

# RI TRANSPARENCY REPORT

## 2013/14

Boston Trust & Investment Management Company



UNEP Finance Initiative  
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

## 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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

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# 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	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
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	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
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	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
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	✓	Public		✓					
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	✓	Public	✓	✓					
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	✓	Public		✓					
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	✓	Public		✓					
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 Trust & Investment Management Company

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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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 only services

OO 02	Mandatory	Peering	General
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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

55

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

☐ Yes

☒ No

OO 04	Mandatory	Gateway/Peering	General
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**OO 04.1** | Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2** | Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		8	200	000	000
Currency	USD				
Assets in USD		8	200	000	000

**OO 04.3** | 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%)

OO 06	Mandatory	Descriptive	General
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**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 percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	85	0
Fixed income – corporate	2	0
Fixed income – government	13	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 broad ranges

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

OO 08	Mandatory to Report	Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

## Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- ☒ 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
- ☐ None of the above

OO 11	Mandatory	Gateway	General
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<b>OO 11.1</b>	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.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☐ None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always voluntary.
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#### **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
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- ☒ Listed Equity incorporation

	Direct - Listed Equity active ownership
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- ☒ Engagements
- ☒ (Proxy) voting

	Direct - Fixed Income
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- ☐ Fixed Income - Corporate
- ☐ Fixed Income - Government

#### **Closing module**

- ☒ Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Boston Trust & Investment Management Company

## Reported Information

### Public version

### Overarching Approach

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
OA 01.1	Indicate if you have a responsible investment policy.		
	<input checked="" type="radio"/> Yes <input type="radio"/> No		
OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.		
	<input checked="" type="radio"/> Yes <input type="radio"/> 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]		

The key elements of our responsible investment practice are as follows:

### Integration of ESG in the Investment Selection and Portfolio Construction Process

- **Fundamental security selection:** ESG analysis is an integral component of our approach to identify and invest in high quality companies. Our in-house ESG research and engagement team of professionals works side-by-side with traditional securities analysts, and together they make an initial assessment of the materiality of ESG factors for each company under review. ESG analysts also evaluate each company's overall ESG performance. A subset of portfolio managers reviews this work. As necessary, the ESG Research and Engagement Committee is consulted (described later).
- **Investment Committee review and assessment:** Members of the Investment Committee, which includes portfolio managers and analysts, contribute to a thorough assessment of high quality criteria, including ESG integration, during formal weekly meetings.
- **Portfolio construction:** Portfolio managers construct client portfolios to be consistent with each client's unique guidelines and objectives, including ESG guidelines.

### Active Ownership Policies and Strategies

- **Proxy voting:** Our proxy voting policies and guidelines support greater corporate accountability and improved policies and performance on key ESG parameters.
- **Company engagement:** On behalf of a subset of clients, we actively pursue company dialogues and shareholder resolutions to encourage more sustainable business practices.
- **Public policy advocacy:** Public policy advocacy, as well as providing expert assistance, complement our company-specific engagement efforts and broadens our scope of impact.

OA 02	Mandatory	Core Assessed	PRI 6
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**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.waldenassetmgmt.com>☐ 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
Public reporting to PRI	<a href="http://www.unpri.org/signatories/signatories/">http://www.unpri.org/signatories/signatories/</a>
Walden website	<a href="http://www.waldenassetmgmt.com">http://www.waldenassetmgmt.com</a>
Proprietary mutual fund reporting	<a href="http://www.bostontrust.com/mutual-funds">http://www.bostontrust.com/mutual-funds</a>

☐ No**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 checked="" 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

#### OA 03.3 Additional information. [Optional]

The hallmark of Boston Trust& Investment Management Company's (Boston Trust) investment approach is our emphasis on high quality investments and long term sustainable growth. Boston Trust believes that ESG factors are an appropriate part of a comprehensive analysis of long term investment prospects. We therefore believe it is important to consider a company's ESG performance as part of our fiduciary duty to all of our clients. ESG integration describes our belief that companies protect and enhance their long term profitability if they integrate responsible behavior into the fabric of their business practices. As part of our effort to identify and invest in high quality companies, ESG factor integration brings an awareness of a spectrum of important long term financial considerations that may otherwise be overlooked.

Clients that self-identify as sustainable or responsible investors are represented in our Walden Asset Management (Walden) division, which has been a leader in integrating client-specific ESG research and engagement into the investment process since 1975. Walden client assets represent approximately one-third of firm-wide assets under management. ESG professionals work closely with securities analysts and portfolio managers to achieve Walden clients' unique objectives through proprietary research, shareholder engagement, proxy voting, and public policy advocacy.

OA 04	Mandatory	Core Assessed	General
OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.		

☒ Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

Boston Trust's Director of Risk Management oversees a strong compliance team to help assure the company's longstanding commitment to ethical business practices and a culture of compliance. Our Code of Ethics—which includes strict policies addressing use of inside material information, employee trading activities, and "pay-to-play" and receipt of gifts—is overseen and reviewed annually by the Board of Directors. Each year all employees review the Code and certify their commitment to compliance. Each quarter employees also report any trading activity and political contributions in order to monitor compliance with trade and pay-to-play policies. Additionally, personal trading activity is monitored directly from brokerage accounts. Any conflicts of interest or violation of the Code of Ethics are reported to the executive committee of the board of directors for resolution, as needed. Any potential conflict of interest concerns regarding proxy voting are addressed by our Corporate Governance Committee, a board level committee that is responsible for overseeing the development and implementation of proxy voting guidelines and processes.

☐ No

## Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

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]**

Monthly meetings of the ESG Research and Engagement Committee (ESG REC) provide the venue for Boston Trust to conduct timely and regular (monthly and annual) reviews of ESG goals and performance related to responsible investing activities. ESG REC, co-chaired by the Chief Investment Officer and Director of ESG Shareowner Engagement, includes five of nine Boston Trust board members as well as other portfolio managers, securities analysts and ESG team members.

ESG REC reviews and guides methodologies on emerging or complex ESG research issues, works with the Chief Investment Officer to help develop policies on ESG factor integration, and reviews and monitors company engagements and public policy priorities. Additionally, the ESG team engages in regular and ongoing self/team reviews regarding how it is meeting ESG goals and objectives from both company and client perspectives.

**OA 06**
**Voluntary**
**Descriptive**
**General**
**OA 06.1**

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

Objective 1	Expand research and engagement on climate change risk, promoting science-based (IPCC) GHG goals, consistent public policy, and comprehensive disclosure.
Key performance indicators	Systematically assess climate change risk exposure of core equity portfolio companies. Develop and begin to implement a multi-faceted engagement strategy. Encourage additional industry collaboration.
Describe the progress achieved	Assessed core portfolio holdings on climate change risk. Developed and began implementing engagement strategy on GHG goals, disclosure, and public policy. Encourage others to join.

☒ Add responsible investment objective 2

Objective 2	Further develop and refine tracking, monitoring, and disclosure of ESG engagement activities and impacts.
Key performance indicators	Implement ESG tracking spreadsheet for first full year, including any needed refinements from 2012 pilot. Provide a publicly available annual summary at year-end.
Describe the progress achieved	Tracked all ESG engagement activity and outcomes in 2013 with the new system. Reported publicly via quarterly client briefs, which we post on our website.

☒ Add responsible investment objective 3



Objective 3	Improve process for monitoring and communicating the ESG performance of portfolio companies across investment strategies (previously once each year at varying levels of comprehensiveness).
Key performance indicators	As feasible, synchronize financial and ESG stock reviews and harmonize with new stock review processes. Additionally, consider conducting sector research reviews on a rotating basis.
Describe the progress achieved	Securities analysts' and ESG reviews were conducted and communicated simultaneously for most companies (>90%). Conducted first sector review. Planned periodic reviews of other priority sectors.

<b>OA 06.2</b>	List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.
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☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	More fully implement research and engagement on climate risk, focusing on the target list of companies determined in 2013.
Key performance indicators	Increased scope of engagement on climate change and assessments of company progress on GHG goals, disclosure, and public policy alignment. Encourage other investors to join.

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Improve internal education, processes, and systems to further enhance ESG integration.
Key performance indicators	In-house education of portfolio managers and securities analysts. Harmonize and integrate filing systems of financial and ESG analysts. Increase securities/ESG analyst collaboration.

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Increase commitment to external, public education and leadership on collaborative ESG initiatives.
Key performance indicators	Leadership and participation in conferences, working groups, investor collaborations, etc., addressing ESG priorities.

<b>OA 06.3</b>	Additional information.
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While we have identified several major priorities from 2013, as well as some for 2014, the responses above are a representative list of objectives (not exhaustive) as we have many priorities within any area of investment activity (e.g. integration, engagement). Also, in order to be responsive to emerging issues and new client priorities, the process of setting objectives is dynamic and evolutionary in nature.

## Governance and human resources

OA 07	Voluntary	Descriptive	General
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ESG analysis and integration is a shared responsibility at Boston Trust. A Managing Director (a member of the Board of Directors) serves as Director of ESG Research and another senior executive serves as Director of ESG Shareowner Engagement. Two additional ESG analysts and one research/administrative assistant form a 5-person dedicated in-house ESG team. The ESG team is responsible for performing ESG factor research and analysis, which is distinct from the work of traditional securities analysts. Research from both perspectives is concurrent, often iterative, and mutually informative. Together, ESG analysts and securities analysts review a company's ESG performance and assess its materiality with respect to a range of possible financial outcomes (license to operate, risk mitigation, operational efficiencies, brand competitiveness and revenue generation).

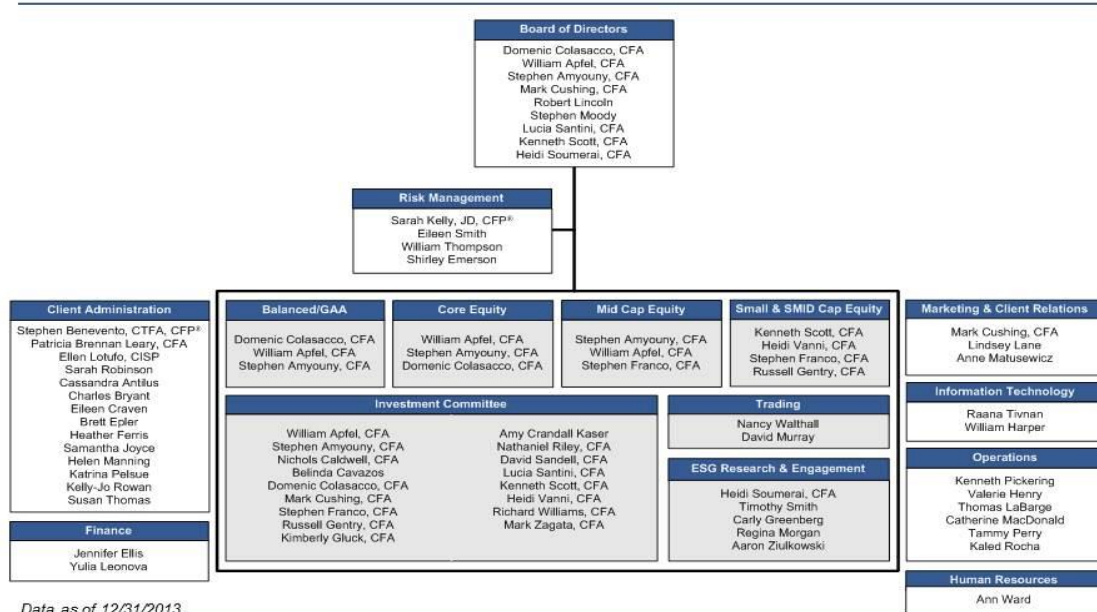
This ESG materiality assessment is reviewed and affirmed by a subset of Investment Committee members. The recommendation is presented to members of the Investment Committee by the securities analyst, and, as needed, the ESG analyst. The Investment Committee, which is comprised of all portfolio managers and analysts, takes into account all material factors, including ESG considerations, in its review of individual securities. The Investment Committee is ultimately responsible for ESG factor integration. Most investment professionals have expertise or experience in traditional and ESG factor research and analysis performed by the securities analyst and ESG team. The work of the committee results in a thorough assessment of a company's appropriateness for client portfolios. Individual portfolio managers are responsible for constructing portfolios from the approved list based on client-specific objectives, including ESG objectives.

The ESG Research and Engagement Committee (ESG REC) reviews and guides methodologies on emerging or complex ESG research issues, works with the Chief Investment Officer to develop policies on ESG factor integration, and reviews and monitors company engagements and public policy priorities. ESG REC, co-chaired by the Chief Investment Officer and Director of ESG Shareowner Engagement, includes five of nine Boston Trust board members as well as other portfolio managers, securities analysts and ESG team members.

The investment team is in the shaded area of the attached organizational chart.

☒ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

## Organization of Personnel



Boston Trust & Investment  
Management Company

Walden Asset Management  
*Advancing sustainable business practices since 1975*

To upload the image click the Save button below

OA 08	Mandatory	Gateway/Core Assessed	General
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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
  - ☒ Oversight/accountability for responsible investment
  - ☒ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ 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  
Chief Investment Officer

- ☒ 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
- ☐ Other role, specify
- ☐ Other role, specify

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

5

<b>OA 08.3</b>	Additional information. [Optional]
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The 5-person dedicated ESG team is responsible for ESG research and engagement. Many more employees are significantly involved in responsible investment activities at Boston Trust/Walden.

Members of the Investment Committee and ESG Research and Engagement Committee who do not have day-to-day ESG analysis responsibility have varying degrees of ESG research expertise. In these settings, non-ESG dedicated employees regularly contribute to ESG integration and engagement initiatives. All portfolio managers and traditional securities analysts (who are not identified as dedicated members of the ESG research and engagement team) are intimately involved in ESG integration as described earlier. Finally, Corporate Governance Committee members, who oversee proxy voting policies and practices, represent a mix of dedicated ESG and other investment professionals (e.g. the CIO). Hence, essentially all Boston Trust investment professionals contribute to responsible investment related activities.

<b>OA 09</b>	Voluntary	Additional Assessed	General
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**OA 09.1**

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

**Board members/Board of trustees**

- ☒ Responsible investment included in personal development and/or training plan

**OA 09.2**

Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

A relatively small, employee-owned company, Boston Trust's nine directors are employees (7) or former employees (2) of the company who are (or were) intimately involved in responsible investment activities. Additionally, the Director of ESG Research is a board member. Hence, we believe supplemental skill/knowledge building activities are not necessary.

- ☐ None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- ☐ Responsible investment KPIs and/or goals included in objectives  
☒ Responsible investment included in appraisal process  
☒ Variable pay linked to responsible investment performance  
☐ Responsible investment included in personal development and/or training plan  
☐ None of the above

**Other C-level staff or head of department****Chief Investment Officer**

- ☐ Responsible investment KPIs and/or goals included in objectives  
☒ Responsible investment included in appraisal process  
☒ Variable pay linked to responsible investment performance  
☒ Responsible investment included in personal development and/or training plan  
☐ None of the above

**Portfolio managers**

- ☐ Responsible investment KPIs and/or goals included in objectives  
☒ Responsible investment included in appraisal process  
☒ Variable pay linked to responsible investment performance  
☒ Responsible investment included in personal development and/or training plan  
☐ None of the above

**Investment analysts**

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

#### Dedicated responsible investment staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☒ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

<b>OA 09.3</b>	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
----------------	---

All employees are incentivized on RI/ESG considerations because ESG analysis and engagement activities are fully integrated into the investment process at Boston Trust. However, individuals are not expected to meet (and therefore are not compensated for) specific RI/ESG targets. Investment professionals at Boston Trust are rewarded for their overall contribution to the investment process, client service and business development. Across the board, we explicitly avoid discrete incentive measures that we believe risk distorting an individual's long-term outlook and contribution. We describe our compensation practices as a "cumulative value-added" approach to performance evaluations.

With respect to personal development and training activities, the dedicated ESG team works closely with all Boston Trust investment professionals, providing continuous ad-hoc training to portfolio managers and traditional securities analysts and also periodic formal education on pertinent ESG topics. The ESG Research & Engagement Committee keeps participants updated on trends, developments and new research related to responsible investing. Membership in sustainable investment industry associations--PRI, US SIF, ICCR, BASIC, Ceres, INCR, etc.--offer webinars and other educational forums used by the dedicated ESG team and other Boston Trust investment professionals.

### Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
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☒ Yes

<b>OA 10.2</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.
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**Select all that apply**

- ☐ Asian Corporate Governance Association
- ☐ 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]
--

Walden/Boston Trust promotes CDP-Climate disclosure in Walden-led dialogues and shareholder resolutions and has successfully encouraged companies to complete the questionnaire. Additionally, we are listed as a member/signatory in CDP's own company outreach. In 2013, by organizing an ICCR panel that included a representative of CDP-Climate, we also helped ICCR members become more familiar with the tools and resources of CDP-Climate to strengthen their engagement activities.

- ☐ CDP Forests
- ☒ 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]
--

Member and signatory to CDP-Water letters. CDP-Water disclosure was also incorporated into several company dialogues. In 2012, we were co-leaders of a PRI and CDP-Water collaboration to encourage companies to complete the survey.

- ☐ 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]
--

Joined EITI investor letters.

- ☐ 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]
--

We work closely with ICCR, sometimes in a leadership capacity and other times in a less active role. We have substantial involvement as co-chair of the Political Spending and Lobbying working group and as a member of the steering committee of the Climate Change group. We regularly attend and participate significantly in planning and strategy sessions, co-sign letters, help coordinate and prepare materials for shareholder actions, and speak at ICCR conferences.

- ☐ International Corporate Governance Network (ICGN)  
☐ 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]

We have extensive involvement in the Policy Working Group (on climate and energy) which promotes environmental sustainability at the federal and state levels through better standards, commitments to renewables, etc. We helped lead an expanded engagement campaign (addressing climate change under the name "Raising the Bar") that is encouraging greater alignment and transparency of corporate climate change policies and science-based (IPCC) greenhouse gas reduction goals. This involves coordination of investor coalitions and preparation of materials. Other involvement includes organizing and speaking on panels, regular participation in strategy development sessions, and signing on to numerous investor coalition letters.

- ☐ Local Authority Pension Fund Forum
- ☒ 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]

We provided substantial input in the PRI reporting framework consultation process (after voluntarily completing the revamped questionnaire in 2012 and hosting a Boston-based PRI meeting with PRI staff at year-end 2012 to help advance the process). We regularly post to and use the Clearinghouse gateway to help foster collaboration (e.g. information on upcoming proxy votes or campaigns such as lobbying disclosure and immigration reform). Signatory to UNGC campaign ("PRI for Rio").

- ☒ 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]

Serving as chair of the USSIF Policy Committee, we have significant input in agenda-setting, preparation of materials, coordination of meetings, and implementation of initiatives. We also contribute meaningfully in various working groups: Research Group (producer of Trends and other reports), IPWG (indigenous peoples), and SIRAN (Steering Committee member in first half of 2013). We speak at conferences and now help teach the new USSIF curriculum on SRI.

- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify

Confluence

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]

Confluence coordinates MRI (mission-related investing) education and activities for foundations and encourages broader foundation participation in MRI. In addition to providing expert advice in informal settings, Walden/Boston Trust has presented at Confluence webinars, and presented and chaired sessions at its annual conference.

- ☒ Other collaborative organisation/initiative, specify

Center for Political Accountability (CPA)

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]

We helped coordinate shareholder engagement on political spending disclosure consistent with CPA's mission and supported by its research. Further, we actively support investor collaboration on the policy front, such as advocating mandated political spending disclosure at the Securities and Exchange Commission.

☒ Other collaborative organisation/initiative, specify

The Thirty Percent 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]

We serve as co-chair of the investor group of the 30 Percent Coalition which helps coordinate shareholder engagement among major institutional investors to promote greater gender diversity on corporate boards at dozens of U.S. companies.

☒ Other collaborative organisation/initiative, specify

SASB (Sustainability Accounting Standards Board)

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]

Analysts provided input through participation in industry working groups that are developing sustainability accounting standards across all sectors. In 2013, Walden/Boston Trust analysts participated in three working groups--energy, logistics, and rail transport.

☐ No

<b>OA 10.3</b>	Additional information. [Optional]
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There are numerous other organizations in which we have regular involvement such as As You Sow, BASIC (Boston Areas Sustainable Investment Consortium), Global Network Initiative (newly approved member), and the Investor Environmental Health Network. In any given year, our participation may range from basic to advanced in these and other groups.

<b>OA 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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<b>OA 11.1</b>	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

<b>OA 11.2</b>	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
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- ☒ 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]**

An example of how we promote RI/ESG is by encouraging corporations, institutional investors and investment firms and consultants to learn about or join PRI. We regularly refer to PRI in our communications with portfolio companies to convey the extent of institutional investor interest in ESG integration. We have encouraged investment firms in which we invest to join PRI. When we introduce shareholder resolutions at company annual meetings, we routinely reference PRI to make it part of the public record. We periodically reference PRI in our existing client communications and also describe our involvement in PRI in Request for Proposals. Additionally, we speak of PRI at conferences and other public events.

We also have requested more RI/ESG information from investment service industry vendors such as proxy voting services and have provided our expert input to firms seeking to grow this part of their business (e.g. Bloomberg). We regularly educate investment consultants via formal RI/ESG presentations, describing the industry overall as well as the philosophy and approach of Boston Trust/Walden.

Boston Trust/Walden also sponsors industry publications such as US SIF's biannual *Sustainable and Responsible Investing Trends in the U.S.* Late in 2013, we committed to provide financial support (sponsorship) and began providing expert input on a research project of the Croation Institute to help develop a common industry framework to measure the impact of active ownership in public equities.

In 2013 Boston Trust/Walden helped plan a seminar on Sustainable Investing for the Boston Securities Analyst Society (BSAS), specifically organizing the Fossil Fuel Invest/Divest panel discussion. We anticipate continued involvement as BSAS now plans to have annual Sustainable Investing seminars. We also helped organize a BSAS lunch on Impact Investing. We believe BSAS is a particularly good venue for promoting RI/ESG because it is the primary local membership organization of securities analysts.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

☒ Yes

☒ Yes, individually

☒ Yes, in collaboration with others

**OA 12.2**

Select the methods you have used.

☒ Endorsed written submissions to governments, regulators or standard-setters developed by others

☒ Drafted your own written submissions to governments, regulators or standard-setters

☒ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

**OA 12.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

☒ Yes, publicly available

provide URL

<http://www.sec.gov/comments/s7-07-13/s70713-321.pdf>

provide URL

<http://www.waldenassetmgmt.com/News/shareholder-engagement-updates>

☐ No

☐ No

**OA 12.4**

Additional information.

In order to expand the scope of our impact, Boston Trust/Walden pursues public policy advocacy on ESG topics that directly addresses our clients' objectives and priorities and are consistent with the long term interests of portfolio companies and their shareholders. These initiatives generally encourage public policy reforms through letters or emails to city/state/federal legislators, or public comments on existing or proposed rules of government agencies, such as the U.S. Securities and Exchange Commission (SEC). Additionally, Boston Trust/Walden sometimes expresses support or opposition, or otherwise comments on, specific state or federal legislation. We have addressed a broad range of topics in the public policy realm including executive compensation, climate change and energy efficiency, environmentally responsible energy exploration and development (e.g. oil sands and hydraulic fracturing), political spending/lobbying disclosure, equal employment opportunity, and conflict minerals.

Specific examples from 2013 include:

- Provided in-person testimony at an Environmental Protection Agency "Listening Tour" on the need for strong carbon pollution standards at existing power plants.
- Co-led an investor statement calling on key legislators to pass comprehensive immigration reform, described as an economic and human rights imperative.
- Signatory of a public statement expressing strong support for disclosure requirements in the Conflict Minerals rule stemming from Dodd-Frank financial reform legislation.
- Submitted public comments on the benefits of the SEC proposed CEO-to-median worker wage ratio.
- Signatory of a letter to SEC Chair Mary Jo White expressing disappointment with the decision to remove political spending disclosure from the 2014 SEC agenda and requested renewed consideration.

For more examples of public policy initiatives in 2013, see page 3 of "4th Quarter 2013" at <http://www.waldenassetmgmt.com/News/shareholder-engagement-updates>.

## ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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<b>OA 13.1</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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- ☐ Yes  
☒ No

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

Where Boston Trust/Walden has investment discretion on asset allocation, we make decisions based on the economic outlook and valuation of the asset class as well as client specific considerations. ESG analysis is coincident with fundamental securities analysis and enters the investment process as part of the security selection process.

OA 14	Voluntary	Descriptive	PRI 1
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<b>OA 14.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- ☒ Yes

<b>OA 14.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	% of total AUM
--	----------------

35

<b>OA 14.3</b>	Please specify which thematic area(s) you invest in and provide a brief description.
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	Area
--	------

☒ Clean technology

	Asset class invested
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- ☒ Listed equity  
☐ Fixed income - corporate  
☐ Fixed income - government



Brief description of investment
---------------------------------

Our small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care. Overall, approximately half of the portfolio companies are leveraged to resource efficiency, waste reduction, or other trends with environmental benefits.

As an example, Power Integrations offers energy efficient semiconductors for consumer electronic devices.

☒ Green buildings

Asset class invested
----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government

Brief description of investment
---------------------------------

Our small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care. Overall, approximately half of the portfolio companies are leveraged to resource efficiency, waste reduction, or other trends with environmental benefits.

As an example, Dupont Fabros Technologies offers energy efficient data centers.

- ☐ Sustainable forestry
- ☒ Sustainable agriculture

Asset class invested
----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government

Brief description of investment
---------------------------------

Our small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care. Overall, approximately half of the portfolio companies are leveraged to resource efficiency, waste reduction, or other trends with environmental benefits.

As an example, Lindsay Corporation provides water efficient, smart irrigation equipment.

- ☐ Microfinance
- ☒ SME financing

Asset class invested
----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government

Brief description of investment
---------------------------------

Our small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care.

As an example, Eagle Bancorp focuses its commercial lending on small businesses near Washington, D.C.

- ☐ Social enterprise / community investing
- ☒ Affordable housing

Asset class invested
----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government

	Brief description of investment
--	---------------------------------

Our small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care.

As an example, Dime Community Bancshares focuses its lending on multi-family co-op housing in New York City.

- ☐ Education
- ☒ Global health

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government

	Brief description of investment
--	---------------------------------

Our small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care.

As an example, Meridian Bioscience focuses on acute infectious disease diagnostics.

- ☐ Other area, specify

☐ No

OA 14.4	Additional information.
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Information about specific securities identified above does not constitute a recommendation to buy or sell securities. This information is based on analyst judgement at a point in time and is subject to change over time.

## Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
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<b>OA 15.1</b>	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
Fixed income - corporate	Investment in corporate fixed income assets is de minimis at Boston Trust/Walden (under 5% as of December 31, 2013). Issuers purchased are often the same companies in which we have held stock. Hence, ESG research integration and engagement processes apply to such investments as well.
Fixed income - government	<p>Fixed income investments in Boston Trust/Walden portfolios are primarily U.S. federal, state or municipal bonds, including agency notes. In addition to general obligation bonds, we seek to include fixed income securities that support improvements in infrastructure, housing, healthcare, or education.</p> <p>Green bonds are a growing area of interest and we were pleased to identify and invest in several in 2013, such as the first green bond of the Export-Import Bank of Korea (clean energy sources) and a landmark Massachusetts Green Bonds issue (energy efficiency and conservation, water quality, habitat restoration, and pollution remediation).</p> <p>We believe that our public policy advocacy (e.g. related to legislation promoting energy efficiency, strong environmental protections, and SEC mandated ESG disclosure) is a relevant and meaningful approach to engagement with U.S. sovereign debt issuers. Also, we have commented on developing "Green Bond Principles" and, in January 2014, we also provided input to the Office of the State Treasurer on its draft report on the impact of the Massachusetts Green Bonds issue.</p>

## Innovation

<b>OA 18</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>General</b>
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<b>OA 18.1</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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We believe that Boston Trust/Walden's general approach to ESG integration--a systematic component of our process to identify high quality investment opportunities--is innovative. For more information, see the ESG Factor Integration brief under Quick Links at <http://www.waldenassetmgmt.com/Investing-for-Change/esg-research>.

## Assurance of responses

<b>OA 19</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>OA 19.1</b>	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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☒ Yes

**OA 19.2**

Indicate who has reviewed, validated and/or assured your reported information.

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☒ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

**OA 19.3**

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

The Director of ESG Research retrieved information from Boston Trust's/Walden's ESG database of research, engagement, and public policy initiatives that is maintained on an ongoing basis by ESG professionals. These initiatives and results for 2013 were confirmed by ESG professionals. The Corporate Governance Committee Chair utilized reporting functionality on our ISS proxy voting platform to produce voting statistics for the 2013 calendar year. The business development team provided basic statistics on employees and assets under management.

The Director of ESG Research completed a first draft, utilizing the 2012 PRI response as a starting point (the beta test of the new PRI framework). The draft was reviewed by staff across functional areas: Chief Investment Officer, Director of ESG Shareowner Engagement, ESG analyst, Securities Analyst, Business Development Analyst, and Director of Risk Management. Input was incorporated into a final draft, as appropriate, and in accordance with our best efforts.

☐ No

# Boston Trust & Investment Management Company

## 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.

## Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
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### Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active – fundamental and other active strategies

	% of internally managed listed equities
--	---

- ☐ <10%
- ☐ 10-50%
- ☒ >50%

LEI 02	Voluntary	Descriptive	PRI 1
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The hallmark of Boston Trust's investment approach is our emphasis on high quality investments and long term sustainable growth. Our portfolio construction discipline emphasizes risk management through portfolio diversification. Boston Trust believes that ESG factors are an appropriate part of a comprehensive analysis of long term investment prospects. We therefore believe it is important to consider a company's ESG performance as part of our fiduciary duty to all of our clients. ESG integration describes our belief that companies protect and enhance their long term profitability if they integrate responsible behavior into the fabric of their business practices.

As part of our effort to identify and invest in high quality companies, ESG factor integration brings an awareness of a spectrum of important long term financial considerations that may otherwise be overlooked. These considerations include "license to operate," risk reduction (regulatory, legal, operational, regulatory, credit, etc.), operational efficiencies, competitive brand positioning and reputation, and revenue generation.

For example, ESG analysis has contributed to decisions to avoid investments that entail fundamental but infrequently considered risks, such as subprime lenders that made a business of exploitative loans to borrowers with poor or minimal credit histories. Conversely, ESG integration helps us identify companies with superior practices that lead to more efficient operations, better labor productivity, heightened brand reputation and customer loyalty, and sensitivity to emerging themes such as resource efficiency and waste reduction.

Boston Trust's investment process integrates rigorous, traditional securities analysis with comprehensive ESG research. Our investment professionals seek to identify companies that possess sustainable business models, including high levels of profitability, consistent sales and earnings growth, ample cash flow, reasonable financial leverage and stable fundamentals, as well as comprehensive ESG policies and programs. The ESG integration process, while multifaceted, is both exclusionary - ruling out companies with significant risk - and inclusionary - identifying companies with superior performance. Strong ESG performance is viewed as an indicator of a well-managed company with an appropriately long term (sustainable) outlook.

Boston Trust's in-house ESG research and engagement professionals work side-by-side with traditional securities analysts, concurrently analyzing prospective investments and sharing pertinent findings. Hence, all securities recommended for purchase have been examined in a comprehensive manner. Additionally, existing investments are periodically monitored and reviewed by ESG and traditional securities analysts. As such, ESG considerations are relevant to all of Boston Trust.

Clients of Boston Trust's Walden Asset Management division bring unique ESG objectives and priorities to their portfolios and therefore require additional ESG analysis. Hence, Walden client portfolios will sometimes exclude investments held in other portfolios at Boston Trust. Additional ESG analysis is also appropriate for Boston Trust's and Walden's small and SMID capitalization (small and SMID cap) equity strategies, which seek investment in high quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as resource conservation or higher quality medical care. To meet these unique client (Walden) and strategy-specific priorities and objectives, Boston Trust devotes additional attention to ESG research and portfolio screening, consistent with our fiduciary responsibilities and our clients' long term objectives.

## 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)

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	30

- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	20

- ☒ Thematic + integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	35

- ☐ Screening + thematic strategies
- ☒ All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div>
	15

- ☐ No incorporation strategies applied

Total actively managed listed equities

100%

**LEI 03.2**

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

ESG integration reflects our belief that companies protect and enhance long term profitability (or sustainability) if they integrate responsible corporate practices throughout their business activities. Hence, ESG integration is implemented across all investment strategies offered by Boston Trust/Walden (100 percent of equities under management).

Thematic strategies are implemented in Boston Trust/Walden small cap and SMID cap equity strategies. These strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care (approximately 50 percent of equities under management).

Clients of Boston Trust's Walden division bring unique ESG objectives and priorities to the management of their portfolios and therefore require additional ESG analysis. These Walden client-driven objectives typically include elements of negative/positive screening (approximately 35 percent of assets under management).

Please refer to LEI 02.1 and OA 14 for more details regarding ESG integration, portfolio screening and thematic strategies.

**LEI 03.3**

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

Please see LEI 03.2.

As an example, the description in LEI 03.2 above indicates that Walden clients in small cap and SMID cap strategies combine all three approaches: integration, thematic, and screening.

LEI 04	Voluntary	Additional Assessed	PRI 1
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**LEI 04.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

- ☒ Raw ESG company data

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Screened stock list

**Indicate who provides this information**

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☒ Issue-specific analysis or ratings

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – analyst or portfolio manager
- ☐ Other, specify

**LEI 04.2**

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Across our ESG incorporation strategies, the ESG team uses a range of research resources to assess company ESG records and performance. Information sources vary depending upon which ESG factors are deemed to be most material to a company's long term performance. ESG research files are maintained for each company analyzed, providing documentation of ESG performance assessments as well as research sources. These files, which include proprietary correspondence with companies, are available to all employees on a company-wide intranet.

The in-house ESG team conducts **primary company research**, which is sometimes supplemented by our traditional securities analysts. We regularly reach out directly to portfolio companies for in-depth information to strengthen our analyses.

We supplement primary research with information from a multitude of sources that are updated and assessed in an ongoing manner. These sources generally fall into several broad categories:

- **Media**—e.g. Internet and Nexis searches, industry trade and ESG investment publications, major daily newspapers
- **Independent Research Providers**—e.g. MSCI, Sustainalytics, Trucost, Si2, Bureau of National Affairs, Bloomberg, Citi Research
- **Government Data**—e.g. U.S Environmental Protection Agency, U.S. Department of Defense, U.S. Department of Labor, Federal Financial Institutions Examination Council
- **Nongovernmental Organizations**—e.g. CANICCOR, Carbon Disclosure Project, Ceres, numerous environmental and human rights organizations, labor unions
- **Company Publications**—e.g. SEC filings, sustainability reports, corporate web sites.

**LEI 04.3**

Indicate if you incentivise brokers to provide ESG research.

☐ Yes

☒ No

**LEI 04.5**

Additional information.

While we do not formally incentivise brokers, we have provided feedback and encouraged additional ESG research and analysis.

**LEI 05**

**Voluntary**

**Additional Assessed**

**PRI 1**

<b>LEI 05.1</b>	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

☒ (Proxy) voting

- ☒ We have a systematic process to ensure the information is made available.
- ☐ We occasionally make this information available.
- ☐ We do not make this information available.

<b>LEI 05.2</b>	Additional information. [Optional]
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Information derived from ESG engagement and proxy voting activities is systematically disseminated throughout Boston Trust/Walden:

- Research and engagement files are stored in company folders that are easily accessible (intranet) for investment decision-making purposes (in 2014 these files are being merged with securities analyst files).
- The ESG team prepares quarterly research& engagement briefs (for internal and external use) that provide updates on significant outcomes of ESG engagement activities.
- Monthly meetings of the Research& Engagement Committee (consisting of dedicated ESG professionals, portfolio managers, and traditional securities analysts) provide a forum for discussion of current engagement and proxy voting activity.
- As needed, ESG updates are provided at weekly Investment Committee meetings where investment policies are discussed and developed.
- Proxy voting research is distributed to the securities analyst assigned to the company for all portfolio holdings.

In addition to these formal mechanisms, ESG engagement and proxy information is shared on an ongoing basis at Boston Trust/Walden through informal discussion channels that are inherent to a fully integrated organization.

## (A) Implementation: Screening

<b>LEI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 06.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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### Type of screening

☒ Negative/exclusionary screening

### Screened by

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

Description
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Portfolio screening on ESG dimensions--both exclusionary and positive approaches--vary based on client specific investment objectives. We do not make public individual client mandates, though they address issues ranging from life ethics concerns to fossil fuel-free investing approaches. However, the mandate specified below, from the Walden mutual funds prospectus, is fairly typical. "Avoid" guidelines are exclusionary and "Favor" guidance represents positive or best-in-class screening approaches.

From the prospectus of The Boston Trust& Walden Funds:

Walden researches, evaluates and seeks to promote corporate responsibility in five broad areas of concern: products and services, workplace conditions, community impact, environmental impact and corporate governance. In doing so, Walden understands that companies are complex entities that generally exhibit a range of corporate conduct, from commendable to objectionable, across various dimensions of ESG performance. In addition, company performance can improve or erode over time, especially relative to peers. Hence, in each of the five broad areas identified above, and notwithstanding other investment considerations, Walden favors companies judged to demonstrate best practices relative to peers, improvement over time, robust management systems, and accountability through standardized public reporting and responsiveness to shareholders.

Consistent with this ESG framework and subject to the Adviser's knowledge and judgment, potential and current holdings in each Walden Fund are evaluated as follows:

**Products & Services:** Favor companies offering safe, high quality products and services that provide societal or environmental benefits. Avoid companies that derive significant revenue from the manufacture of weapons systems or hand guns, tobacco products and alcoholic beverages, or from gaming activities. Also seek to avoid companies with equity ownership in operating nuclear power plants or other significant involvement in the nuclear power fuel cycle.

**Workplace Conditions:** Favor companies with strong policies and programs that encourage workplace diversity, equal employment opportunity and work-life balance; respect workers' right to organize, and enforce high labor standards throughout their supply chains. Avoid companies with substandard performance in the hiring and promotion of women and minorities, or have a pattern of violating fair labor standards or health and safety regulations.

**Community Impact:** Favor companies that have formal structures for constructive engagement and positive relationships with local, indigenous and underserved communities. Also favor companies with strong policies and practices that uphold international human rights standards. Avoid companies believed to have significant complicity in serious violations of human rights. Also avoid companies that are unresponsive to local community concerns on key issues such as environmental impacts, employment, or addressing the needs of disadvantaged populations.

**Environmental Impact:** Favor above average companies with respect to energy and natural resource conservation, and reductions in the volume or toxicity of emissions and waste. Also favor companies that proactively address major environmental challenges, such as climate change or water scarcity. Avoid companies that have a pattern of serious or ongoing regulatory violations or below peer group performance on resource conservation and emissions and waste reduction.

**Corporate Governance:** Favor companies with governance structures and practices that foster executive and board-level commitment to high standards of business ethics, independent decision-making and accountability of board members, and an environment of responsiveness and accountability to shareholders and other key stakeholders.

☒ Positive/best-in-class screening

**Screened by**

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

	Description
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See the response above which describes our approach to both exclusionary and positive portfolio screening.

☒ 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



	Description
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ESG research and analysis at Boston Trust/Walden routinely incorporates information on corporate performance relative to internationally accepted/endorsed norms such as those identified above. Another example is the International Organization for Standardization (ISO Standards) which identifies best practice management standards related to product quality, environmental practices, and corporate responsibility, among other issues.

<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.
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Portfolio screening processes at Boston Trust/Walden are dynamic; they are updated and reviewed on an ongoing basis. Portfolio research and screening evolves over time as new issues emerge, advances in scientific understanding or other academic evidence points to shifting ESG risks and opportunities, additional research resources become available that enable better assessment of performance, and importantly, when clients' objectives or priorities change.

In general, guidance on portfolio screening considers the following:

- Materiality assessment of the ESG factor relative to a company's basic business (i.e. associated risks or opportunities)
- Identification of best practice policies, procedures, and results
- Assessment and selection of available research resources
- Benchmarking company behavior relative to peers and norms for investment decision-making and engagement purposes.

Boston Trust/Walden communicates regularly with clients regarding ESG research and screening through regular periodic communications (e.g. quarterly reporting) and in-person meetings. Significant changes are typically made in consultation with clients.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 07.1**

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
- ☐ None of the above

**LEI 07.2**

Additional information. [Optional]

Responses to previous questions in the LEI section address many of the points above regarding the assurance of a comprehensive and robust ESG analysis. A few additional points follow:

- ESG approval of a company requires several steps. First, the Director of ESG Research affirms an ESG analyst's recommendation, which includes consultation with the securities analyst presenting the company for approval. Next, two additional portfolio managers/analysts must affirm the ESG recommendation, which sometimes leads to additional explanation or research. Finally, companies are approved, both financially and on ESG characteristics, at weekly meetings of the Investment Committee.
- The ESG team often communicates directly with companies under consideration for purchase or engagement about significant ESG findings.
- Through internal research, ESG analysts sometimes uncover information that is inconsistent with representations of independent ESG research providers. In such cases, ESG analysts usually inform the independent research provider, especially when differences are factual as opposed to judgement calls.
- Monitoring ESG practices and performance is ongoing and systematic.

**LEI 08****Voluntary****Additional Assessed****PRI 1**

<b>LEI 08.1</b>	Indicate which processes your organisation uses to ensure that fund criteria are not breached
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☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:

☒ Systematic

☐ Occasional

☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.

☒ Audits of fund holdings are undertaken regularly by internal audit function

☐ Other, specify

☐ None of the above

<b>LEI 08.2</b>	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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If a portfolio is found to hold a prohibited security, or if a company's status changed such that is determined to be an inappropriate holding (e.g. through merger or acquisition), the security would be sold in a prudent manner to minimize any potential negative portfolio impact. The timeframe for such sales is generally well within one quarter from the point of identification. Furthermore, the situation that led to the breach would be analyzed to determine its cause in order to adjust, if necessary, ongoing monitoring and compliance processes. Finally, as appropriate, breaches would be disclosed to affected parties.

## (B) Implementation: Thematic

<b>LEI 09</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 09.1</b>	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
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☐ Environmentally themed funds

☐ Socially themed funds

☒ Combination of themes

<b>LEI 09.2</b>	Describe your organisation's processes for sustainability thematic funds. [Optional]
-----------------	--

Our small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care. Overall, approximately half of the portfolio companies are leveraged to resource efficiency, waste reduction, or other trends with environmental benefits.

## (C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1
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ESG factor integration into investment decision making was described in LEI 02.1. That response is repeated below.

The hallmark of Boston Trust's investment approach is our emphasis on high quality investments and long term sustainable growth. Our portfolio construction discipline emphasizes risk management through portfolio diversification. Boston Trust believes that ESG factors are an appropriate part of a comprehensive analysis of long term investment prospects. We therefore believe it is important to consider a company's ESG performance as part of our fiduciary duty to all of our clients. ESG integration describes our belief that companies protect and enhance their long term profitability if they integrate responsible behavior into the fabric of their business practices.

As part of our effort to identify and invest in high quality companies, ESG factor integration brings an awareness of a spectrum of important long term financial considerations that may otherwise be overlooked. These considerations include "license to operate," risk reduction (regulatory, legal, operational, regulatory, credit, etc.), operational efficiencies, competitive brand positioning and reputation, and revenue generation.

For example, ESG analysis has contributed to decisions to avoid investments that entail fundamental but infrequently considered risks, such as subprime lenders that made a business of exploitative loans to borrowers with poor or minimal credit histories. Conversely, ESG integration helps us identify companies with superior practices that lead to more efficient operations, better labor productivity, heightened brand reputation and customer loyalty, and sensitivity to emerging themes such as resource efficiency and waste reduction.

Boston Trust's investment process integrates rigorous, traditional securities analysis with comprehensive ESG research. Our investment professionals seek to identify companies that possess sustainable business models, including high levels of profitability, consistent sales and earnings growth, ample cash flow, reasonable financial leverage and stable fundamentals, as well as comprehensive ESG policies and programs. The ESG integration process, while multifaceted, is both exclusionary - ruling out companies with significant risk - and inclusionary - identifying companies with superior performance. Strong ESG performance is viewed as an indicator of a well-managed company with an appropriately long term (sustainable) outlook.

Boston Trust's in-house ESG research and engagement professionals work side-by-side with traditional securities analysts, concurrently analyzing prospective investments and sharing pertinent findings. Hence, all securities recommended for purchase have been examined in a comprehensive manner. Additionally, existing investments are periodically monitored and reviewed by ESG and traditional securities analysts. As such, ESG considerations are relevant to all of Boston Trust.

Clients of Boston Trust's Walden Asset Management division bring unique ESG objectives and priorities to their portfolios and therefore require additional ESG analysis. Hence, Walden client portfolios will sometimes exclude investments held in other portfolios at Boston Trust. Additional ESG analysis is also appropriate for Boston Trust's and Walden's small and SMID capitalization (small and SMID cap) equity strategies, which seek investment in high quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as resource conservation or higher quality medical care. To meet these unique client (Walden) and strategy-specific priorities and objectives, Boston Trust devotes additional attention to ESG research and portfolio screening, consistent with our fiduciary responsibilities and

our clients' long term objectives.

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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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]
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See the description under LEI 06.1 for more information.

LEI 12	Voluntary	Descriptive	PRI 1
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LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
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- ☒ 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
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

<b>LEI 12.2</b>	Describe how ESG information is held and used by your portfolio managers.
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- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☒ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

<b>LEI 12.3</b>	Additional information.
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Along with the following points, please see the additional information in the response to LEI 07.2:

- Currently, ESG analyst and securities analyst research files are separate, but they are stored and accessible to all investment staff.
- An ESG materiality matrix is jointly completed by ESG analysts and securities analysts for every portfolio company. This analysis is found in the ESG research file.

<b>LEI 13</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 13.1</b>	Indicate into which aspects of investment analysis you integrate ESG information.
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- ☒ (Macro) economic analysis
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Industry analysis
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Analysis of company strategy and quality of management
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Idea generation
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Portfolio construction
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Fair value/fundamental analysis
  - ☒ Systematically
  - ☐ Occasionally

<b>LEI 13.2</b>	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.
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- ☒ Adjustments to income forecasts (sales, earnings, cash flows)
- ☒ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☐ Other adjustments to fair value projections, specify
- ☐ Other, specify

<b>LEI 13.3</b>	Additional information.
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Boston Trust/Walden makes revenue and income forecasts based on the macroeconomic environment in which the company operates. Important macro ESG factors currently include such areas as climate change, income distribution, health care, and immigration policy. All investments are evaluated in terms of the risks they face and the management of those risks. Our assessment of the risks and associated company response affects the discount rate by which we evaluate future cash flows of the company. Overall, we believe that investors frequently fail to discount sufficiently for these risks, thereby providing an opportunity for Boston Trust/Walden to identify high quality businesses with superior investment prospects.

## Outputs and outcomes

<b>LEI 15</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1</b>
<b>LEI 15.1</b>	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.		

- ☒ Screening



Describe any reduction in your starting investment universe or other effects.

Relative to the appropriate broad market indices, we believe ESG portfolio screening alone would rule out approximately 40% of large cap companies and 10%-20% of small cap and SMID cap companies.

Internally, since ESG integration applies to all Boston Trust clients whereas portfolio screening is a service for Walden clients (a client-driven mandate), observed differences between Boston Trust and Walden portfolios with consistent investment objectives can be attributed to portfolio screening.

In core equity (mid and large cap) strategies, approximately 10%-15% of companies in Boston Trust portfolios are determined to be unsuitable for Walden clients.

In small/SMID cap strategies (where innovation and secular trends are emphasized), differences are de minimis with less than 5% of companies determined to be inappropriate for Walden clients.

The percentage reduction reported below (10%) represents the approximate incremental impact of screening for Walden clients relative to Boston Trust portfolios.

Specify the percentage reduction

%

10

☒ Thematic

Describe any alteration to your investment universe or other effects.

Boston Trust/Walden small cap and SMID cap equity strategies seek to identify and invest in higher quality companies that have a product or service with a distinct innovation leveraged to one of several secular trends, such as energy efficiency, resource conservation, under-served markets, and medical care. For example, approximately half of the portfolio companies are leveraged to resource efficiency, waste reduction, or other trends with environmental benefits.

Pursuing this investment approach yields a focus list of companies for analysts that is less than 10 percent of the overall small cap and SMID cap universes.

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☒ Reduce or prioritise the investment universe
- ☒ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☒ Buy/sell decisions
- ☐ Other, specify

**LEI 15.2**

Additional information.

As stated previously, across all investment strategies ESG integration informs our assessment of quality, which is the cornerstone of our investment approach. However, we are not able to account for the impact of ESG integration as a separate component of our assessment of a company's overall quality. In our core equity (mid and large cap) strategies, we find that about one-half of companies do not satisfy our definition of high quality based on quantitative metrics, and then fundamental stock analysis including ESG integration pares that list further. Ultimately, our investable universe consists of a diversified pool of higher financial quality, lower volatility companies. We believe that good ESG performance is an important marker of quality financials and good management.

**LEI 16**

Voluntary

Descriptive

**PRI 1**

**LEI 16.1**

Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.

a) Impacted funds' financial performance

Screening	Thematic	Integration of ESG issues	
<input type="radio"/> Yes	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes	
<input checked="" type="radio"/> No	<input type="radio"/> No	<input type="radio"/> No	

b) Reduced funds' risk or volatility

Screening	Thematic	Integration of ESG issues	
<input type="radio"/> Yes	<input checked="" type="radio"/> Yes	<input checked="" type="radio"/> Yes	
<input checked="" type="radio"/> No	<input type="radio"/> No	<input type="radio"/> No	

c) Improved funds' ESG performance

Screening	Thematic	Integration of ESG issues	
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No	

**LEI 16.2**

Describe how you are able to determine these outcomes and your actual performance.

Since screening, ESG integration, and thematic approaches to incorporating ESG analysis into investment processes are not mutually exclusive at Boston Trust/Walden, we are not able to be precise as to their separate impacts on return, risk, and ESG performance. However, we are able to observe the following:

- The long term track record of our portfolios affirms that incorporating ESG analysis in investment decisions yields favorable risk and return characteristics relative to benchmark indices (competitive returns with lower risk).
- Our long term, internal performance record of Boston Trust and Walden portfolios also provides an assessment of the impact of the additional portfolio screening associated with Walden clients. We believe this history, which controls for investment manager and approach, is unique within the sustainable investment industry. Over market cycles, we do not observe any significant performance or risk impacts associated with screening Walden client portfolios relative to Boston Trust portfolios.
- When we have measured ESG factor exposures in portfolios, such as a greenhouse gas footprint analysis, Boston Trust and Walden portfolios have had superior profiles relative to benchmark indices.
- We monitor the impact of our ESG engagement and have observed demonstrable progress over time manifested in improved policies, practices, and accountability. This work also enhances the ESG performance of Boston Trust and Walden portfolios.

**LEI 17**
**Voluntary**
**Descriptive**
**PRI 1**
**LEI 17.1**

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>Sustainable energy and greenhouse gas mitigation/adaptation: With increasing global recognition of the need for significant constraints on carbon pollution, ESG considerations figure prominently in investment decisions for the energy sector specifically (the supply-side) as well as energy intensive businesses generally (the demand-side).</p>
ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input type="checkbox"/> Integration</p> <p><input checked="" type="checkbox"/> Combination of ESG incorporation strategies</p>
Impact on investment decision or performance
<p>In the energy sector, we continue to favor investment in lower carbon fuel sources and domestic energy production such as natural gas (where Walden encourages best practices in hydraulic fracturing), as well as energy service companies that enhance production efficiency. Beyond energy companies, we seek investment in companies with products, processes, or services that promote energy efficiency, natural resources conservation, and waste reduction.</p> <p>Generally, Boston Trust/Walden believes there is significant investment risk in failure to address greenhouse gas emissions given liabilities companies may incur and anticipated changes in the regulatory and tax structure in which they operate.</p>

☒ ESG issue 2

ESG issue and explanation
<p>Sustainable lending and financing--residential mortgages: Inappropriate financing of customer mortgages contributed to high foreclosure rates and unequal treatment of customers.</p>
ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input type="checkbox"/> Integration</p> <p><input checked="" type="checkbox"/> Combination of ESG incorporation strategies</p>
Impact on investment decision or performance
<p>ESG analysts and securities analysts have heightened sensitivity to long term balance sheet risk of financial institutions that engage in unsustainable lending and financing practices. Financial institutions with robust mortgage loan modification practices and progress are favored.</p>

☒ ESG issue 3

ESG issue and explanation
Sustainable lending and financing--predatory lending: Predatory lending practices, such as payday lending, target vulnerable populations and encourage consumer indebtedness, loss of financial flexibility, and bankruptcy.
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
Companies found to engage significantly in predatory lending practices are exploiting customers and are not sustainable business models. As an example, a major leasing and rent-to-own chain in the U.S. was not purchased for Boston Trust and Walden portfolios because analysis indicated that it leased products at usurious rates.

☐ ESG issue 4

☐ ESG issue 5

LEI 17.2	Additional information.
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See OA 14.3 for several specific examples of companies that were purchased, in part, due to their innovation relative to environmental and social themes. Examples of stocks in clean tech, green buildings, sustainable agriculture, and more are provided.

## Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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☒ We disclose it publicly

Provide URL
-------------

<http://www.waldenassetmgmt.com/>

Provide URL

<http://www.unpri.org/signatories/signatories/>

**LEI 18.2**

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

☒ Yes

**LEI 18.3**

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

☒ Quarterly or more frequently

☐ Between quarterly and annually

☐ Less frequently than annually

☐ Other, specify

☐ No

☐ We disclose it to clients and/or beneficiaries only

☐ We do not proactively disclose it to the public and/or clients/beneficiaries

# Boston Trust & Investment Management Company

## 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 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

Since 1975, Boston Trust's Walden division has partnered with its clients to encourage portfolio companies to strengthen their corporate responsibility and accountability through shareholder engagement. As long term investors, we encourage each company we engage to take actions that are consistent with the long term interests of the company and its shareholders. Our experience demonstrates that effective shareholder engagement can lead to improved corporate policies, more sustainable business practices, and greater transparency and accountability.

Shareholder engagement strategies include company dialogues, shareholder resolutions, proxy voting, and public policy advocacy. Walden utilizes all of these approaches to address a broad array of environmental, social, and corporate governance policies and practices. To strengthen our ability to achieve positive outcomes, Walden often collaborates with other investors, informed professionals, affected constituencies, and nongovernmental organizations (NGOs).

We believe well managed companies value input from investors and other stakeholders that aims to enhance the sustainability of their business by limiting risk and protecting shareowner value. We recognize that companies are complex entities and that corporate change is often incremental. Our long term investment horizon has helped foster constructive and productive relationships with many portfolio companies.

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 type="checkbox"/> Other, specify <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 type="checkbox"/> Other, specify <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

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
<b>LEA 03.1</b>	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 Trust/Walden considers many factors as we develop our strategy and plan for engagement each year. Among the key questions we evaluate are:

- What are the most material risks and opportunities among companies in our clients' portfolios, including emerging ESG factors (i.e. can we establish a strong business case for engagement)?
- How do these risks and opportunities correlate with the breadth and depth of the holdings (i.e. we favor broadly owned, large positions to increase client participation and potentially strengthen our influence)?
- What unique expertise can we bring to the engagement?
- What is the likelihood for a successful outcome and would success have benefits beyond the company in question (e.g. establishing an industry leadership position that could serve as a benchmark for other companies)?
- Are we able to build an effective investor coalition?
- Are we addressing a broad array of ESG factors that represent our clients' priorities and include all investment strategies?
- What internal resources are required (primarily staff time) and what are the associated opportunity costs?

These considerations, among others, are discussed at our monthly ESG Research & Engagement Committee meetings, which include ESG professionals, portfolio managers, and securities analysts (five of whom are on the 9-member Board of Directors of Boston Trust). This Committee guides, affirms, and monitors our overall engagement strategy.

☐ 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.

Boston Trust/Walden maintains a database of companies included in our engagement activity which is updated quarterly. At the end of each calendar year, progress is assessed for all engagement activity.

To evaluate progress, we periodically assess company engagement as follows:

1) Progress was observed.

- Engagement contributed to **anew or amended policies** (e.g. moving to annual elections of directors or adopting an inclusive nondiscrimination policy).
- Engagement contributed to **more sustainable business practices** (e.g. commitment to more robust vendor standards monitoring or new greenhouse gas reduction goals).
- Engagement led to **greater transparency and accountability** (e.g. initial or improved ESG reporting or political spending disclosure).

2) No significant progress; engagement is in progress.

3) No additional follow up is planned. (As examples, this applies to engagement undertaken solely for the purpose of building awareness around an ESG issue, or, in situations where portfolio holdings have been sold.)

We believe that our company engagement on behalf of clients has resulted in numerous, positive outcomes over the years. However, progress is often made possible through collaboration with other investors, as well as the actions of other active stakeholders seeking to influence corporate behavior. Hence, while we monitor and report on all engagement activity, we are careful to note that observed outcomes are not always linked primarily to our work.

Additionally, corporate engagement initiatives frequently span multiple years and observed changes are usually incremental, which is consistent with our expectation that companies should commit to "continuous improvement." Therefore, progress observed in a given year does not necessarily mean that the engagement has concluded or that our overall objectives have been met. As long term investors, we often continue to engage and monitor progress on a particular ESG topic over many years.

☐ 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.

We are a member of, or partner with, a large number of organizations that encourage collaboration among investors (e.g. PRI, USSIF, INCR, Ceres, ICCR, CDP, SIRAN, GNI, The 30 Percent Coalition, IEHN, etc.). Through our membership in these organizations and their associated listservs, we become aware of opportunities to join collaborative partnerships.

We evaluate and prioritize our involvement in these engagements in a similar manner to our in-house initiatives (see LEA 03.2).

Boston Trust/Walden understands that there are unique benefits to collaborative engagements:

- Potential to have greater influence with significant institutional investor support
- Ability to reach more companies on more ESG issues in an efficient manner
- Opportunity to share information and expertise

☐ 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 enter collaborative engagements in the same database used for tracking in-house engagements. If Walden assumes a leadership or active role, we also monitor progress in the same way. However, if the goal of a collaborative engagement is awareness building, or if we have a more passive role in the joint collaboration, we do not attempt to monitor progress. However, we appreciate and record information provided by the leaders of the investor collaborations when such progress is monitored and shared.

☐ No

### General processes for all three groups of engagers

**LEA 09**

**Voluntary**

**Additional Assessed**

**PRI 1,2**

**LEA  
09.1**

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA  
09.2**

Additional information.

See our response to LEI 05.2.

**LEA 10**

**Mandatory**

**Gateway/Core Assessed**

**PRI 2**

**LEA  
10.1**

Indicate if you track the number of companies you engage with.

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

<b>LEA 10.2</b>	Additional information. [Optional]
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See our response to LEA 04.3.

## Outputs and outcomes

LEA 11	Mandatory to Report	Voluntary to Disclose	Core Assessed	PRI 2
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<b>LEA 11.1</b>	Indicate the number of companies with which your organisation engaged during the reporting year.			
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	<b>Number of companies engaged</b> (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	86
Collaborative engagements	485

<b>LEA 11.2</b>	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
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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 type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

**LEA  
11.3**

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

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

This indicator, particularly as it pertains to collaborative engagements, is somewhat misleading and difficult to interpret.

- It is not clear if collaborative engagements refer only to entities organized for the purpose of major collaborations (e.g. INCR), or also includes ad hoc investor collaborations (e.g. a lead filer with ten co-filers on a shareholder resolution). Under collaborations, we have counted only initiatives organized around specific issues, as opposed to those organized around companies. In addition, some investor collaborations are implemented through internal engagement. For example, Walden is a leader on a coordinated "Raising the Bar" campaign to address climate change with Ceres/INCR. We helped define the strategy and created materials. Yet our company engagement is primarily in-house. Still, we counted that engagement under the collaborative category.
- **Counting companies** engaged through collaboration can produce skewed results. For example, we were a passive participant in a PRI collaboration encouraging 242 companies in FTSE AWI to join the UN Global Compact. That is half of all the companies addressed through collaborations and we do not consider these to be "comprehensive" engagements (thus the low <10% response).
- An alternative approach to reporting on collaborations could be to **count the number of investor collaborations, along with the number of associated "comprehensive" company engagements**. (For example, Boston Trust/Walden participated in [#] collaborative engagements reaching [#] companies. Boston Trust was a leader or active participant in [#] of these collaborative engagements, in which we played an active or leadership role at [#] companies.)
- To be consistent, the response in LEA 11.3 is based on the number of companies engaged. However, **ten** collaborative initiatives accounted for the vast majority of the nearly 500 companies engaged in 2013. Boston Trust/Walden helped lead or was an active participant in **three** (30%) of these investor collaborations (in contrast to <10% of companies engaged as reported).

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

10

% Social only

40

% Corporate Governance only

50

**100%**

Collaborative engagements

% Environmental only

40

% Social only

40

% Corporate Governance only

20

**100%**

LEA 12.3	Additional information.
----------	-------------------------

To interpret the percentages above correctly, the following points are important:

- We did not base percentages of internal staff engagements using LEA 11.1 as the denominator (as specified in explanatory notes). Our data collection system tracks and monitors engagements (vs. companies), and many companies have multiple, distinct engagements. The 86 companies identified in LEA 11.1 represent nearly 120 separate engagements.
- We count engagement on political spending/lobbying and sustainability reporting under the corporate governance category. Together, these account for the vast majority of that category. We note that sustainability reporting could also be considered "overlapping ESG issues."
- The 10% internal commitment to environmental engagement understates the commitment of Boston Trust/Walden in this category. Our leadership under collaborations focused on climate change engagement. In addition, engagement on sustainability reporting (counted under governance) also has a strong environmental component.
- The percentages reported for collaborative engagements also do not use the response in LEA 11.1 (485) as the denominator. This would give a skewed understanding since one half of the companies were part of one engagement in which we were a passive participant. Instead, we identified 10 major collaborative initiatives in which we participated in 2013, and categorized each as environmental, social, or corporate governance (i.e. four of the ten collaborations addressed environmental issues).

Boston Trust's Walden division is very active both through internal staff engagements and external investor collaborations. In the latter group, we are sometimes a leader and sometimes a passive participant. Overall, we cover a comprehensive set of environmental, social, and governance issues.

LEA 13	Voluntary	Descriptive	PRI 2
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LEA 13.1	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

LEA 13.2	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.
----------	--

	<b>Number of company changes or commitments to change</b>
Individual / Internal staff engagements	32
Collaborative engagements	20

☐ No

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

The numbers above reflect engagements in which we witnessed company progress over 2013. As reported previously, we define progress as improvement in policies, practices, or transparency. Some companies demonstrated progress on multiple ESG factors (e.g. adopted inclusive nondiscrimination policy and committed to respond to CDP's climate change questionnaire), which are accounted for separately above.

<b>LEA 14</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 14.1</b>	Provide examples of the engagements that your organisation carried out during the reporting year.
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☒ Add Example 1

Topic or ESG issue	With mounting scientific evidence underscoring the need for urgent action on climate change, we redoubled efforts to engage companies on their mitigation and adaptation plans.
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	<ul style="list-style-type: none"> <li>To encourage setting GHG reduction goals for company operations consistent with the recommendations of the IPCC (Intergovernmental Panel on Climate Change), the leading scientific authority on climate change. IPCC determined a 50 percent reduction of CO2 globally is required by 2050 to avoid catastrophic consequences of climate change.</li> <li>To disclose goals and progress regarding mitigation and adaptation, preferably through the CDP climate survey.</li> </ul>
Scope and Process	<p>We analyzed climate change policies and management of GHG emissions at core equity (mid and large cap) portfolio companies and identified over 30 for follow up.</p> <p>We worked with Ceres and others to foster industry collaboration (part of a "Raising the Bar" strategy to address climate change). We shared letters, briefs, and a template shareholder resolution requesting science-based greenhouse gas (GHG) reduction goals.</p> <p>This is an example of a combined approach of internal and collaborative engagement.</p>
Outcomes	This work is ongoing, but some early results have been positive. By year end 2013, nine portfolio companies demonstrated progress through one or more of the following actions or commitments: new climate change (GHG) or energy consumption targets, new or revised climate change policies, and expanded disclosure (some through CDP).

☒ Add Example 2

Topic or ESG issue	Board diversity is widely recognized as a component of good corporate governance; yet women represent just 16% of U.S. public company directors.
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To encourage progress, we seek corporate governance policies and nominating charters that explicitly include gender and race as factors considered in director recruitment and a public commitment to a diverse candidate pool.
Scope and Process	<p>In 2013, we addressed board diversity through letters, email, and phone meetings at eleven companies without women board members.</p> <p>We coordinated with The 30 Percent Coalition for much of this work, taking responsibility for a number of portfolio companies on the organization's focus list (companies in the S&amp;P 500 and Russell 1000 without women on their boards). Our Director of ESG Shareowner Engagement serves as co-chair of the Institutional Investor committee of the Coalition. Through our individual engagement, we sought to leverage the outreach of The Thirty Percent Coalition by focusing on portfolio companies that did not respond to its letters.</p> <p>This is another example of a combined approach of internal and collaborative engagement.</p>
Outcomes	By December 2013, five companies had added a woman director to their boards.

☒ Add Example 3

Topic or ESG issue	Inclusive nondiscrimination policies that are publicly accessible help employers recruit and retain top talent, prevent discrimination, and avoid costly litigation or damage to corporate reputations.
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To encourage companies to adopt and make public nondiscrimination policies that include sexual orientation and gender identity.
Scope and Process	We regularly monitor nondiscrimination (EEO) policies of portfolio companies and engage with those that do not have publicly accessible, inclusive policies. We sometimes partner with NGOs working specifically to advance the rights of LGBT (lesbian, gay, bisexual, and transgender) individuals.
Outcomes	In 2013, seven companies adopted more inclusive nondiscrimination policies and five others added their inclusive policies to their websites.

☒ Add Example 4

Topic or ESG issue	Corporate funds that are utilized to influence elections and public policy can undermine internal corporate policies and pose reputational risk.
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	Companies should assess and disclose policies, oversight processes, and direct and indirect political spending and lobbying expenditures, including payments to trade associations and think tanks.
Scope and Process	We helped organize and lead investor coalitions seeking comprehensive disclosure of corporate funds used to influence elections, legislation, and regulation. Dozens of companies were asked to assess and comprehensively disclose their political spending and lobbying activities. Shareholder resolutions were filed in many cases.
Outcomes	Five companies in which we were a lead or active participant responded positively, primarily through expanded lobbying disclosure.

☒ Add Example 5

Topic or ESG issue	Comprehensive ESG reporting (preferably based on GRI) enables investors to more accurately evaluate ESG risks and opportunities related to company policies, practices, and results.
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<ul style="list-style-type: none"> <li>To encourage companies to initiate or expand ESG reporting and commit to continuous improvement over time.</li> <li>To promote the use of GRI guidelines as the best practice standard.</li> </ul>
Scope and Process	While we engage regularly with many companies on ESG disclosure, we target for more intense engagement those where ESG reporting is absent or significantly deficient. In addition, for several years we have been a leader in an investor coalition attempting to encourage comprehensive ESG reporting among smaller capitalization companies (where such reporting is much prevalent).
Outcomes	In 2013, three companies initiated or expanded sustainability reporting substantially. Another company, already a strong reporter, agreed to use its leverage to encourage sustainability reporting among its major suppliers.

- ☐ 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

please provide URL

<http://www.waldenassetmgmt.com/>

please provide URL

<http://www.unpri.org/signatories/signatories/>

**LEA  
15.2**

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

☒ Yes

**LEA  
15.3**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

**Engagement information disclosed**

- ☒ 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.

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

☐ No

☐ 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**

**Overview**

**LEA 16**

**Voluntary**

**Descriptive**

**PRI 2**



LEA  
16.1

Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

Boston Trust incorporates ESG analysis and engagement into our proxy voting policies and practices in a manner that is consistent with our fiduciary responsibilities. The Corporate Governance Committee (a 5-person management committee including two board members) reviews all proxy ballot item topics, including ESG considerations, to determine proxy voting policies for all of Boston Trust's investment clients. As a general rule, we are supportive of greater ESG transparency, accountability and performance.

For clients in our Walden division, active ownership is a value added service and client expectation. As such, engagement with companies, including shareholder resolutions, covers a broad range of ESG issues such as greenhouse gas mitigation, adaptation to the physical impacts of climate change (e.g. water scarcity), international labor standards throughout supply chains, executive compensation policies, political spending and lobbying transparency, and workplace policies and practices. Our goal is to leverage share ownership to support and strengthen ESG performance, accountability and impact through dialogue with companies and, if necessary, through the shareholder resolution process.

Shareholder resolutions are often filed in the name of Walden Asset Management for our Walden clients collectively. Walden is frequently a lead sponsor of shareholder resolutions (19 filed for the 2013 proxy season), but also co-files with other investors (4 in 2013). Additionally, we assist clients who seek more direct involvement in filing resolutions in their own names and help them participate in dialogues and negotiations with additional companies (approximately two dozen clients in 2013).

Shareholder resolutions are frequently withdrawn based on successful negotiations with companies and therefore do not appear on company proxy statements. This was the case for nearly half of the 2013 resolutions led or co-led by Walden.

## Process

LEA 17

Mandatory

Descriptive

PRI 2

LEA  
17.1

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]
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Boston Trust/Walden subscribes to an external voting agent, ISS, to assist us in implementing our proxy voting guidelines. Each year Boston Trust's Corporate Governance Committee updates proxy voting policies and instructions for ISS. As ballots are delivered, ISS populates proxy votes for Boston Trust/Walden clients based on its interpretation of Boston Trust/Walden instructions. Boston Trust/Walden then verifies each proxy and makes changes, if deemed necessary. We consider this process to be 100% determined by internal staff, with research and implementation assistance provided by ISS. Boston Trust/Walden uses a variety of research resources in this process.

<b>LEA 19</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<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.
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- ☒ Obtain confirmation that votes have been lodged:
  - ☒ 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 19.2</b>	Provide additional information on your organisation's vote confirmation efforts.
-----------------	--

Operations staff at Boston Trust/Walden have implemented client and share reconciliation processes that monitor and affirm the receipt of ballots and voting practices on an ongoing basis.

<b>LEA 20</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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LEA 20.1	Indicate if your organisation has a securities lending programme.
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- ☐ Yes  
☒ No

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	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.
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- ☐ 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  
See additional information below.☐ No  
☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
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Boston Trust/Walden communicates with roughly half of portfolio companies at least annually (more frequently for significant holdings). In those communications, we often find opportunities to explain our positions on the various items on proxy ballots that are contrary to company policies or practices. In addition, for the approximately two dozen companies in 2013 where Walden was a resolution filer, management is fully informed of our rationale for taking a position against its recommendation. Finally, on an ad hoc basis when we believe more formal communication is merited, we write companies regarding our proxy voting decisions.

## Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	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.
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- ☒ We do track or collect this information

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



100

**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

LEA 23	Voluntary	Descriptive	PRI 2
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<b>LEA 23.1</b>	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
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- ☒ 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:
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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	 92
Against (opposing) management proposals	 8
Abstentions	 0

100%

The breakdown above represents the percentage of ballot items Boston Trust/Walden voted For or Against management **recommendations**, as opposed to **proposals**, for managed assets in the year ending December 2013. This means both management-sponsored and shareholder-sponsored proposals are included (i.e. all proxy ballot items). Since nearly all of the environmental and social proposals are shareholder resolutions, it is crucial to include these in the tally to understand ESG integration in proxy voting.

Still, the numbers above are not very informative in this summary form. The additional information below should provide more clarity on our process:

- Boston Trust/Walden includes "Abstain" votes as votes against management; hence, they are not identified separately in the breakdown above. However, "Abstain" votes are infrequently cast and are usually used to signal support for the underlying substance of a shareholder resolution but not the specifics of the request.
- Looking only at management proposals, 95% of votes were consistent with management recommendations vs. 5% against.
- Looking only at shareholder proposals, 12% of votes were consistent with management recommendations vs. 88% against. Shareholder proposals account for nearly all of the proposals on environmental and social issues.
- All of the percentages reported above are skewed because of director elections which appear on all ballots (i.e. since each director candidate counts separately as a ballot item, director elections as a whole accounted for 68% of total ballot items). Excluding director elections, Boston Trust/Walden voted against management recommendations 19% of the time (vs. 8% reported in LEA 23.2 above).
- Our most frequent votes against management sponsored resolutions include: failure to support an entire director slate for a variety of reasons (e.g. insufficient board meeting attendance, failure to respond to shareholder concerns identified in a previous year's proxy vote, lack of board diversity, overboarding, etc.), auditor approval (violation of our strict 25% non-audit work allowance threshold), executive compensation (Say on Pay, overly diluted compensation plans), classified board structure, etc.
- Votes against management recommendations on shareholder proposals reflect our general support for shareholder resolutions seeking improved ESG policies, performance or transparency (consistent with overall fiduciary objectives). Examples include: improved political spending/lobbying policies and disclosure, separate board and chair, stronger environmental policies and disclosure, sustainability reporting, improved anti-discrimination policies, etc.
- Most shareholder proposals are accounted for in our core (mid and large cap) strategies.
- In general, our basic investment approach, which emphasizes companies we deem to be of higher management quality, contributes significantly to our record of support of management sponsored resolutions.

☐ No, we do not track this information

<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.
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☒ Yes

<b>LEA 24.2</b>	Indicate the number of ESG shareholder resolutions you filed or co-filed.
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	Total number
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23

<b>LEA 24.3</b>	Indicate what percentage of these ESG shareholder resolutions.
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Went to vote	<div><div></div>%</div> 61
Were withdrawn due to changes at company and/or negotiations with the company	<div><div></div>%</div> 39
Were withdrawn for other reasons	<div><div></div>%</div> 0

	Total
--	-------

100%

	50-20% approval
--	-----------------

11

	<20% approval
--	---------------

3

The summary below has been published in various venues (Walden's Summer 2013 edition of our client newsletter, June 2013 quarterly client update, and website). This is not an exhaustive list of our resolution activity as we actively support clients who desire to lead or participate in additional shareholder proposals.

#### SUMMARY OF WALDEN'S 2013 SHAREHOLDER RESOLUTIONS

Much of Walden's success in advocating for greater corporate responsibility and transparency comes from constructive dialogues with companies over many years, entirely outside of the resolution process. Yet sponsoring shareholder resolutions remains a primary tool for investors to influence company policies and practices. These resolutions can be an important impetus for change, as illustrated below.

#### Corporate Governance

##### *Board Diversity*

Technology company **NetApp** is among the small minority (10 percent) of S&P 500 companies currently without a woman director. Walden's shareholder proposal asking NetApp to take additional steps to increase board diversity was withdrawn with an agreement to enhance disclosure in its proxy statement on the value of diversity as well as on implementation processes to help identify women and people of color for the director candidate pool.

##### *Lobbying Disclosure*

Comprehensive disclosure of corporate lobbying helps investors assess how a company's lobbying activities align with expressed goals and commitments on an array of public policy matters. Shareholder proposals requesting better lobbying policies, disclosure, and oversight, including indirect initiatives through trade associations and think tanks, were submitted to **3M**, **Accenture**, **ConocoPhillips**, **Devon Energy**, **IBM\*\***, **JPMorgan Chase\***, **PepsiCo\***, **Time Warner Cable**, and **UPS**.

Proposals at 3M and PepsiCo were withdrawn with agreements to expand lobbying disclosure substantially. While not formally introduced at the annual meeting, Devon Energy reported 23 percent support for the resolution. All the others went to a vote and received varying levels of shareholder support at company annual meetings: Accenture (31 percent), ConocoPhillips (26 percent), IBM (24.5 percent), JPMorgan (11 percent), Time Warner Cable (15 percent), and UPS (12 percent). While all of the resolutions received sufficient backing to keep the discussion going, Walden attributes the higher vote tallies, in part, to supportive recommendations from the major independent proxy advisors.

##### *Sustainability/ESG Reporting*

For the fourth consecutive year Walden filed resolutions requesting comprehensive sustainability reports at **C.R. Bard** and **Gentex\***, and a third-year resolution was submitted to **Emerson Electric**. In each case, the vote results in favor increased relative to 2012 at 35 percent (vs. 30.5), 36 percent (vs. 32.5) and 38 percent (vs. 35), respectively. While shareholder support slowly builds, Walden continues the dialogue with the companies on the merits and necessity of ESG reporting. Walden co-filed a proposal at **Nike\*\***, already a best practice reporter, that aimed to push ESG transparency throughout the company's supply chain. An agreement was

reached and the proposal was withdrawn.

A general dearth of ESG information at smaller companies has fueled targeted advocacy by Walden in recent years. In 2013, resolutions submitted to **Coherent** and **Wabtec** were withdrawn with their commitment to initiate sustainability reporting. The proposal at **Simpson Manufacturing** was backed by 33 percent of shares voted, an unusually high level that should help contribute to a constructive dialogue going forward. Although dialogue with **Men's Wearhouse\*** progressed, the proposal remained on the proxy ballot and received 34 percent support.

## Environmental Impact

### *Climate Change Mitigation*

Walden was pleased to withdraw a shareholder proposal at **Stryker** that sought a comprehensive management plan addressing greenhouse gas (ghg) emissions. The company committed to fully assess ghg emissions at its facilities for baseline context and to set targets and goals for controlling emissions by year-end. In addition to disclosing ghg targets on its website, Stryker will also begin reporting this year to the Carbon Disclosure Project, the world's largest public repository of corporate responses to climate change.

A first-time proposal at **PNC Financial Services\*\*** asked the board of directors to report on the bank's assessment of ghg emissions and climate change risk from its lending, investing, and financing activities. On the ballot despite PNC's unsuccessful attempt to receive Securities and Exchange Commission approval to omit it, the resolution received significant shareholder support of 23 percent.

For several years Walden has co-filed a proposal with **ExxonMobil\*\*** requesting the adoption of quantitative goals to reduce greenhouse gas emissions from its products and operations. This year's results continue to demonstrate strong investor support with 27 percent of the vote in favor of the resolution.

## Workplace

### *Inclusive Non-Discrimination Policy*

Proposals requesting **East West Bancorp** and **j2 Global** to amend their equal employment opportunity policies to include "sexual orientation and gender identity or expression" were successfully withdrawn when they agreed to modify their policies.

###

To increase our impact Walden often joins others on collaborative efforts.

\*In order, Walden co-led these resolutions with the following investors: Sisters of St. Francis of Philadelphia, New York State Common Retirement Fund, Calvert Investments, and Trillium Asset Management.

\*\*In order, these shareholder resolutions co-filed by Walden were led by: First Affirmative Financial Network, New York City Employees' Retirement System et al., Boston Common Asset Management, and Sisters of Saint Dominic of Caldwell, NJ.



○ No

LEA 25	Voluntary	Descriptive	PRI 2
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LEA 25.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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☒ Add Example 1

Topic or ESG issue	Management sponsored advisory vote on executive compensation (Say on Pay)
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Against votes reflect pay for performance concerns, structural problems in compensation plans, or excessive absolute compensation.
Scope and Process	Most Boston Trust/Walden companies have Say on Pay votes annually. As a leading investor advocate of Say on Pay before it was mandated by Dodd-Frank, we engaged with scores of companies on the benefits of an annual advisory vote, best practices in executive compensation, as well as how to improve communications on compensation matters generally. We continue to speak with companies as opportunities arise, both before and after shareholder meetings, particularly among those companies that received an Against vote.
Outcomes	<p>We supported about 91% of management sponsored Say on Pay proposals in 2013.</p> <p>Several companies that received Against votes in recent years changed their compensation plans (e.g. improved pay for performance ties or eliminated tax gross ups) as well as improved communication about compensation plans.</p>

☒ Add Example 2

Topic or ESG issue	Annual elections of all directors (eliminate classified boards).
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	We believe annual elections of all directors is a best practice governance policy that strengthens director accountability.
Scope and Process	Whether via a management or shareholder proposal, we support movement to annual elections of directors. In addition, we frequently address classified boards in company dialogues, some of which saw this item on their 2013 proxies.
Outcomes	Over the years, we have encouraged many companies to adopt annual elections of directors. These discussions and changes are not usually bound by a single voting season.

☒ Add Example 3

Topic or ESG issue	Produce a comprehensive sustainability report.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	We believe it is in the long term best interest of companies and their investors for ESG risks and opportunities to be identified, managed, and communicated.
Scope and Process	We routinely support ESG reporting (or sustainability) resolutions and often sponsor such proposals. Eight companies that received Walden sustainability reporting resolutions in 2013 involved extensive and ongoing engagement. Additionally, we engage with dozens of companies each year on ESG reporting, most of which do not end upon proxy ballots. We encourage GRI reporting as a best practice.
Outcomes	We have successfully encouraged many companies to commence or expand ESG reporting. Three proposals were withdrawn in 2013 based on such a commitment, one of which focused on encouraging major suppliers to commence reporting.

☒ Add Example 4

Topic or ESG issue	Mitigate and adapt to climate change/reduce greenhouse gas emissions
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	We believe it is in the long term interests for companies to identify, mitigate, and adapt to climate change risk.
Scope and Process	Boston Trust/Walden routinely supports assessment and disclosure of climate change risk through proxy voting, and sponsors our own resolutions as deemed necessary. These are generally multi-year, ongoing discussions.
Outcomes	Many companies have made incremental progress over time (e.g. strengthened policies, adopted goals, or provided greater disclosure).

☒ Add Example 5

Topic or ESG issue	Strengthen lobbying policies, oversight and disclosure.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Companies should be fully transparent regarding political contributions/lobbying activities and expenditures. Such activities have the potential to conflict with stated company goals and impact corporate reputations (reputational risk).
Scope and Process	We have been a leading voice and coordinator among U.S. investors on corporate political spending and lobbying activities, both direct expenditures as well as through trade associations and think tanks. We frequently work with partners and are involved in dozens of ongoing conversations that sometimes result in shareholder resolutions.
Outcomes	There have been many successful engagements that resulted in better political spending or lobbying policies, oversight and/or transparency.

☒ Add Example 6

Topic or ESG issue	Adopt and disclose inclusive nondiscrimination policies.
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	Nondiscrimination policies that explicitly include sexual orientation and gender identity enhance competitive positioning with respect to employee recruitment and retention and help mitigate corporate risk.
Scope and Process	We have a long history of leadership encouraging more inclusive nondiscrimination policies by demonstrating to companies the business case for doing so (e.g. risk mitigation, labor market competitiveness). We frequently work with partners and sometimes file resolutions, though often they are withdrawn after successful negotiations.
Outcomes	Many companies have strengthened their nondiscrimination policies and/or publicly disclosed their policies (2 shareholder resolutions were withdrawn successfully in 2013 after reaching agreements).

- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

LEA 25.2	Additional information.
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The format of this indicator is problematic because reporting on outcomes of shareholder resolutions (see LEA 24.5) is unbundled from proxy voting activities. At Boston Trust/Walden, our engagement around proxy voting focuses on companies where we have filed resolutions.

## Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
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- ☒ We disclose it publicly

provide URL
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<http://www.waldenassetmgmt.com/>

	provide URL
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<http://www.bostontrust.com/mutual-funds>

<b>LEA 26.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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☒ Yes

<b>LEA 26.3</b>	Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.
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	Indicate how much of your voting record you disclose
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- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

	Indicate what level of explanation you provide
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- ☐ Explain all voting decisions
- ☒ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

<b>LEA 26.4</b>	Indicate how frequently you typically report voting information.
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- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Boston Trust/Walden discloses proxy voting records and guidelines for the Boston Trust& Walden Funds. The ten mutual funds represent Boston Trust/Walden's primary investment strategies and the vast majority of companies in client portfolios. As requested, we disclose proxy voting records privately to clients with separately managed accounts.