confirmed the formal exclusion of investments in companies that generate their primary revenues from the mining, processing, or production of any product from bituminous sands, also known as oil sands or tar sands. This builds on our earlier decision to exclude companies whose primary revenues are from mining coal, transporting thermal coal or burning coal for electric power generation. We also avoid direct investments in companies that own or operate nuclear power plants, manufacture nuclear reactors, mine uranium, or derive significant revenues from the nuclear industry. This is because we believe the tail risks are too great as safety and the long-term disposal of radioactive waste remain unresolved. We share our evolving thinking on these issues with our clients via our thought pieces, quarterly newsletters and client reporting.

In defining the investable universe, Boston Common recognizes that no company will outperform on all ESG criteria. We seek to identify companies with strengths in a reasonable number of ESG criteria and/or with the potential to make progress across the ESG spectrum including through our own engagement with the company. While we seek to rule out companies with the worst ESG records relative to industry peers, Boston Common also looks for firms that are finding innovative solutions to problems faced by their industry and society.

<b>LEI 06.3</b>	Additional information. [Optional]
-----------------	------------------------------------

Boston Common employs some ESG criteria related to avoidance, such as screens relating to the risk areas of weapons contracting and tobacco. In implementing these "negative criteria", we set absolute standards related to acceptable levels of revenues. We then work to articulate what products qualify for the screen and determine the revenues associated with them. Some analysis may be required to ascertain a particular company's dependence on sales from such products, including revenues generated through subsidiaries or joint ventures. We also use ESG criteria related to ethical market behavior such as marketing unsafe products or engaging in irresponsible marketing.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------	--------------

<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
-----------------	---

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify  

We compare our own internal ESG view of companies with the ratings or findings of multiple ESG research providers.
- None of the above

<b>LEI 07.2</b>	Additional information. [Optional]
-----------------	------------------------------------

Boston Common independently evaluates the ESG profiles of the companies it considers for investment. We take a global approach and have constructed broad U.S. and international research databases that allow us to evaluate companies relative to each other and against absolute criteria. We have particular experience with the developing country practices of corporations, which often have human rights, environmental, and marketing impacts that are not well monitored or understood. Our ESG analysts travel in the US and Canada and to Europe, Asia, and South America to visit company facilities and meet with employees and community stakeholders as well as local corporate officers to gather information first hand. Further our active shareholder engagement program helps us identify leaders and laggards in various industries as well as new trends both in the US and globally.

We often invest in companies that are working on innovative solutions to the social and environmental challenges faced by their industries. We do not stray from our financial discipline in order to invest in positive ESG stories, because we believe that investing to achieve ESG goals without regard to financial viability and valuation would increase our clients' risk profile and harm financial returns. However, our social and environmental ethos helps us generate investment ideas. We subject these ideas to the structure and rigor of our traditional process, as with any other investment. Over the years, this approach has led us to invest in profitable, growing, well-run companies that are developing cleaner production processes, innovative medical tools, natural foods products, renewable energy, and more fuel-efficient vehicles and improving conditions throughout their supply chains.

<b>(C) Implementation: Integration of ESG issues</b>			
--	--	--	--

<b>LEI 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------	--------------

<b>LEI 11.1</b>	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
-----------------	---



ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

**LEI 11.2** Additional information. [Optional]

Issue areas such as the environment, human rights, labor relations and employment practices require a nuanced, judgment-based approach, framed in terms of attributes to seek and those to avoid. We typically seek companies with superior records in environmental responsibility, labor relations, employment practices and human rights, and that display commitments to good standards and compliance, and improving records in these areas. We also examine whether the standards of a company's vendors broaden the impact of its policies. Conversely, we look to avoid companies that are egregious violators of regulations, exhibit a pattern of negligence, or have a deteriorating record on measurable conduct. We favor companies that have made changes in policies and programs to address past problems. These criteria are industry-relative, such that a company is judged in relation to its peers.

**Outputs and outcomes**

<b>LEI 16</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
---------------	------------------	----------------------------	--------------

**LEI 16.1** Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' risk or volatility

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input checked="" type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Impact	Strategies considered
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

None of the above

<b>LEI 16.2</b>	Describe how you are able to determine these outcomes.
-----------------	--

We have quantified the exposure of our portfolios to ESG themes as part of our reporting to performance to our clients. We identify what percentage of our portfolio is invested in 'solutions' firms - which we define as those who derive 50% of their revenue from solutions activities and what percentage is invested in "exposure firms," those who derive some portion < 50% of their revenues from solution-type activities. We categorize the following themes as contributing to sustainability:

- (1) Recycling /Efficiency
- (2) Access to Health
- (3) Renewable Energy
- (4) Access to Finance/Micro- Lending
- (5) Community Investing/Sustainable Sourcing
- (6) Water Quality/ Waste Management
- (7) Education and Communication Empowerment
- (8) Organic/Non-toxic products

In 2014 for example, approximately 10% of our model international equity was invested in 'solutions firms' and over 70% of the remaining portfolio was invested in companies which had exposure to one or more of these themes.

In terms of financial performance, Boston Common seeks to outperform relevant performance benchmarks over a full market cycle. We try to avoid deeply distressed companies and those with highly volatile or unpredictable profit streams, and we favor firms we view as high quality with consistent, visible profitability.

<b>LEI 17</b>	Voluntary	Descriptive	PRI 1
---------------	-----------	-------------	-------

<b>LEI 17.1</b>	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
-----------------	---

ESG issue 1

	ESG issue and explanation
<p><b>Sustainable sourcing</b></p> <p>We believe chocolate is an attractive market because it benefits from stable demand from developed markets and secular growth in emerging markets. In the past for example, we were shareholders in Cadbury prior to its acquisition by Kraft. A few years ago, we met with management of a global leader in cocoa processing, Barry Callebaut and we were impressed by the strength of its franchise and started to follow its progress. In the fall of 2014, the stock's valuation compressed to an attractive level in our view, partially in response to concerns about Ebola's impact on cocoa supplies in Western Africa. In order to mitigate supply chain labor risks associated with the sourcing of cocoa, the company has developed a Supplier Code of Conduct, which includes provisions on labor standards, including forced labor, child labor, working hours, paid overtime, minimum wage, anti-discrimination, freedom of association, and health and safety. The company trains its suppliers on the Code and verifies compliance through supplier audits. Barry Callebaut also provides training in good agricultural practices, provides financing assistance, and helps improve access to education and basic healthcare for cocoa farmers. After our consumer staples and ESG analyst completed extensive due diligence we purchased the company in the fourth quarter of 2014.</p>	
	ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>	
	Impact on investment decision or performance
<p>This stock has only recently been purchased in our portfolios, but the stock performance has been solid since purchase. As we employ a low-turnover approach - we expect to hold this stock over a three to five year period to fully realize our valuation expectations.</p>	

ESG issue 2

### ESG issue and explanation

#### Transition to a lower carbon future

Wind energy is the most cost-competitive form of renewable energy and we have followed its progress closely with various levels of exposure in our portfolios over the past ten years. This past summer we were encouraged by the improving financial performance of the wind turbine manufacturers. We purchased a wind turbine manufacturer that generates over 65% of its business from emerging markets, where the demand for wind energy is growing the fastest. We invested in Gamesa because it looked undervalued compared to its slower-growing industry peers and we found its operational management compelling.

Gamesa is a leader in clean energy development. Its 28.8 GW of installed wind power prevents the emission of more than 43 million tons of CO2 into the atmosphere each year. Operationally, Gamesa has implemented an integrated management system based on ISO 14001 environmental, OHSAS 18001 occupational health and safety, and ISO 9001 quality standards. The company reports improving environmental performance. It integrates lifecycle analysis into product design and has certified some of its products, including G128-4,5 MW, to the ISO 14006 ecodesign standard.

The company has requested our assistance in the development of its Indigenous Peoples policy.

### ESG incorporation strategy applied

- Screening
- Integration
- Combination of ESG incorporation strategies

### Impact on investment decision or performance

Gamesa has strong order momentum, with orders being booked a year into the future. The company is also launching a new joint venture with Areva for offshore wind, introducing a new growth driver.

ESG issue 3

	ESG issue and explanation
<p>Expanding access to financial services (emerging markets)</p> <p>In 2014 Boston Common purchased a position in the second largest insurance company in China. Ping An Insurance has developed into an integrated financial services group offering insurance, banking, and investment services. The company offers a set of products tailored to the underserved small- and medium-sized enterprise (SME) market, including deposit, borrowing, settlement and wealth management services. In 2013, the company launched an Internet platform which included a new online micro-credit application and approval process. The company now serves more than 500,000 micro-credit customers.</p>	
	ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>	
	Impact on investment decision or performance
<p>Ping An should benefit from rising demand for savings and insurance products from China's growing middle class. Ping An's valuation looks attractive given its strong insurance fundamentals and potential growth in other financial services.</p>	

ESG issue 4

ESG issue and explanation
<p>Growing demand for environmental services</p> <p>As the global economy recovers we expect improving industrial production to drive growth at Veolia. The company supplies drinking water, provides waste management services, and manages heating and air conditioning systems. Customers include public authorities, industrial and commercial customers, and individuals. The company is designing technologies that increase waste recovery, conserve water resources, and manage energy sustainably, for example through improvements in energy efficiency, cogeneration, and use of renewable and alternative energies. Operationally, the company has adopted a leading environmental management system, established Board-level responsibility for environmental issues, and joined the CEO Water Mandate, an initiative of the United Nations Global Compact to strengthen water sustainability policies and practices.</p>
ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>
Impact on investment decision or performance
<p>Veolia expects to continue to expand its business in the most dynamic sectors and markets, targeting growth markets in Eastern Europe, Asia, the Middle East and Latin America. Emerging market economies will likely be the company's growth engine over the coming years. This growth should be supported by a growing global population and an increase of urban populations in emerging countries over the long-term, thereby increasing the demand for environmental services provided by Veolia.</p>

ESG issue 5

**Communication**

LEI 18	Mandatory	Core Assessed	PRI 2,6
--------	-----------	---------------	---------

**LEI 18.1** Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

We disclose it publicly

Provide URL

<http://www.bostoncommonasset.com/quarterly-memos.php>

Provide URL

<http://www.bostoncommonfunds.com/funds/international/overview.html>

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

**LEI 18.3**

Indicate the information your organisation proactively discloses to the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information to the public.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

**LEI 18.5**

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

**LEI 18.6**

Indicate how frequently you typically report this information to clients/beneficiaries.

- Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- We disclose it to clients and/or beneficiaries only
  - We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.7**

Additional information. [Optional]

Information on our model portfolios is disclosed via our quarterly investment memos and our 'Active Investor' Social update that we provide directly to clients and others plus post on our public website. Clients with customized engagement or ESG strategies are supplied with additional reports on the performance and characteristics of their portfolios.

# Boston Common Asset Management

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Engagement

### Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
--------	-----------	---------	-----------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify <b>To influence industry adoption of current best practices.</b> <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input checked="" type="checkbox"/> Other, specify <b>To influence industry adoption of current best practices.</b> <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

**LEA 03.1**

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

**LEA 03.2**

Describe how you identify and prioritise engagements.

Boston Common has an annual engagement planning process which focuses on six strategic pillars:

- (1) Corporate Governance, Disclosure, and Transparency
- (2) Global Health and Nutrition
- (3) Human Rights
- (4) Environmental Risk Management and Sustainable Energy
- (5) Sustainable Finance
- (6) Water and Communities

Each year we pick two or more main themes under each strategic pillar. In 2014, we significantly enhanced our engagement planning process by incorporating several "portfolio level strategies" focused on water stewardship and banks and climate change. The goal of these portfolio-level strategies was to engage all companies across our equity strategies on the same issue to benchmark current company practice and to better track performance and engagement results.

In 2014, under Water Stewardship, we identified 21 companies across our equity strategies that had not responded to or had declined to respond to CDP Water and asked them to respond to the CDP Water questionnaire in 2014. Under Sustainable Finance, we engaged all our bank holdings on how they were addressing climate change across their business models. This was part of a global coalition Boston Common is spearheading to engage 63 global banks on climate change efforts. Under Human Rights we continued our focus on supply chain accountability in the apparel sector post Rana Plaza (April 2013) in Bangladesh with a trip to Dhaka in May 2014 to visit with key stakeholders and conduct on-site factory visits. Under Environmental Risk Management we continued our focus on sustainable sector practices related to hydraulic fracturing in the oil and gas sector as well as related to the solar photovoltaics industry.

Through our ESG integration process, we have conducted global sector ESG benchmarking exercises to identify leaders, average players, and companies to avoid across our investable universe. Our bottom-up ESG research on new stock ideas plus our leadership in various investor coalitions provide other engagement ideas. Initial ESG research helps to identify what companies to engage with during the year. We believe it is important to engage not just the laggards but the leaders on material ESG issues in order to elevate how an entire sector or industry is addressing these risks. We may also choose to engage with companies that do not currently meet our ESG criteria or are not in our portfolios.

Some of the companies we own have relatively high ESG ratings and so we do little or no advocacy work or may engage with them to improve further or advance best practices. Other companies (or their respective industries) have ESG issues that we believe can be improved and these may be companies and/or industries where we prioritize our engagement focus. We may not be the lead on all engagements as we work collaboratively with other investment firms, clients, and NGO's to leverage our expertise and resources.

No

**LEA 04****Mandatory****Core Assessed****PRI 2****LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

Yes

- Yes, for all engagement activities
- Yes, for the majority of engagement activities
- Yes, for a minority of engagement activities

No

**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

**LEA 04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

On a quarterly basis Boston Common reports to our clients and other stakeholders on our engagement objectives and progress made against them in our newsletter - 'Active Investor Social Update' which we send directly to them and post on our website. We regularly track activities and performance across four broad themes:

- (1) Environmental Risk Management
- (2) Global Health
- (3) Disclosure and Transparency
- (4) Human Rights

We note 'what has changed' or progress made at the company, sector or regulatory level for each theme and also identify longer-term goals towards which we will continue to work.

In some cases we have actually been part of an Expert Group developing metrics or key performance indicators (KPIs) to benchmark performance on certain ESG issues or to detail recommended best practices. For example, Boston Common continues to provide expert advice and support for the Access to Nutrition Index (ATNI), Access to Medicines Index (ATM Index) and the Disclosing the Facts scorecard on hydraulic fracturing ("fracking") operations by oil and gas companies. The Access to Medicine Index independently ranks 20 pharmaceutical companies' efforts to improve access to medicine in developing countries. Funded by the Bill & Melinda Gates Foundation and the UK and Dutch governments, the Index has been published every two years since 2008. The Disclosing the Facts scorecard developed by Boston Common and As You Sow, Green Century, Investor Environmental Health Network was part of larger 2013 and 2014 reports that benchmarked the use and disclosure of best practices by 30 oil and gas companies related to their hydraulic fracturing activities in the U.S. and Canada. These public indices and scorecard tools were used in dialogues with the companies in 2014 to prioritize areas for improvement and to gauge progress. Lauren Compere of Boston Common has also recently joined the Board of Directors of the Access to Nutrition Foundation. Steven Heim of Boston Common was an Expert Advisor for the Business Reference Guide to the United Nations Declaration on the Rights of Indigenous Peoples published by the UN Global Compact in 2013. He also serves as the only investor on the Advisory Group for the Solar Energy Industries Association's Solar Commitment for Environmental and Social Responsibility, the solar industry code of best practices.

In addition, Lauren Compere and Steven Heim of Boston Common continued to lend their expertise on the PRI Steering Committees for two collaborative engagements: Labor Standards in the Agricultural Supply Chain and Fracking (hydraulic fracturing) for shale energy. These engagements also used initial baseline reports and metrics setting to establish goals to monitor progress for companies engaged in 2014.

- No

**Process for engagements conducted via collaborations****LEA 05****Mandatory****Core Assessed****PRI 2****LEA 05.1**

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

- Yes

**LEA 05.2**

Describe how you identify and prioritise collaborative engagements.

Our collaborative engagements are selected based on a review of the ESG risks and opportunities faced by companies in our portfolios and our own assessment of the severity and urgency of the issues and their suitability for engagement by Boston Common and a wider group of stakeholders. Characteristics that we consider suitable for collaborative engagement include the following: they may lead to research and the development of best practice standards or guidelines; they may encourage additional disclosure by companies on how they are managing relevant risks or exploiting opportunities; and/or they may use leading companies as best practice examples for their sector peers.

As part of our assessment of our membership in coalitions and networks that focus on sustainability and ESG practices, we prioritize those collaborative engagements which complement our own engagement priorities described previously, including opportunities to participate in global coalitions such as PRI, the International Corporate Governance Network, and CDP to leverage on-the-ground connections.

No

**LEA 06****Mandatory****Core Assessed****PRI 2****LEA 06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

Yes

- Yes, for all collaborative engagement activities
- Yes, for the majority of collaborative engagement activities
- Yes, for a minority of collaborative engagement activities

No

**LEA 06.2**

Indicate if you monitor the actions companies take following your collaborative engagements.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

**LEA 06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

We measure the success of our collaborative engagements using a similar set of metrics to our individual engagements. However, we recognize that collaboration is in and of itself often a significant accomplishment. We have successfully brought together a disparate group of stakeholders including companies, investors, NGOs, and researchers to meet on a semi-regular basis, develop common frameworks for evaluating and discussing progress on particular issues, and agree to a set of specific recommendations and actions, often around disclosure. One key example of this would be the "Disclosing the Facts 2014: Transparency and Risk in Hydraulic Fracturing Operations" report ('DTF 2014') released in December 2014 by As You Sow, Boston Common Asset Management, Green Century Capital Management and the Investor Environmental Health Network a coalition of investment advisory firms and advocacy organizations. The second annual investor scorecard is available online at [www.disclosingthefacts.org](http://www.disclosingthefacts.org). DTF 2014 is the second annual ranking of oil and gas companies engaged in hydraulic fracturing, or 'fracking'. It analyzes companies' reporting on their practices and progress in reducing risks associated with their fracking operations

No

**LEA 06.4** Additional information. [Optional]

We have found a variety of tools useful for leveraging constructive dialogue with companies and other stakeholders. These include public rankings and scorecards for example the Access to Medicines Index (ATM Index), the annual Solar Scorecard, and industry initiatives such as CDP, the UN Global Compact and the Global Reporting Initiative (GRI). We have also worked with others to publish global investor statements that have played a critical role in raising awareness and support for better sustainability practices. A notable example is the statement coordinated by the Interfaith Center on Corporate Responsibility that came out on the first anniversary of the Rana Plaza disaster in Bangladesh in April 2014. Finally we have worked collaboratively under multi-stakeholder initiatives, such as the one organized by the Responsible Sourcing Network to address the U.S. Securities and Exchange Commission's (SEC) rule-making on Conflict Minerals, (Section 1502 of the Dodd-Frank Act).

**General processes for all three groups of engagers**

**LEA 10** **Mandatory** **Gateway/Core Assessed** **PRI 2**

**LEA 10.1** Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

**LEA 10.2** Additional information. [Optional]

We discuss a selection of current engagements under each of our themes in our quarterly Active Investor Social Update that we send directly to clients and others plus publish on our public website. For our largest clients we also develop customized engagement plans and report to them privately on the objectives and progress made on an annual basis.

**Outputs and outcomes**

**LEA 11** **Mandatory to Report Voluntary to Disclose** **Core Assessed** **PRI 2**

**LEA 11.1** Indicate the number of companies with which your organisation engaged during the reporting year.

	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	56
Collaborative engagements	174

**LEA 11.2** Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 11.3** Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

**LEA 12** Voluntary Additional Assessed **PRI 2**

**LEA 12.1** Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

**LEA 12.2** Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

% Environmental only

40

% Social only

30

% Corporate Governance only

10

% Overlapping ESG issues

20

**100%**

Collaborative engagements

% Environmental only

60

% Social only

25

% Corporate Governance only

5

	% Overlapping ESG issues
--	--------------------------

10

**100%**

<b>LEA 13</b>	Voluntary	Descriptive	PRI 2
---------------	-----------	-------------	-------

<b>LEA 13.1</b>	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--

Yes

<b>LEA 13.2</b>	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
-----------------	--

	Number of company changes or commitments to change
Individual / Internal staff engagements	9
Collaborative engagements	5

No

<b>LEA 13.3</b>	Additional information.
-----------------	-------------------------

**Shareowner engagement milestones achieved in 2014 include:**

Statoil halted a major Canadian oil sands project for three years (Collaborative)

Over one-third of the banks we contacted under our bank financing and climate change engagement have responded in a substantive way to our request for information by the end of 2014. (Collaborative)

We successfully negotiated withdrawals from Costco and Qualcomm of shareholder proposals calling for the adoption of GHG Emission reduction targets. (Internal)

JP Morgan Chase published a revised social and environmental framework to which we provided substantial input. (Internal)

Apache adopted an Indigenous Peoples policy (Collaborative)

Repsol pulled out of Block 39 in the Amazon area of Peru after Boston Common and others raised concerns about possible human rights violations with presence of uncontacted Indigenous Peoples Living in Voluntary Isolation (Collaborative)

VISA adopted a revised policy on lobbying disclosure. (Internal)

<b>LEA 14</b>	Voluntary	Descriptive	PRI 2
---------------	-----------	-------------	-------



**LEA 14.1**

Provide examples of the engagements that your organisation carried out during the reporting year.

Add Example 1

Topic or ESG issue	Canadian Oil Sands
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Statoil to withdraw from oil sands operations in Canada
Scope and Process	Organized a letter signed by 35 investors asking the company to consider withdrawal from Canadian oil sands. Organized a follow up call with investors in addition to meeting with Statoil to discuss other issues.
Outcomes	Statoil halted a major Canadian oil sands project for three years

Add Example 2

Topic or ESG issue	Financing Climate Change: Carbon Asset Risk in the Banking Sector
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Global banks to enhance risk management and adopt long-term climate strategies.
Scope and Process	Published thought piece including a specific call to action for global banks around climate-related risks and opportunities. Convened 80 investors to engage 63 global banks through letter-writing and active dialogues. Coordinated lead investors in Australia, Canada, Italy, Sweden and the US and provided periodic updates to signatories.
Outcomes	By the end of 2014, two-thirds of the banks had responded in some fashion, including 20 comprehensive written responses, and 15 constructive dialogues. Engagement results to be assessed further in 2015.

Add Example 3

Topic or ESG issue	PNC Dialogue on Climate Change
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Encourage PNC Bank to develop and publish a climate- change strategy in relation to their lending and underwriting activities.
Scope and Process	Following the 2014 AGM, organized multiple meetings with PNC, including with the company CEO and senior staff regarding our call to action on adopting a climate change strategy, Provided significant input into PNC's sustainability report and CDP Carbon response.
Outcomes	Company disclosure of significant policy and procedure changes, including Board level oversight of climate-related policies in its 2015 Sustainability Report.

Add Example 4

Topic or ESG issue	Adopt GHG Emissions Reduction Targets
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	Adopt GHG Emissions Reduction Targets among portfolio companies.
Scope and Process	Portfolio companies including Costco and Qualcomm adopt GHG emissions reduction targets.
Outcomes	Negotiated withdrawals of shareholder proposals from both companies. Engaged in CEO-level dialogue and re-evaluation of climate policy a the Board level. Dialogues ongoing in 2015.

Add Example 5

Topic or ESG issue	Apparel Supply Chain Oversight/Bangladesh
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	Encourage major brands sourcing clothing from Bangladesh to become signatories to the Bangladesh Fire and Safety Accord.
Scope and Process	Co-lead collaborative engagement with ICCR to recruit additional investor support for Bangladesh Fire and Safety Accord. Participate in fact-finding investor tour to Bangladesh in Mid-May (the only US-based investor to do so). Engage portfolio companies Disney and Adidas on supply chain management with a focus on Bangladesh.
Outcomes	Obtained deeper understanding of actions needed to sustain improvements in Bangladesh, Rallied investor support for Alliance and Accord models.

- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

## Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

<http://www.bostoncommonasset.com/quarterly-memos.php>

LEA 15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

**LEA 15.3**

Indicate what engagement information your organisation proactively discloses to the public.

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA 15.4**

Indicate how frequently you typically report engagements information to the public.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

**LEA 15.5**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA 15.6**

Indicate how frequently you typically report engagements information to clients/beneficiaries.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify

<b>LEA 15.7</b>	Describe any other differences in the information being disclosed. [Optional]
-----------------	---

For clients that have customized engagement plans, we provide more detail as described above. We also provide in our marketing materials key successes and engagement results on an annual basis. For the public, we provide through our quarterly Active Investor Social Updates a summary of issues, activities and progress achieved to date. Quarterly memos going back several years are available on our website.

- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

**(Proxy) voting and shareholder resolutions**

**Process**

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 17.1</b>	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

	Approach
--	----------

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

	Based primarily on
--	--------------------

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

<b>LEA 17.2</b>	Additional information.[Optional]
-----------------	-----------------------------------

Please see our response to LEA 16 for more detail.

<b>LEA 19</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 19.1</b>	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
-----------------	---

- Obtain confirmation that votes have been received by the company:
  - for a majority of votes
  - for a minority of votes
- Participate in projects to improve the voting trail and/or to obtain vote confirmation
- None of the above

<b>LEA 21</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
  - votes in selected markets
  - votes on certain issues (all markets)
  - votes for significant shareholdings (all markets)
  - other, explain
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

<b>LEA 21.2</b>	Additional information. [Optional]
-----------------	------------------------------------

We do not generally provide the rationale to companies for why we might vote against management recommendations except in the case where we have filed or co-filed a shareholder resolution. We are exploring whether to initiate a selective approach in 2014 where we communicate to companies why we voted against the board of directors where they do not meet our board diversity guideline for US companies.

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

96

Specify the basis on which this percentage is calculated




- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

<b>LEA 23</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 23.1</b>	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
-----------------	--

- Yes, we track this information

<b>LEA 23.2</b>	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
-----------------	---

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 51.3
Against (opposing) management recommendations	 44.7
Abstentions	 .2

96.2%

<b>LEA 23.3</b>	For the reporting year, describe your approach towards voting on shareholder resolutions.
-----------------	---

in 3.8% of cases no vote was submitted; in each case the ballot was received post meeting date.

- No, we do not track this information

<b>LEA 24</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

<b>LEA 24.1</b>	Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.
-----------------	---

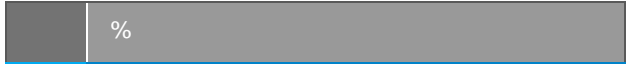


- Yes

**LEA 24.2** Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

4

**LEA 24.3** Indicate what percentage of these ESG shareholder resolutions.

Went to vote	 %
	50
Were withdrawn due to changes at the company and/or negotiations with the company	 %
	50
Were withdrawn for other reasons	 %
	0

Total

100%

**LEA 24.5** Describe the ESG shareholder resolutions that you filed or co-filed and the outcomes achieved.

The shareholder resolutions we filed in 2014 have not yet gone to a vote.

No

<b>LEA 25</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
---------------	------------------	--------------------	--------------

**LEA 25.1** Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1



Topic or ESG issue	Request to set GHG emissions reduction targets & develop climate change policy
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Request to companies to adopt absolute, time-bound quantitative, company-wide targets for the reduction of greenhouse gas (GHG) emissions.
Scope and Process	Trillium Asset Management, Walden Asset Management, Boston Common Asset Management, and Calvert Investments co-filed shareholder resolutions with Costco Wholesale and Qualcomm on the adoption of GHG emissions reduction targets.
Outcomes	The proposal was withdrawn following several commitments from both Costco and Qualcomm. On Costco's case commitments included resuming participation in the CDP (Carbon Disclosure Project). In addition, Costco's next sustainability report in 2015 will include a discussion of the company's approach to energy use within the context of the Intergovernmental Panel on Climate Change recommendations and the Copenhagen Accord's agreement to attempt to limit global warming to 2 degrees Celsius.

Add Example 2

Topic or ESG issue	Simple Majority Vote Counting
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	All matters presented to shareholders other than the election of directors should be decided by a simple majority of the shares voted FOR or AGAINST an item.
Scope and Process	Many companies count votes in two different ways in their proxy statement - a practice we feel is confusing, inconsistent, does not fully honor voter intent, and harms shareholder best-interest. Specifically, they include abstentions as votes AGAINST a proposal. Boston Common AM has co-filed resolutions with Morgan Stanley and Simon Property Group which counts abstentions as votes against a proposal.
Outcomes	Both proposals will go to a vote during the 2015 proxy season.

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

<b>LEA 25.2</b>	Additional information.
-----------------	-------------------------

Over the past 12 years we have deemphasized the filing of shareholder resolutions as an effective strategy for engagement with companies. This is due to the difficulty of filing shareholder resolutions in most countries outside the US and a few other jurisdictions.

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
---------------	------------------	----------------------	----------------

<b>LEA 26.1</b>	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--

- We disclose it publicly

provide URL

<http://www.sec.gov/Archives/edgar/data/811030/000089418913004192/0000894189-13-004192-index.htm>

**LEA 26.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes
- No

**LEA 26.3**

Indicate the voting information your organisation proactively discloses to the public.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 26.4**

Indicate how frequently you typically report voting information to the public.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

**LEA 26.5**

Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 26.6**

Indicate how frequently you typically report voting information to clients/beneficiaries.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

**LEA 26.7**

Describe any other differences in the information being disclosed. [Optional]

We are legally required to provide our proxy voting decisions annually for our publicly traded mutual funds. Boston Common's report filed on Form N-PX is available via this link:

<http://www.sec.gov/Archives/edgar/data/811030/000089418913004192/0000894189-13-004192-index.htm>

Our proxy voting policy and rationales is disclosed to clients as part of their initial intake process. Clients are also able to request quarterly or annual proxy voting reports for their particular account or for the funds they are invested in.

- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries