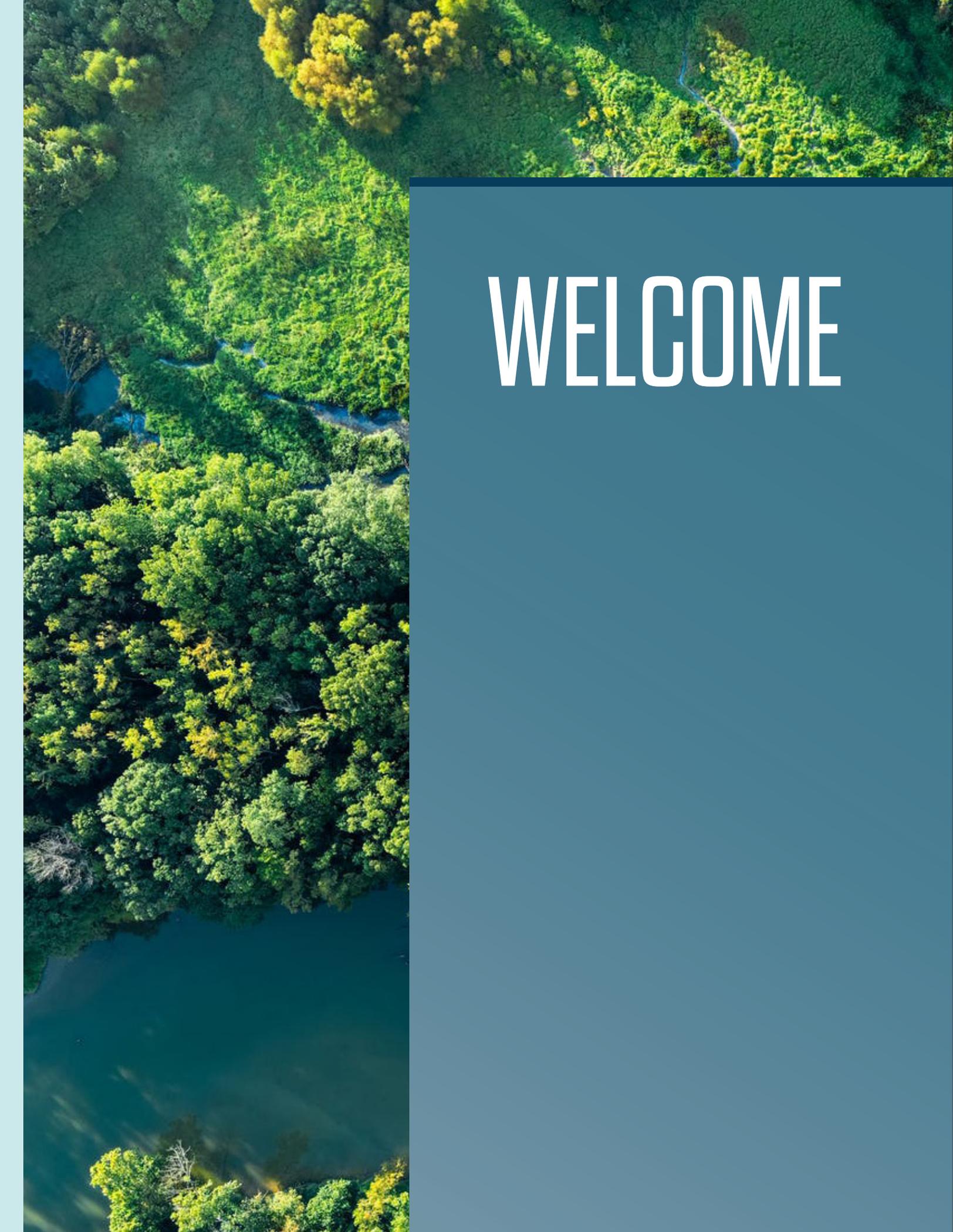


2020 ESG IMPACT REPORT



Boston Trust Walden
Principled Investing.



WELCOME



Never has the need for impact investing been more apparent than in 2020—a year in which we faced a global pandemic, a deepening climate crisis, and a reckoning over persistent and pervasive inequality.

Boston Trust Walden has a long history advocating for the planet and its people. We believe the integration of environmental, social, and governance (ESG) considerations is critical to managing risk and producing attractive, long-term investment returns. We also recognize our responsibility to encourage improved ESG practices at the companies in which we invest.

Even while working virtually and mindful of the challenges facing companies, our active ownership initiatives continued.

In this annual report, we share examples of actions taken to accelerate progress on climate and equality, as well as the governance mechanisms that underpin it all. We also offer industry-leading measurements and disclosure on the reach and impact of our initiatives across investment strategies.

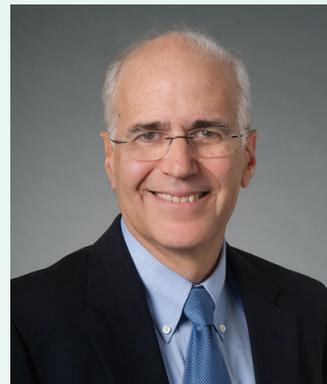
The urgency and complexity of the issues before us make Boston Trust Walden's commitment to leveraging active ownership and incorporating material ESG factors into investment decision-making more important than ever. We are proud of what we achieved and understand we must do more.

Thank you for taking an interest in this report. We value your input and welcome your feedback as we work towards a more sustainable, just, and equitable world.

Sincerely,

William H. Apfel
Chief Investment Officer

Amy D. Augustine
Director of ESG Investing



WILLIAM H. APFEL, CFA
Chief Investment Officer

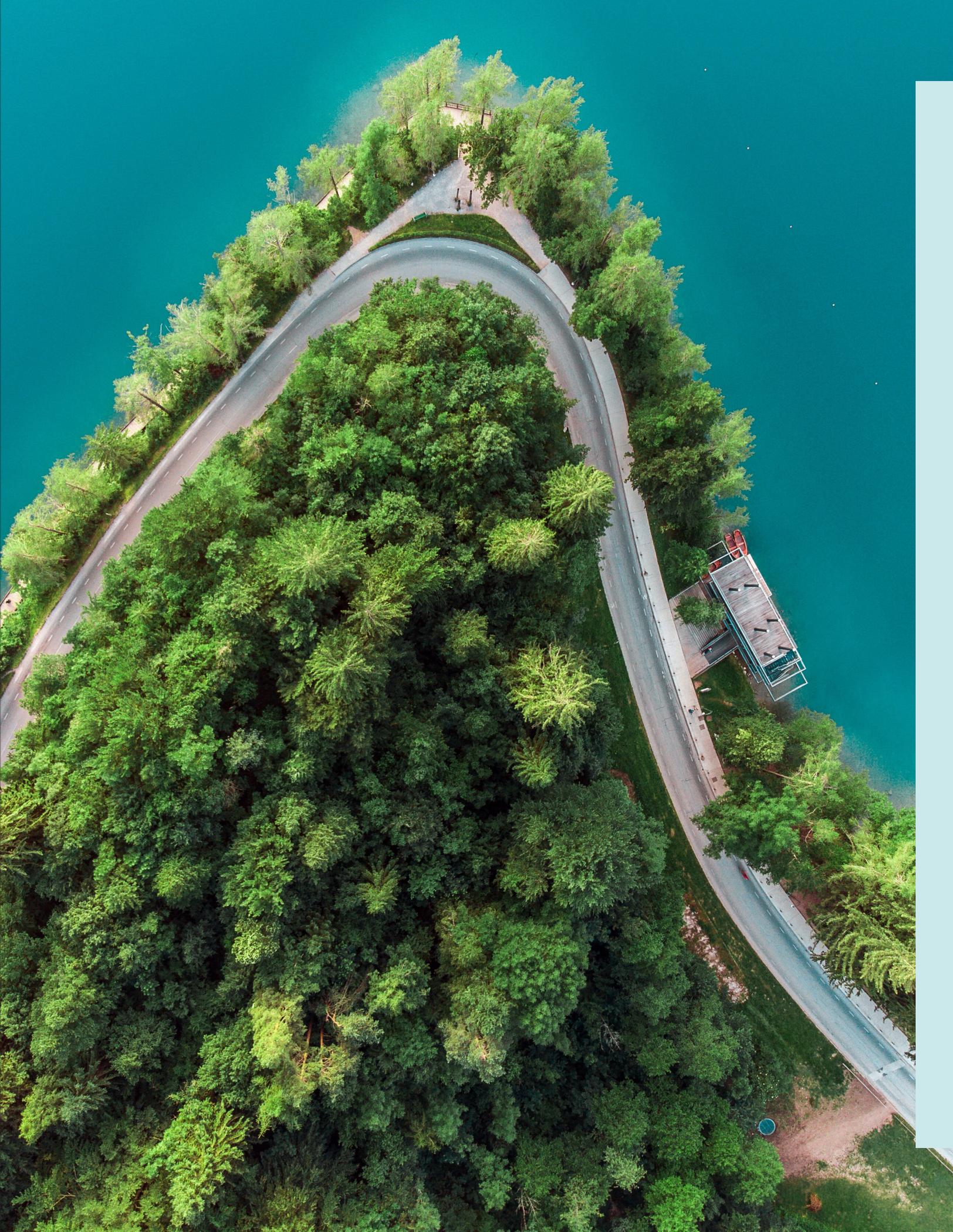


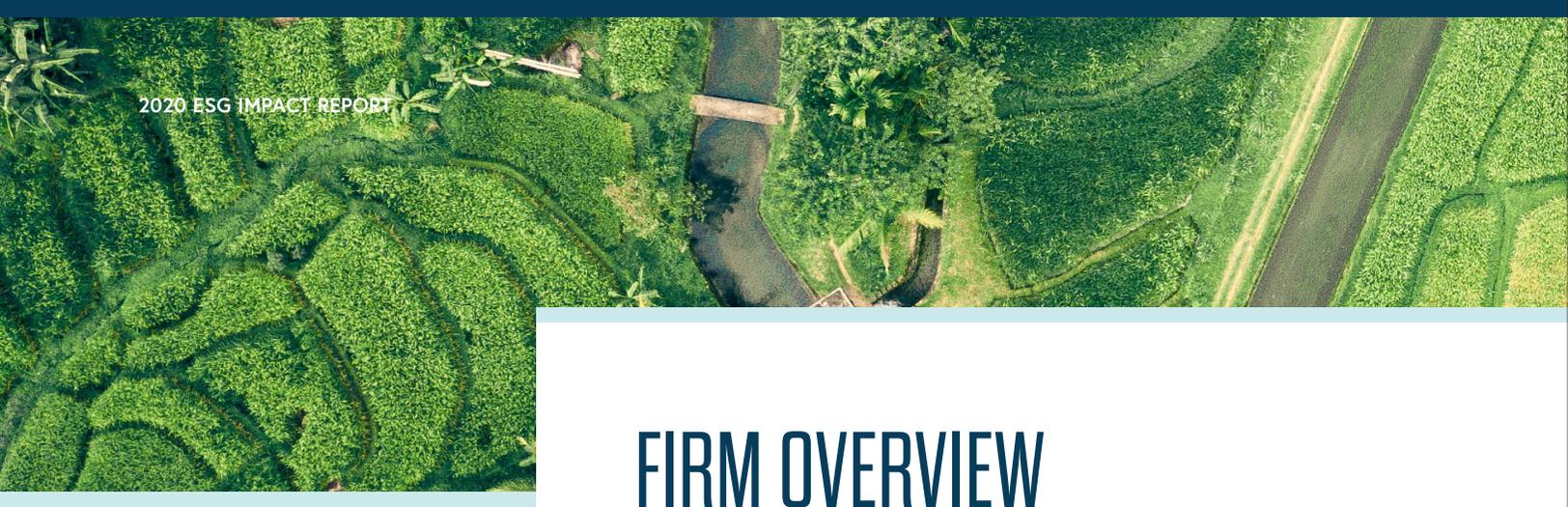
AMY D. AUGUSTINE
Director of ESG Investing

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FIRM OVERVIEW

Boston Trust Walden Company is an independent, employee-owned investment management firm with \$11.6 billion* in assets under management as of December 31, 2020.

As an active manager, we focus on investing in securities we judge to be high financial quality. We believe incorporation of financially material ESG factors in the investment decision-making process is consistent with this focus and we integrate ESG considerations across all Boston Trust Walden's investment strategies, leveraging the research and expertise of our in-house analysts. We further believe that thoughtful company leaders value input from investors and other stakeholders that aims to improve the sustainability of their businesses by limiting risk and protecting or enhancing shareowner value.

One hundred percent of Boston Trust Walden's assets under management are managed with ESG considerations. Approximately half of these assets employ additional unique ESG criteria designed to align portfolios with clients' mission and values.

HOW WE ACHIEVE IMPACT

For over 45 years, we have advanced the discipline of impact investing. We conduct ESG research in-house and use active ownership strategies for the long-term benefit of companies, investors, and society.

Outcomes We Seek

- Mission- and values-aligned portfolios
- Improved corporate policies
- More sustainable business practices
- Increased transparency
- Effective public policy

*Includes assets managed by Boston Trust Walden Company and its wholly owned investment adviser subsidiary, Boston Trust Walden Inc.

Tools We Use



ESG research and integration



Company engagement



Shareholder resolutions



Proxy voting

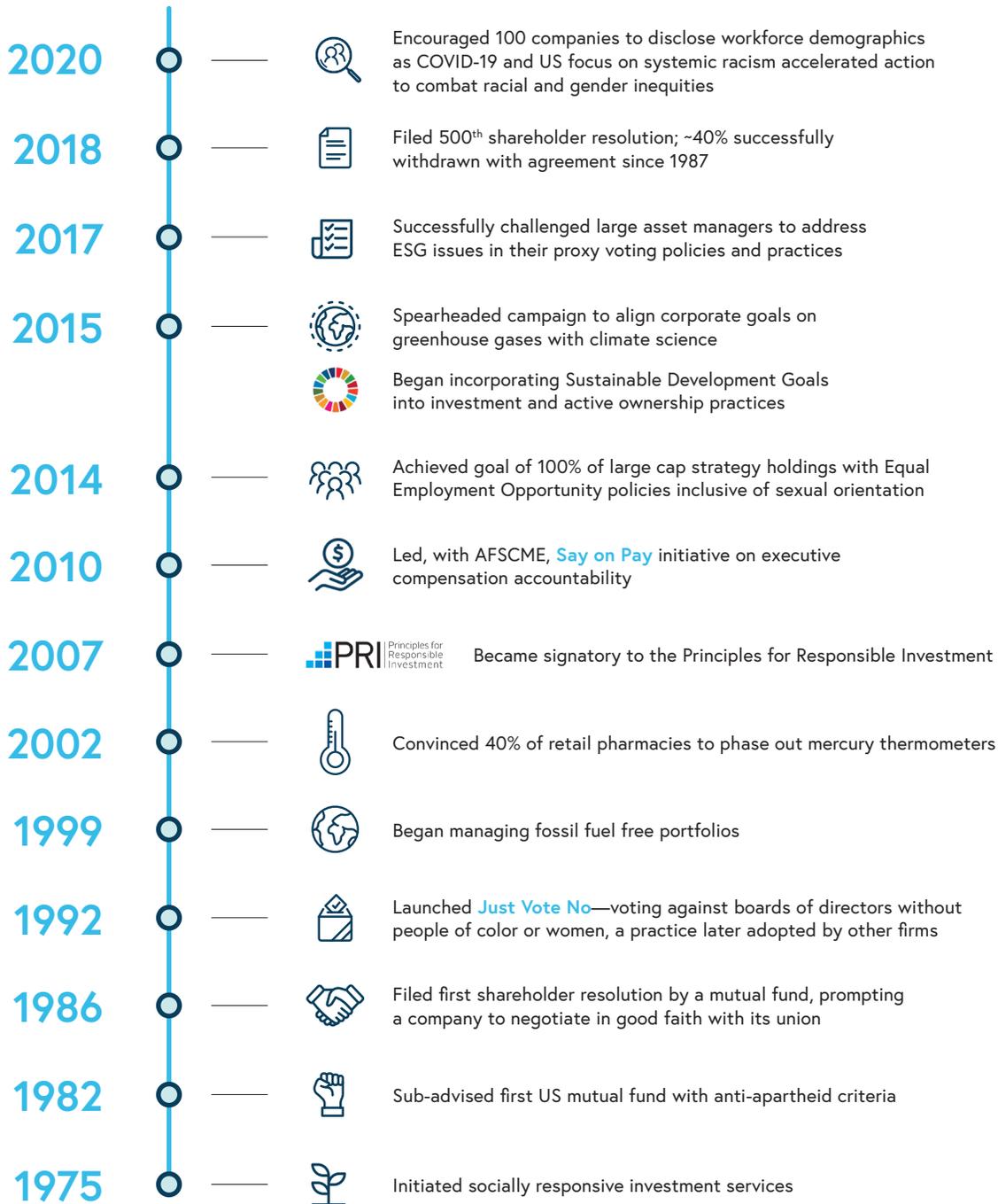


Public policy advocacy



Thought leadership

ENDURING ESG LEADERSHIP





PRINCIPLES FOR RESPONSIBLE INVESTMENT: OUR COMMITMENT



In 2006, the UN Secretary-General convened an international group of investors committed to integrating ESG assessments into investment decision-making and ownership practices to develop the Principles for Responsible Investment (PRI). Today PRI represents 3000 global investors with more than \$100 trillion in assets, including many of the world's largest asset owners and managers.

A supporter of PRI since becoming a signatory in 2007, Boston Trust Walden's leading commitment to public transparency is evidenced by our comprehensive responses to both mandatory and optional questions in each annual PRI questionnaire. Boston Trust Walden is an active participant in several PRI investor committees and working groups and contributes to case studies and comment letters authored by PRI.

2020 PRI ASSESSMENT

In 2020, Boston Trust Walden was awarded top scores in PRI's assessment report. PRI rated Boston Trust Walden above the peer median in every category and awarded it the highest score for both "Strategy & Governance" and "Listed Equity-Incorporation" for the seventh year in a row. Since 2016, Boston Trust Walden has received an A+ score for "Listed Equity-Active Ownership."

SCORES		
Strategy & Governance	A+	(Median score: A)
Listed Equity—Incorporation	A+	(Median score: A)
Listed Equity—Active Ownership	A+	(Median score: B)
Fixed Income—Sovereign/Supra/Agency (SSA)	A	(Median score: B)

Boston Trust Walden's transparency report: bit.ly/3kifJZv

PRI's assessment report: bostontrustwalden.com/wp-content/uploads/2020/08/2020-Assessment-Report-for-Boston-Trust-Walden.pdf

ESG RESEARCH AND INTEGRATION

INVESTMENT PHILOSOPHY AND APPROACH

Our firm has been integrating ESG factors into investment decisions since 1975—one of the longest track records of any institutional investment manager. ESG considerations are integral to our investment philosophy. Simply stated, we seek to invest in enterprises with sustainable business models, strong financial underpinnings, prudent management practices, and a governance structure that supports these objectives.

As part of our assessment of a company's financial quality, in-house analysts examine a company's ESG performance to enhance our understanding of potential financial outcomes, ranging from risks (losing the license to operate) to opportunities (generating new sources of revenue).

SPECTRUM OF FINANCIAL OUTCOMES



“Effective management of material ESG factors can reduce risk. It can also lead to more efficient operations, better labor productivity, heightened brand reputation and competitiveness, and new market opportunities.”

Aaron John Ziulkowski, CFA
Investment Analyst
Manager, ESG Integration



INTEGRATION IN PRACTICE

Jones Lang LaSalle

Tracing its roots all the way back to 1783, Jones Lang LaSalle (JLL) is a one stop shop for the commercial real estate industry. From ensuring floors are freshly waxed to managing transformational property renovations, the firm is a vital resource to property owners across the globe.

JLL is keenly aware of commercial real estate's environmental impacts, noting that globally, buildings are responsible for nearly 40% of total direct and indirect carbon dioxide emissions. The magnitude of this contribution represents an opportunity for JLL: helping clients reach their environmental targets can bolster revenue growth.

Recognizing the megatrend toward greater building efficiency is likely to play out over decades, Boston Trust Walden analysts considered the impact on JLL's financial profile.

Each time a stock is reviewed at Boston Trust Walden, two analysts—an ESG analyst and a traditional analyst—are assigned to research the company. Based on industry trends, company-identified material issues, and in-house expertise, the analysts identify potentially financially significant ESG risks and opportunities. In this case, we identified environmental issues as among the most important.

A wide range of resources were considered, including Boston Trust Walden's recent engagements with the company, JLL's own robust ESG reporting, and third-party resources—all instrumental in bringing clarity to three key questions:

- How large is the opportunity surrounding environmental sustainability in real estate?
- How significant is JLL's role in this opportunity?
- What is the financial impact to JLL?

As the analysts deliberated, the above three questions were considered individually.

Opportunity for environmental sustainability in real estate.

Third-party studies indicated that the opportunity for decreasing the environmental impact of buildings is quite large. Mounting scientific evidence reveals global warming needs to decelerate rapidly in order to avoid catastrophic impacts to people and the planet. To wit, the Paris Climate Agreement established a 1.5-degree Celsius target, the achievement of which is only feasible with large reductions in the emissions of the world's real estate footprint.

Through our understanding of the business model and interactions with management, we then assessed the specific opportunity for JLL. As a leader in commercial real estate services, JLL has global input into how buildings are designed and managed. The company's newly approved science-based greenhouse gas (GHG) emissions reduction target, which Boston Trust Walden's engagement helped shape, includes client emissions (Scope 3), in addition to its own operations. Its industry-leading commitment to reduce client emissions 53% per square foot between the base year in 2018 and 2034 quantifies the role it can play.

Finally, we evaluated the financial implications to JLL. In general, we consider the impact of material ESG factors on a company's revenue, expenses, balance sheet, and overall risk profile. In JLL's case, the creation of divisions such as Energy & Sustainability Services to capture emerging demand for full-service sustainability programs made clear that the financial materiality of environmental factors lies primarily in its revenue opportunity.

Importantly for JLL, the company benefits from not just one, but multiple revenue-generating touchpoints by offering sustainability consulting, implementation, and management services. As commercial real estate owners reinvent their properties over the coming decades to alleviate climate-related risks, we expect the resulting upgrade cycle to drive a wave of demand for JLL services. In turn, we believe this positions JLL to grow its revenue faster than the overall real estate industry.

Despite this significant opportunity, JLL's stock has underperformed the market amid uncertainty caused by the global pandemic. As long-term investors, our focus remains on the sustainability of the business across a full market cycle. We concluded JLL continues to meet our criteria for financial quality, business model sustainability, and valuation. We look forward to monitoring the evolving energy efficiency initiatives at JLL as they unfold and will continue to actively engage the company on its efforts.

Past performance is not an indication of future results. Boston Trust Walden Company is a Massachusetts-chartered bank and trust company. The information presented should not be considered as an offer, investment advice, or a recommendation to buy or sell any particular security. The information presented has been prepared from sources and data we believe to be reliable, but we make no guarantee to its adequacy, accuracy, timeliness, or completeness. Opinions expressed herein are subject to change without obligation to update.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

In 2017, the TCFD published a voluntary framework intended to guide disclosure of how companies identify, assess, and manage climate-related risks and opportunities.

Boston Trust Walden responds annually to the reporting guidance and posts it on our website.

Highlights from our 2020 response, which focuses on how climate affects both our investment decision-making and active ownership efforts, include the following conclusions:

- We have a robust process to identify, assess, and integrate climate risks and opportunities into investment decision-making across all investment strategies.
- We consider climate change risk in our company engagement and proxy voting practices.
- The weighted average carbon intensity of our investment strategies is significantly lower (better) than their respective benchmarks (see table).

BOSTON TRUST WALDEN RESULTS: WEIGHTED AVERAGE CARBON INTENSITY (tCO₂e/\$MILLION SALES)

	Small Cap	SMID Cap	Mid Cap	Large Cap	Fossil Fuel Free Large Cap
Carbon Intensity— Boston Trust Walden	74	65	71	86	87
Carbon Intensity—Benchmark	137	176	275	163	163
Carbon Intensity (relative to benchmark*)	-46%	-63%	-74%	-47%	-46%
Attribution: Sector Allocation	21	14	-5	10	-14
Attribution: Stock Selection	-84	-125	-199	-87	-61
#1 Contributing Stock	HE	APA	APA	APD	APD
#2 Contributing Stock	CPK	RPM	PKG	COP	UNP
#3 Contributing Stock	CHH	PKG	DLR	UNP	ED

Source: Boston Trust Walden, MSCI, FTSE Russell

*In order, the benchmarks are as follows: Russell 2000®, Russell 2500™, Russell Midcap®, Russell 1000®, Russell 1000®. We applied the most recent available carbon data (12/31/18) to portfolios as of 12/31/19. The metrics above are based on the strategy's model portfolio.

COMPANY ENGAGEMENT

ENGAGEMENT PHILOSOPHY AND APPROACH

Boston Trust Walden has a rich history of encouraging the companies in which we invest to strengthen ESG policies and practices, recognizing that companies that effectively manage sustainability risks are better positioned for success. Our active ownership initiatives span a range of issues and tactics with an aim to enhance the long-term prosperity of investors, business, the economy, and society.

We are committed to accountability regarding what we count as impact—improvements in ESG policies, practices, and public reporting. While progress is frequently catalyzed by our engagement, observed improvement often represents the hard work of, and collaboration with, other investors and stakeholders. Similarly, our input and encouragement sometimes bolster corporate advocates committed to continuous ESG improvement or motivated to make changes for other business reasons. Additionally, progress is often incremental and can span multiple years from a company's commitment through implementation and public reporting. We count meaningful progress along this continuum.

REACH AND IMPACT RESULTS

We engaged nearly three-quarters of the companies held across investment strategies in 2020. We encouraged improved ESG performance in numerous ways, from direct dialogue with company executives to filing shareholder proposals to participating in broad-based coalitions.

We consider engagement to be successful when we observe progress toward one or more of three potential outcomes: better corporate policies, more sustainable business practices, and greater ESG transparency. In 2020, 96 companies demonstrated improvement, which translates to an impact rate of 44% (96 companies improved/219 companies engaged). The most frequent topic we engaged on was climate risk (103 companies), and the highest impact rate by topic was LGBTQ non-discrimination at 54%.

See the Appendix for a list of all portfolio companies Boston Trust Walden engaged that demonstrated progress in 2020.

REACH AND IMPACT METRICS	2020	2019	2018
Reach			
# of Portfolio Companies Engaged	219	178	171
Reach Rate (% of Universe*)	73%	60%	55%
Impact			
# of Portfolio Companies	96	76	77
Impact Rate (% of Portfolio Companies Engaged)	44%	43%	45%

IMPACT BY ENGAGEMENT AREA (IN ORDER OF FREQUENCY)**		
Climate Risk	16%	(16/103)
Workforce Composition Disclosure	14%	(14/98)
Board Diversity	48%	(46/95)
ESG Reporting	31%	(10/32)
Lobbying	21%	(3/14)
LGBTQ Non-Discrimination	54%	(7/13)

*2020 engagement universe totaled 298 companies, 2019 universe totaled 295 companies, and 2018 universe totaled 313 companies. Companies that are unique to the Boston Trust Walden International Equity Fund are currently excluded from the universe, pending an evaluation of the opportunities for engagement and strategy assets. **Past performance does not guarantee future results.**

**Impact by engagement area, in order of frequency of each issue. Here a company could appear in more than one area (e.g., board diversity and ESG reporting). We explain our methodology and limitations to measuring impact online at: bostontrustwalden.com/wp-content/uploads/2019/11/Measuring-the-Impact-of-Company-Engagement-Sept-2019.pdf

SHAREHOLDER RESOLUTIONS FILED AND WITHDRAWN

The shareholder resolution is an essential shareholder right we employ when engagement via dialogue is unproductive. Filing a resolution (or proposal) for a vote at company annual meetings enables the proponent to bring the collective voice of supportive stockholders to bear in management discussions on ESG performance. But, filing a shareholder resolution is not in and of itself a measure of impact. To signify progress, we believe resolutions must yield improvement in one or more of three areas: corporate policies, practices, and public accountability. Moreover, our most successful shareholder resolutions are withdrawn based on negotiated agreements and do not appear in company proxy statements.

We withdrew 50% of our 2020 shareholder resolutions after reaching an agreement with the company. Of those that went to a vote, average shareholder support was 27%.

2020 RESOLUTION SUMMARY

Boston Trust Walden led or participated in 16 resolutions addressing climate, equality, and governance. We also filed a proposal for several mutual funds in the Vanguard Group*. Half of the 16 resolutions we filed were successfully negotiated and withdrawn. The average level of support for the 7 shareholder resolutions that went to a vote was 27%—a strong sign of support. Just one proposal was omitted by the SEC because another investor was first to file a similar proposal on lobbying disclosure.

*Vanguard filings are not counted among the 16 resolutions summarized on page 16 because mutual funds are only required to hold annual meetings if a business item requires shareholder approval.

2020 RESOLUTION SUMMARY		
Focus Area	Proposal Topic	Shareholder Votes
Climate Risk	Review and report on proxy voting policies and practices related to climate	JP Morgan Chase—Agreement reached 4 Vanguard Funds—In negotiation
	Prepare a report assessing the feasibility of integrating sustainability metrics, including diversity, into compensation plans	Alphabet—13% support
Equality	Report on actions to enhance board diversity, such as implementing best practice nominating and governance policies and proxy disclosure	Bridge Bancorp—Agreement reached The Ensign Group—Agreement reached
	Disclose a comprehensive breakdown of workforce by race and gender according to the Equal Employment Opportunity Commission's defined job categories, and report on polices and programs to improve diversity	Choice Hotels—Agreement reached Home Depot*—36% support Hyatt Hotels—Agreement reached Williams-Sonoma—Agreement reached
	Evaluate and report on the impact of the use of mandatory arbitration on the prevalence of workplace harassment and discrimination and employees' ability to seek redress	Nordstrom*—Agreement reached
	Issue a report describing policies, performance, and improvement targets associated with key ESG risks and opportunities, including GHG reduction goals	Charter Communications**—Agreement reached
Governance	Report on policies and procedures regarding direct, indirect, and grassroots lobbying; disclose payments used for lobbying and non-tax-exempt payments to trade associations and other entities to influence public policy	Chevron*—Omitted by SEC Comcast*—26% support ExxonMobil*—38% support Pfizer—21% support UPS—24% support Walt Disney—34% support

Note: Voting support is understated for Alphabet, Comcast, and UPS because these companies have stock with unequal voting rights (super-voting rights) that lead to significant insider control of the proxy vote. According to analysis by the Council of Institutional Investors updated in December 2020, shares with super-voting rights account for 61% of the votes at Alphabet, 21% at Comcast, and 70% at UPS.

*In order, these shareholder resolutions co-filed by Boston Trust Walden were led by: Zevin Asset Management; Benedictine Sisters of Boerne, TX; Nathan Cummings Foundation; City of Philadelphia Public Employees Retirement System; Friends Fiduciary; US Steelworkers; Oxfam; Congregation of Sisters of St. Agnes.

**This proposal was co-led by Boston Trust Walden with the Illinois State Treasurer's Office.



FOCUS AREA: CLIMATE RISK

The changing climate is the world's foremost environmental challenge with far-reaching economic, ecological, and social implications that create risks and opportunities for companies and investors. As investors who hold shares of publicly traded companies, we believe we have a unique ability and responsibility to influence corporate leadership to embrace its role as a significant part of the solution to the climate crisis.

We utilize active ownership strategies to encourage companies to aggressively pursue a path toward a carbon-neutral future by asking them to:

- Set greenhouse gas (GHG) emissions reduction targets based on widely accepted scientific research.
- Advocate for and support effective climate policy with lawmakers at the local, state, national, and international levels.

The two threads of our climate engagement strategy are interrelated and self-reinforcing. As companies set science-based targets, they signal to lawmakers that addressing climate change makes good business sense, enabling legislators and regulators to develop sound public policy solutions to mitigate climate change. With a rational and effective public policy framework in place, companies are better able to achieve climate-related goals.

CLIMATE ENGAGEMENT IN PRACTICE

ConocoPhillips Improves on Climate

There's no denying oil and gas companies face myriad challenges and opportunities as the energy transition unfolds.

Accordingly, we continue to prioritize engagement with select companies, both directly and in collaboration with other shareholders. One of our more storied engagements has been with ConocoPhillips (COP)—a company that has taken marked actions to improve its oversight of climate risk this year.

Through the [Climate Action 100+](#) initiative, we and other investors engaged COP on three overarching themes, asking the company to: set net zero GHG emissions reduction goals aligned with climate science; enhance climate-related disclosures; and improve board oversight of climate risks. We were encouraged by the results, as this year, COP:

- Became the first US oil and gas company to commit to achieving net zero GHG emissions by 2050 (for Scope 1 and 2 emissions).
- Revised a medium-term target to reduce GHG emissions intensity 35-45% by 2030, instead of the company's previous target of 5-15% by 2030.
- Committed to eliminate routine gas flaring from production by 2025, alongside a related methane emissions intensity target.
- Reaffirmed that many of these climate goals are being linked to executive compensation plans.

Further, Boston Trust Walden led the coalition's call for COP to produce an assessment of its climate-related lobbying activities and those of its trade associations. As a result, in September, COP expanded its public policy oversight disclosures and become the first US oil and gas company to publish an [assessment](#) of how its climate policy views align with its major trade associations.

Lead on Climate 2020 on Capitol Hill

Policymaking remains a critical component of abating risks and catalyzing solutions to solve the climate crisis—but how do businesses and investors engage with lawmakers to advance urgent policy discussions while also navigating constraints posed by a pandemic?

In May, we participated in [Lead on Climate 2020](#), a virtual public policy advocacy day "on" Capitol Hill. The lawmaker education and advocacy day brought businesses and investors together in an innovative, online format where we shared views on climate and economic resiliency, and asked lawmakers to integrate these policies into pandemic-related economic recovery plans.

The bipartisan event was said to be the largest mobilization of American and multinational companies calling on Congress to prioritize climate and clean energy policies, with more than 330 businesses participating. We were pleased to participate in direct video chats with several Congressional offices, alongside numerous portfolio companies that have also become outspoken advocates on climate policy. As we encounter a new administration, which aims to accelerate climate-related policymaking, we expect this new format of public policy engagement to continue.

ENGAGEMENT BEYOND PORTFOLIO HOLDINGS

Science-Based Targets Gain Momentum

For decades, Boston Trust Walden has been instrumental in advancing climate solutions with company and policy influencers both directly and in coalition.

Between 2017 and 2019, we collaborated with the [Interfaith Center on Corporate Responsibility \(ICCR\)](#) to encourage companies to adopt science-based GHG emissions targets (SBTs). Over the span of the [collaboration](#), nearly half of the 105 companies engaged set SBTs—sparking a bit of momentum.

This year, the [Science Based Target Initiative \(SBTi\)](#) and [CDP](#) deployed a scaling [campaign](#) in which investors urged 1,800 companies—representing 25% of global emissions—to set targets aligned with the 1.5°C climate goal and to achieve net zero emissions by 2050 at the latest. We joined 136 other financial institutions, representing \$20 trillion in assets under management.

Considering the groundswell of companies making SBT commitments over the past few years, we recognized the clear opportunity we had to expand our reach by participating in this global campaign. Meanwhile, we continued direct dialogues with portfolio companies that are exploring SBTs but have yet to set targets. It takes time to benchmark corporate emissions and to understand company-specific abatement options, but we expect many more companies will commit to SBTs in 2021.

Our active ownership efforts span decades. In 1990, we filed our first climate-related shareholder resolution, asking the company to commit to the Valdez Principles, one of the first corporate environmental codes of conduct. Today, we work independently and in partnership with others to move toward a carbon-neutral future.



RENEWED URGENCY TO ACHIEVE WORKFORCE EQUALITY

Both the pandemic and the national debate over persistent, unequal treatment of people of color call for greater corporate transparency on human capital management, including workforce composition, hiring and promotion practices, and diversity and inclusion initiatives. With renewed urgency to address racial injustice, Boston Trust Walden recognized an opportunity to leverage and expand numerous conversations already underway with portfolio companies on the subject of board diversity.

Our longstanding practice of fostering greater board diversity integrates proxy voting and company engagement in a cyclical, self-reinforcing process. Every portfolio company that does not meet our threshold of 30% diversity, inclusive of both gender and racial and/or ethnic diversity, can trigger a vote against directors serving on nominating committees. Our individualized company follow-up encourages leading practice governance policies, processes, and proxy disclosure, including a public commitment to have people of color and women in each board candidate pool.

This year, we added a new element to each communication with portfolio companies. We requested public disclosure of information contained in annual "EEO-1" reports to the Equal Employment Opportunity Commission, which provide workforce demographics by job category, race, ethnicity, and gender. We explained that additional transparency ensures corporate accountability on workplace equality and provides a platform for companies to demonstrate their progress and discuss challenges. Even before the pandemic led to a disproportionate loss of employment by people of color, national aggregate EEO-1 data painted a dire picture—despite comprising 41% of the workforce, racial and ethnic minorities represented just 25% of management positions.¹

Results of our outreach to nearly 100 companies in 2020 demonstrate good progress on board diversity but early days on EEO-1 disclosure.

¹ 2018 EEO-1 National Aggregate Report (most recent)

Thirty-six companies added 46 diverse directors, almost half of whom are people of color, including Black, Latinx, and Asian directors. Approximately ten more companies committed to include people of color and women in board candidate pools. Improved workforce composition disclosure is in process at approximately one dozen companies currently, and numerous constructive conversations give reason for optimism that others will follow suit. Our confidence is boosted knowing other major institutional investors and investment firms agree. Such alignment is a great example of how impact can be scaled through collaboration.

In 1994, Boston Trust Walden was the only investment manager to testify before the Federal Glass Ceiling Commission on barriers to advancement faced by racial minorities and women.

Boston Trust Walden was an early champion of greater corporate accountability through workforce demographic disclosure. In 1994, we brought the same message to the bipartisan [Federal Glass Ceiling Commission](#) created to address barriers to advancement faced by racial minorities and women—the only investment manager to testify. Our efforts have never ceased. We are hopeful that momentum is finally building in a meaningful and sustainable way, and remain determined to do our part to ensure company rhetoric on the value of diversity and inclusion is backed up with visible, measurable action.



FOCUS AREA: EQUALITY

Good human capital management can facilitate economic mobility, close the opportunity gap within the workplace, and level the playing field across an organization. Employers that foster a culture of diversity, equity, and inclusion, including robust equal employment opportunity (EEO) policies and programs, benefit from increased worker satisfaction and productivity, an enhanced ability to attract and retain top talent, and reduced employee turnover and associated training costs. Moreover, diverse leadership improves decision-making processes and better reflects demographic trends within customer markets. In contrast, poor management of human resources exposes companies to reputation and litigation risk.

We encourage companies to:

- Increase representation of women and people of color on boards of directors.
- Disclose workforce composition statistics.
- Adopt inclusive EEO policies and practices that explicitly protect employees from discrimination.

EQUALITY ENGAGEMENT IN PRACTICE

Nordson Strengthens Board Diversity

"Your timing could not have been more perfect." This was the surprising yet welcomed response from the VP of Investor Relations at Nordson (NDSN) to our communication after its 2019 annual meeting, which explained why Boston Trust Walden did not fully support the director slate based on our board diversity guidelines. At the time, NDSN's

9-member board of directors included one White woman and one Black man, falling short of our 30% diversity threshold.

She told us our letter was shared with the Governance & Nominating Committee and that our message reinforced plans underway to strengthen board diversity through director refreshment. On a call with the General Counsel soon after, we discussed NDSN's board recruitment process and provided examples of leading board nomination practices and proxy disclosures.

In less than two years since our initial outreach, a new CEO, Sundaram Nagarajan, joined the Board and two of three directors added were women. The result: NDSN now joins a select group of corporate boards where women and people of color are in the majority. What's more, for the first time, NDSN's proxy statement in 2020 incorporated a commitment to include women and minority candidates in each board search, as well as explicit disclosure of the gender and racial composition of the Board. NDSN's responsiveness and commitment to board diversity sets it apart.

Williams-Sonoma Increases Workplace Composition Disclosure

The retail sector has long been characterized by persistent underrepresentation of women and people of color in leadership positions. Williams-Sonoma (WSM) has a history of strong representation of women in senior roles, notably three of five of the company's named executive officers are women, including the CEO. Excellent performance on gender equality, however, does not diminish the importance of improving representation of people of color. As WSM did not disclose comprehensive workforce demographic information, we filed a shareholder resolution seeking public disclosure of workforce composition data by race, ethnicity, and gender across job categories.

Through constructive dialogue focused on transparency with respect to hiring and advancing people of color, we were pleased to withdraw our resolution. Our conversation with WSM explored how the company could strike the right balance between quantitative metrics (e.g., EEO-1 data) and the context needed to situate the metrics within broader diversity and inclusion strategies.

In October 2020, WSM released its Sustainability Report, detailing its commitment to advancing diversity, equity, and inclusion (DEI) and providing substantial diversity metrics. The report included industry data for context; qualitative disclosure on its DEI strategy, programs, and practices; and explicit commitments to increase representation of Black and Latinx employees at manager levels and above.

“While the Supreme Court’s ruling is a victory for LGBTQ rights in the workplace, we cannot rest until full equality is realized for all. Companies must take affirmative steps to create inclusive environments where LGBTQ employees can thrive, rather than merely survive.”

Amy D. Augustine,
Director of ESG Investing

WSM clearly communicated its commitment to a culture of inclusion, enabling investors and other stakeholders to observe its progress over time.

SCOTUS Affirms Equal Protection

2020—a year to both celebrate a landmark US Supreme Court (SCOTUS) ruling on LGBTQ rights in the workplace and commit to ensuring inclusive policies translate into fair and equitable working environments.

Since the early 1990s, Boston Trust Walden has successfully engaged more than 200 companies to advance LGBTQ equality in the workplace. We were one of the first investment firms to ask companies to include sexual orientation in non-discrimination policies. In partnership with investors and advocates, we have witnessed tremendous progress since those early days. Today, 91% of companies in the Fortune 500 include sexual orientation in their [EEO policies](#), and 83% include gender identity. It is rewarding to look back at how our collective efforts have led to transformative change.

Yet while SCOTUS’s ruling is a victory for LGBTQ rights in the workplace—affirming that [Title VII of the Civil Rights Act of 1964](#) prohibits discrimination based on sexual orientation and gender identity—we cannot rest until full equality is realized for all. That is why we joined the Human Rights Campaign, 300+ businesses and 40 US Senators in support of the Equality Act, which seeks additional protections for LGBTQ people in employment, housing, credit, public accommodations, and services such as healthcare. We also continue to engage portfolio holdings to ensure equal employment opportunity protections extend to employees across company operations and that affirmative steps are being taken to create inclusive environments where LGBTQ employees can thrive.

ENGAGEMENT BEYOND PORTFOLIO HOLDINGS

INVESTOR ACTION ON BOARD DIVERSITY ACCELERATES

Russell 3000 Board Diversity Disclosure Initiative

Boston Trust Walden is pleased to participate in the [Russell 3000 Board Diversity Disclosure Initiative](#), a new call to action led by Illinois State Treasurer Michael Frerichs seeking disclosure of the racial or ethnic and gender composition of boards of directors in 2021 proxy statements. Currently, accurate data on the racial or ethnic composition of boards of directors is not widely available, posing a challenge for many investors in securities analysis and proxy voting. Noting the correlation between diversity and long-term performance, the 22 investor signatories to the letter are harnessing this moment in history in which, Frerichs writes, "the Black Lives Matter movement and the widespread outrage sparked by the death of George Floyd have prompted a national conversation on issues of racial equity and inclusion." With numerous companies publicly acknowledging the importance of racial justice, we are hopeful this initiative will boost company transparency, and, in turn, progress on board diversity.

Thirty Percent Coalition

We also continue our work in collaborations that extend our reach well beyond portfolio companies. With California State Teachers' Retirement System, Boston Trust Walden is co-chair of the institutional investor committee of the [Thirty Percent Coalition](#), representing more than \$6 trillion in assets. The Thirty Percent Coalition brings together public and private companies, professional services firms, institutional investors, government officials, and other major advocacy organizations that collaborate to increase diversity in corporate boardrooms. The Coalition [announced](#) that its "Adopt a Company" campaign has counted 390 new women directors since its launch in 2012, including 115 out of approximately 250 companies engaged in the most recent year ending July 2020.

Northeast Investors' Diversity Initiative

We are also an active member of the [Northeast Investors' Diversity Initiative](#) (NIDI) led by Connecticut Treasurer Shawn Wooden. Of the 20 companies [NIDI](#) engaged in 2020, nine companies added directors who bring racial and/or gender diversity to their boards and three strengthened their governance guidelines to include women and people of color in candidate searches.

"As companies publicly acknowledge the importance of racial justice, they must back up those words with actions. Our work in these coalitions should boost company transparency, and, in turn, progress on board diversity."

Heidi Soumerai,
Managing Director



FOCUS AREA: GOVERNANCE

We have advocated for leading practice corporate governance reforms for decades, because we believe strong transparency and accountability mechanisms should lead to improved management of ESG risks and opportunities. These reforms include encouraging companies to adopt policies requiring independent board chairs and annual elections of directors; increasing representation of women and people of color on boards of directors; and promoting executive compensation accountability through shareholder approval of pay packages (known as Say-on-Pay).

As the scope and urgency of society's greatest challenges have evolved, so have the priorities for governance reform. Our current focus is to encourage companies to:

- Disclose comprehensive sustainability data, including actionable ESG metrics and goals.
- Enhance transparency regarding lobbying policies, oversight, and expenditures.
- Integrate ESG considerations into proxy voting and engagement (asset management firms only).

GOVERNANCE ENGAGEMENT IN PRACTICE

Johnson & Johnson Publishes First SASB-Aligned Report

Sustainability reporting comes in all shapes and sizes. To satisfy a wide range of stakeholders, companies often seek to highlight everything from energy management to employee volunteering efforts, leaving investors struggling to cut through the noise when evaluating performance against the most material and salient business risks and opportunities.

Boston Trust Walden's history of engagement with Johnson & Johnson (JNJ) has spanned nearly a decade on topics such as product safety, access to medicine, and enhanced lobbying transparency. We led a [Sustainability Accounting Standards Board \(SASB\)](#) investor collaboration that successfully encouraged JNJ to strengthen its sustainability disclosures by including its first SASB Index, addressing key material topics such as affordability and pricing, drug safety, ethical marketing, and packaging lifecycle management, among others. Our case to management highlighted the rapid uptake of SASB-aligned reporting and underscored the competitive advantages enhanced disclosure can provide. JNJ's SASB disclosures spanned multiple industry standards, a thoughtful approach reflecting its wide-ranging product profile and associated business impacts.

JPMorgan Chase Improves Proxy Voting

Actions matter. As some of the largest investment firms move to address the growing demand for investment products applying an ESG lens, support for proxy ballot items that encourage sustainable business practices often fails to match the rhetoric.

Following the 2019 proxy season, we conducted an assessment to evaluate the climate-related proxy voting records of major asset managers. JPMorgan Chase (JPM), the fifth largest asset manager in the US, supported just 4% of such shareholder proposals. Spurred by these findings, we filed a shareholder proposal encouraging greater consideration of climate risk in the company's proxy voting guidelines. JPM acknowledged its lack of support and the need to improve, soon announcing it had joined the [Climate Action 100+](#) while further committing to revamp its asset stewardship priorities to include climate as a main focus of engagement with its holdings. We withdrew our proposal in the hopes that these shifts in approach would translate into increased support where it matters most, and we were not let down. JPM went on to significantly improve its support for climate-related shareholder proposals.

ENGAGEMENT BEYOND PORTFOLIO HOLDINGS

Climate Lobbying Engagement Intensifies

For over a decade, Boston Trust Walden has stimulated investor advocacy around corporate lobbying, encouraging companies to strengthen oversight of their public policy advocacy and to be more transparent about their policy positions and those of their member trade associations.

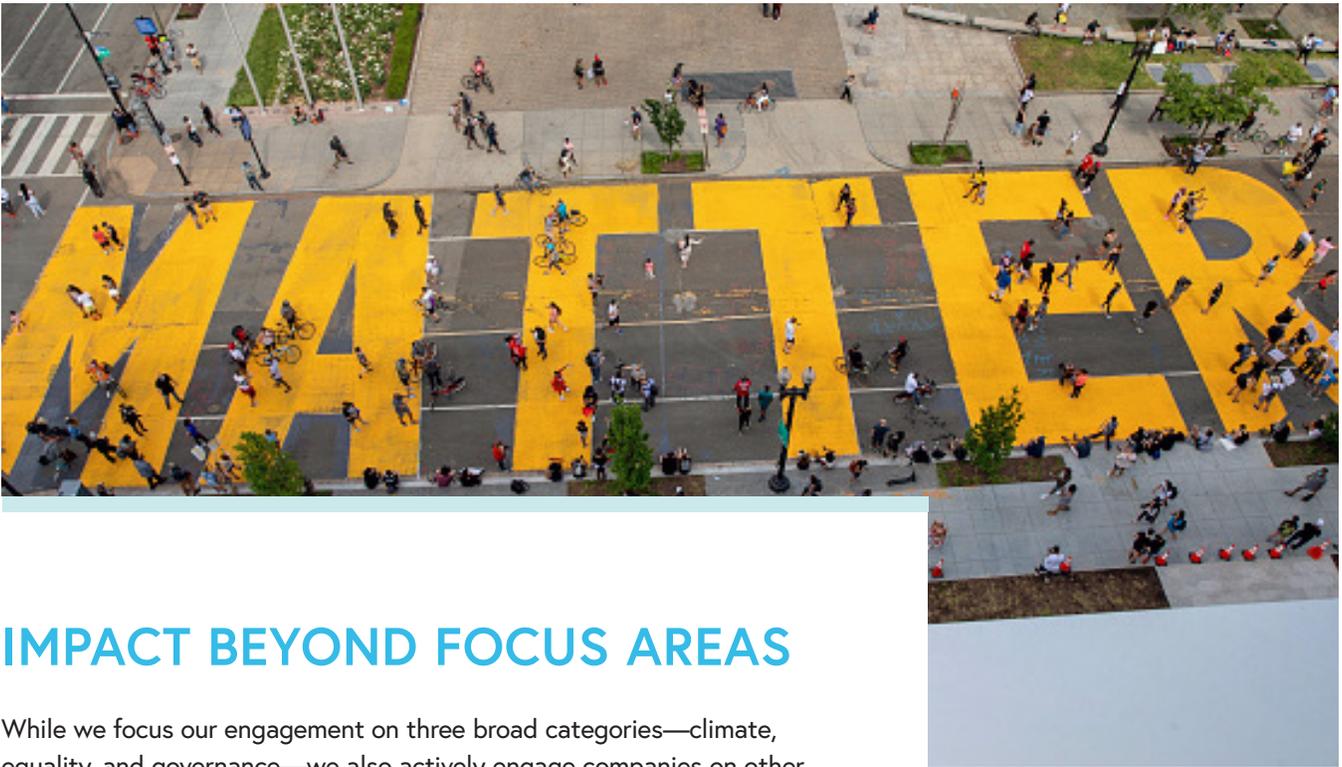
Integral to many of these engagements have been questions around how companies are prioritizing climate lobbying. As more companies commit to advance the goals of the Paris Agreement, and as they establish GHG emissions reduction targets to better align with climate science, investors still require assurance that companies are taking congruent actions via their public policy efforts—and that they are ensuring their trade associations are doing the same.

This investor priority has scaled considerably over the past three years. European investors have garnered dozens of company commitments, including new climate lobbying assessments published by Royal Dutch Shell and BP. In the US, we have worked through Ceres and the Interfaith Center on Corporate Responsibility (ICCR) to harness this momentum and expand this investor ask.

Boston Trust Walden was a founding partner of a Ceres-led [initiative](#) asking 47 major US companies included on the Climate Action 100+ focus list to publish an assessment outlining how their climate policy priorities align with their trade associations' positions. Our direct engagements include a resolution, co-filed alongside BNP Paribas Asset Management, asking ExxonMobil to produce a climate lobbying assessment. While in active dialogue with Chevron and ConocoPhillips on climate lobbying, we were pleased to see the companies respond with first-time disclosures. Chevron recently issued a climate lobbying report following a related proposal that received majority support in May. ConocoPhillips published its first climate policy assessment in September. We will continue to engage these companies on leading practices for disclosure.

Similarly, we are leading direct dialogues with five companies as part of ICCR-initiated investor outreach to 25 companies. The overarching goal of this work is to magnify the power and positive voice of investors and companies as new opportunities for expanded regulations and legislation emerge in 2021—and of course to challenge companies or trade associations working to maintain the dangerous status quo.

Utilizing our voice, our shares, and our longstanding partnerships with other investors, our firm's distinct contribution toward positive, policy-enabled climate actions continues.



IMPACT BEYOND FOCUS AREAS

While we focus our engagement on three broad categories—climate, equality, and governance—we also actively engage companies on other ESG issues important to our clients. At times, these issues intersect with one or more of our focus areas providing opportunities to expand our reach and impact. In other instances, we have a chance to explore an emerging issue. In all cases, we benefit from the opportunity to collaborate with partners seeking meaningful change.

A FOOTBALL TEAM CHANGES ITS NAME

Boston Trust Walden is privileged to have worked alongside the indefatigable Susan White of the Oneida Nation to help realize her goal of abolishing the racial slur that was the former name of the Washington Football Team. Native American leaders and countless supporters now honor the spirit of Ms. White, who died in 2018, as we celebrate the conversion of team owner Daniel Snyder from his position of "NEVER – you can use caps" to a July 2020 announcement of a review—and essentially the demise—of the team's name. Key among the catalyzing factors was public pressure from stadium sponsor FedEx, sports apparel maker Nike, and beverage and snack sponsor PepsiCo, prompted in part from [investor letters](#) organized by a leading group of asset owners and investment firms, including Boston Trust Walden. This was not simply the removal of an offensive name—it is recognition of the rights and integrity of Indigenous Peoples and a sign of the country's awakening on racial injustice.

INVESTORS SEEK COMPREHENSIVE HUMAN CAPITAL DISCLOSURE

As an early signatory of the [Workforce Disclosure Initiative](#) (WDI), a global investor coalition of 53 institutions representing approximately \$7 trillion in assets under management, Boston Trust Walden's advocacy for human capital management disclosure extends well beyond our portfolio holdings. The WDI is working to fill the void in publicly available information by encouraging companies to provide workforce and supply chain disclosure on par with environmental disclosure that, in turn, can be incorporated into investment decisions and company engagement initiatives.

In 2020, Boston Trust Walden provided significant feedback on the WDI survey, sent to companies annually, focusing on inclusion of data points most salient to human rights issues faced by companies across their value chains. Such information enables investors to better assess a company's level of risk, mitigation practices, and preparedness for potential large-scale events in the future. Importantly, we also sought to buttress survey content on efforts of companies to secure decent working conditions for all employees globally.

“At a time of rapid change in the labor market and stark social and economic inequalities, investors, regulators, and consumers alike are calling for greater data transparency. The WDI mobilizes global investors, including Boston Trust Walden, to spur company disclosure of comparable, comprehensive workplace practices. Such disclosure not only offers companies an opportunity to review their own activities, but also to demonstrate publicly effective management of human capital, which remains vital to a company's reputation, resilience, and long-term success.”

Áine Clark,
Investor Engagement Manager,
WDI

Boston Trust Walden joined coalition members in sending letters to the CEOs of 750 publicly traded global companies, requesting they complete the WDI survey. We had direct exchanges with 8 companies to encourage survey participation and convey the importance of consistent and comparable workforce and supply chain data to investment decision-making. In total, 141 companies responded to the 2020 WDI survey, including 14 portfolio holdings such as Cisco Systems, Microsoft, Nike, and Visa. WDI is in its early days but we hope the initiative will gain traction and supply needed content and context on the human capital management practices of companies across the globe.

ILLUSTRATIVE PARTNERSHIPS

Issue	Topic	Representative Partner
Animal welfare	Fair animal welfare practices	BBFAW
Animal welfare and GHG emissions	Sustainable protein sourcing	FAIRR
Carbon, deforestation, and water risk	Effective management; enhanced disclosure	CDP
Human rights	Responsible supply chain practices	ICCR/Investor Alliance for Human Rights
Poverty and global health	Drug access and affordability	Access to Medicine



Amid a global pandemic, we believe the SDGs are a useful tool as the world seeks to “build back better,” while providing a global lens through which to measure and communicate our impact.

SUSTAINABLE DEVELOPMENT GOALS

Boston Trust Walden remains one of the leading US investor voices on the [Sustainable Development Goals \(SDGs\)](#), which provide a common language and framework for companies, investors, and civil society to grapple with complex, urgent issues like ending poverty, reducing inequality, and protecting natural resources—issues that are often interrelated and interdependent (e.g., human health and planetary health).

As an investor that considers the risks posed by climate crisis, inequality, and resource scarcity to long-term economic growth, we understand we have a role to play in supporting the SDGs and remain committed to advancing their objectives through investment decision-making and active ownership efforts.

This commitment is even more important in the midst of a global pandemic during which we're seeing supply chains disrupted, workers across industries losing their livelihoods, and resources that had been devoted to advancing solutions diverted to keeping the doors open and the lights on.

Boston Trust Walden believes the SDGs can be a useful tool as the world seeks to “build back better” in a way that addresses, not exacerbates, climate crisis, inequality, and resource scarcity. It also provides us a global lens through which to measure and communicate our impact.

In 2020, our active ownership initiatives touched 10 of the 17 goals, with strong results across those SDGs most aligned with our focus areas of climate, equality, and governance.

The outcomes of these changes scale Boston Trust Walden's impact well beyond its portfolio holdings. For example, progress ensuring more equitable workplaces in US companies tends to cascade throughout global supply chains. Women and people of color taking on more senior roles can translate into diverse candidate pools from which future boards of directors are chosen. Pay equity practices help address economic inequality that benefits workers, their families, their communities, and society at large.

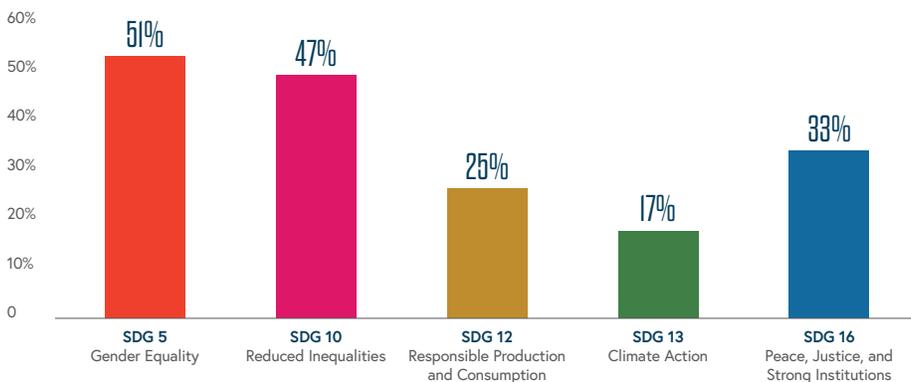
We are committed to furthering the SDGs through our own investment decision-making and active ownership efforts, as well as through collaborations with other global investors and partners, including our role on the PRI Sustainable Development Goals Advisory Committee.

2020 IMPACT RELATIVE TO THE SDGS

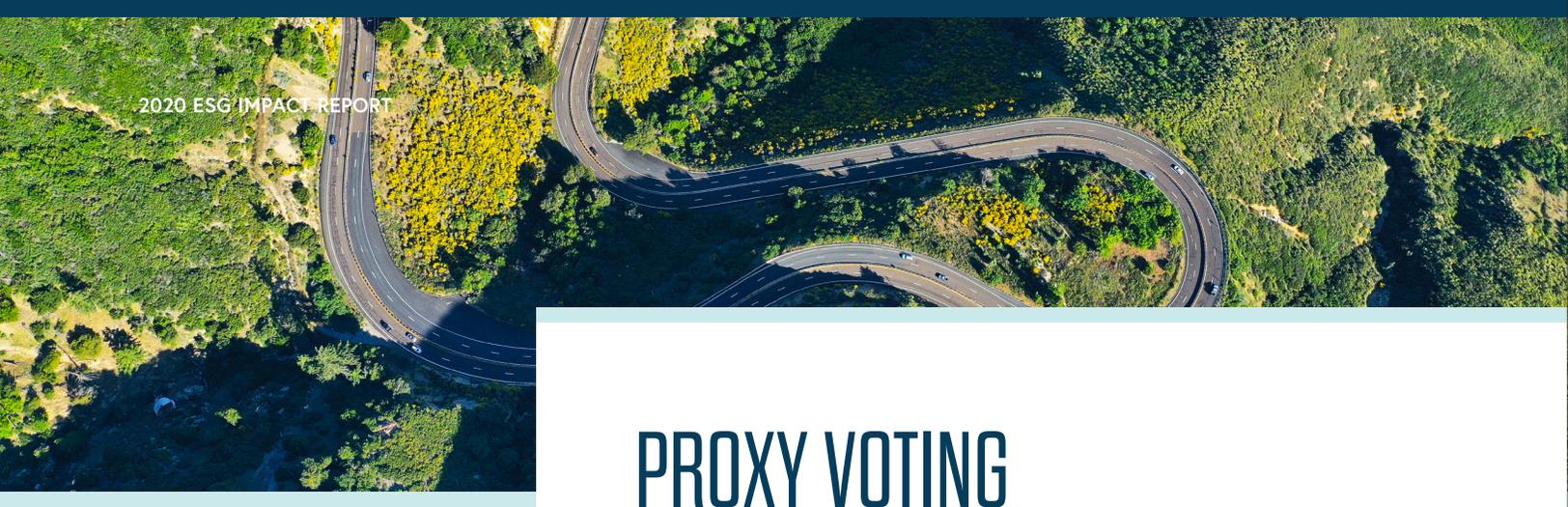
NUMBER OF COMPANIES WE ENGAGED



IMPACT RATE BY ENGAGEMENT FOCUS AREA

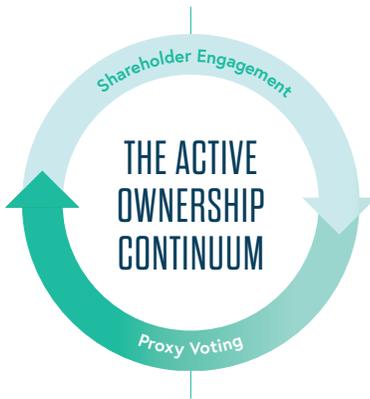


Impact Rate is expressed as the percentage of companies demonstrating improvement relative to the companies reached through engagement. Due to the interconnected nature of the SDGs, a single engagement may deal with themes related to multiple SDGs at once. The chart above represents our best determination of the appropriate SDG category for each engagement. A company could be counted in more than one SDG due to multiple engagements throughout the year.



PROXY VOTING

Communicating directly with company management or boards



Voting shares in a manner consistent with ESG objectives

PROXY VOTING PHILOSOPHY AND POLICY

Voting on items presented by management and shareholders in annual company proxy statements is a fiduciary responsibility having economic value and an important component of our active ownership efforts. We take this responsibility seriously and vote in opposition to the management recommendations of portfolio companies when we consider it to be in the long-term best interests of our clients. Shareholder proposals in proxy statements enable us to leverage our clients' ownership position in support of resolutions that contribute to long-term shareholder value such as those calling for climate risk mitigation, encouraging equal employment opportunity, and increasing board diversity, among other topics.

Our voting policies governing all proxy items are guided by several overarching principles. Foremost, resolutions that reduce shareholder rights are generally not supported and, conversely, resolutions that sustain or increase shareholder value and rights are supported. We also believe resolutions calling for greater disclosure and accountability on significant financial and ESG topics such as climate risk and human capital management are generally beneficial. Importantly, voting decisions consider the specific ask of the proposal, the current policies and performance of the company, and any relevant Boston Trust Walden engagement.

Our impact-oriented approach integrates proxy voting and company engagement in an ongoing, self-reinforcing manner. For example, most conversations with portfolio companies about board diversity—an indicator of good corporate governance—stem from our annual follow-up with those that do not meet our proxy policy threshold. Our guidance stipulates companies should have at least one woman and one person of color and overall diverse representation of 30% or more to vote for directors serving on nominating committees. Many of these conversations have evolved into multi-year engagements that have spanned additional ESG topics.

2020 PROXY VOTING RECORD

During the 2020 proxy season for the year ending June 30, Boston Trust Walden voted on management and shareholder proposals at the annual meetings of nearly 250 companies across investment strategies.

We voted against at least one management recommendation on the ballot 46% of the time. Moreover, 75% of the time we did not support management recommendations to vote against shareholder proposals, reflecting our careful consideration of the specific financial and ESG risk and opportunity implications of each proposal.

Our opposition to executive compensation packages ("Say-On-Pay") accounted for the most significant departure from company recommendations on management-sponsored ballot items, resulting in votes against pay packages at 10% of US-based portfolio companies (16% among large cap companies). We also voted against nominating committee members due to insufficient board diversity at 7% of companies², appreciably lower than 31% the previous year due to meaningful company progress and productive engagement that might include recently appointed women or people of color, commitment to do so in the near future, or adoption of leading nominating policies and practices inclusive of diverse candidates.

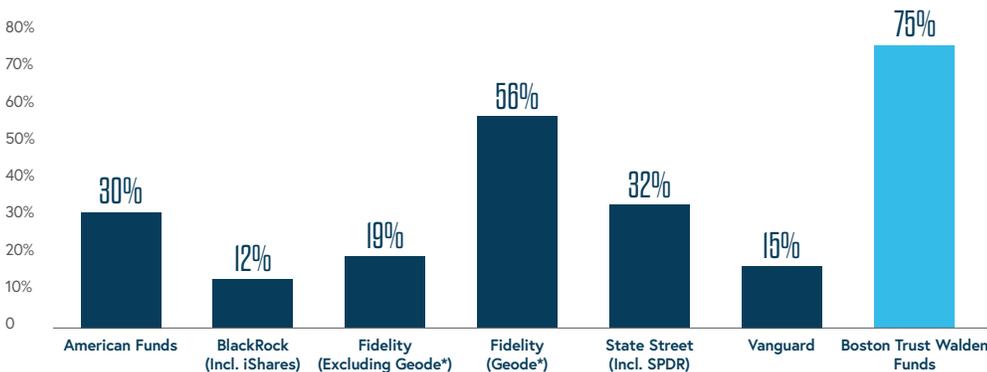
On shareholder proposals, in order of frequency, we voted for improved disclosure of political contributions and lobbying (13 out of 13 resolutions), independent board chairs (13/13), enabling shareholders to call special meetings (13/13), providing the right to act by written consent (7/8), and enhanced climate change reporting (5/6).

The introduction of new shareholder proposals prompted significant internal debate among our Active Ownership Committee members, putting our principled approach to integrating ESG considerations in proxy voting to the test. We highlighted several examples, as well as our voting decision and rationale, in a July blog entitled [Reflections on the 2020 Proxy Voting Season](#).

In September 2020, Morningstar analyzed how various mutual fund companies voted on select shareholder resolutions related to climate. As evidenced in the chart below, Boston Trust Walden supported climate proposals 75% of the time—encouraging companies to aggressively pursue a path toward a carbon-neutral future.

² The percentages are based on 216 companies headquartered in the US.

FUND COMPANY SUPPORT OF KEY 2020 CLIMATE RESOLUTIONS



Source: Morningstar Proxy Data as of 9/25/2020.

*Geode is the unit that runs Fidelity's index funds and casts votes separately.

This chart is based on resolutions that directly address climate risk as well as resolutions that address climate policy lobbying and independent board chair requests at energy companies.



PUBLIC POLICY ADVOCACY

COVID-19, economic turmoil, anti-racism protests, the presidential election and its chaotic aftermath—it's no wonder that several consequential government policy revisions in the final months of the Trump Administration may have been obscured. A trifecta of Securities and Exchange Commission (SEC) and Department of Labor (DOL) rules were finalized, effectively diminishing shareholder rights and challenging investment processes that incorporate ESG considerations.

- **September**
SEC changes the rules governing shareholder resolutions, requiring greater stock ownership levels for eligibility to file resolutions and substantially higher thresholds of shareholder support for resubmission.
- **October**
Final rule replaces proposed "ESG" terminology with "pecuniary" and "non-pecuniary" framework, but DOL's skepticism about the appropriateness of ESG considerations remains abundantly clear. DOL requires additional scrutiny and documentation of investment approaches to ensure "non-pecuniary" goals are not considered except in rare "tie-breaking" circumstances.
- **December**
DOL finalizes proxy voting rules explaining that fiduciaries cannot subordinate the interests of plan participants for non-pecuniary objectives and clarifying circumstances when voting of proxies is not required. Preamble acknowledges ESG considerations may be pecuniary or non-pecuniary.

Taken together, the new rules and guidance appear to significantly conflate ESG and non-pecuniary factors. ESG considerations are integral to Boston Trust Walden's investment philosophy. We seek investment in enterprises with sustainable business models, strong financial underpinnings, prudent management practices, and a governance structure that supports these objectives. Moreover, the new rules belie what is now widespread agreement about the relevance of ESG factors in investment processes. In its January 2021 ESG Strategy report, *Empirical Research Partners* described "ESG expertise as a base-level

requirement to manage institutional assets" while also noting "90% of US asset owners said ESG considerations are important when selecting equity mandates, even for *non-ESG* mandates."

Boston Trust Walden provided public comments to both the SEC and DOL and participated in investor coalitions to amplify our voice, especially the [Shareholder Rights Group](#). Overall, investor opposition was immense. For example, an [analysis](#) of comments regarding Financial Factors in Selecting Plan Investments, known as the ESG Rule, found 95% of 8,636 comments opposed the DOL rule. To the SEC's and DOL's credit, some of the most onerous sections of proposed rule changes were omitted in their final versions.

Under the Biden Administration, we expect the SEC and DOL perspectives on the benefits of ESG considerations to be more aligned with our own views. But there are no quick fixes as executive and congressional actions are limited or take time. Investors are considering various means to speed the process, including potential litigation. For certain, Boston Trust Walden will continue to make effective use of the tools available to help undo the anti-ESG bias in the recent rule changes.

BOSTON TRUST WALDEN LETTERS TO SEC AND DOL

- 📄 [Letter to SEC \(Jan\)](#)
- 📄 [Letter to DoL \(July\)](#)
- 📄 [Letter to DoL \(Oct\)](#)

ADDITIONAL PUBLIC POLICY ACTIONS

- Asked the SEC to require disclosure of company responses to COVID-19 including illness prevention and control, employee leave and health coverage, executive compensation, and supply chain risks.
- Endorsed, in public comments to the SEC, Nasdaq's proposed listing rules requiring consistent disclosure of board diversity statistics and minimum board diversity thresholds for most companies.
- Supported ending the use of the sub-minimum wage by publicly traded companies (e.g., tipped workers in restaurants), a practice that disproportionately affects women and people of color.

"The SEC and DOL actions come at a time when addressing the climate crisis and issues of social and economic inequality have never been more urgent. Our resolve to push back—individually and in collaboration with other investors—remains unwavering.

Timothy Smith,
Director of ESG Shareowner Engagement



THOUGHT LEADERSHIP

We seek to continually raise the bar with respect to ESG incorporation and active ownership, both independently and collaboratively, as evidenced throughout this report and in the examples provided below.

ADVANCING SASB

The current state of ESG disclosure is somewhat perplexing. On one hand, companies complain of disclosure fatigue, yet high quality ESG data—critical to investors both large and small—remains elusive. On the other, numerous organizations and frameworks seeking to address data gaps have created a virtual alphabet soup of competing entities with overlapping interests. Boston Trust Walden believes the Sustainability Accounting Standards Board ([SASB](#)) is a central part of the solution.

SASB describes its purpose as connecting businesses and investors on the financial impacts of sustainability. Codified in 2018, SASB's industry-specific standards provide a framework for consistent, comparable, and reliable disclosure of financially material, decision-useful ESG information. For companies, SASB helps identify, manage, and communicate to investors critical ESG risks and opportunities in a cost-effective manner. Investors use SASB disclosures to evaluate and compare company performance to inform investment decisions and active ownership initiatives.

Boston Trust Walden joined SASB's Investor Advisory Group ([IAG](#)) in January 2017, shortly after it was formed. IAG members commit to encourage issuers to adopt the SASB disclosure standards and participate in their ongoing evolution. We are proud to have led 8 collaborative company dialogues with IAG members—all of which went on to disclose SASB metrics including Apple, Johnson & Johnson, and United Parcel Service. When engagement turned virtual, we continued to engage companies considering SASB disclosure via numerous panel breakout sessions. Outside of the IAG, we regularly promote SASB in conversations with portfolio companies.

OTHER ACTIONS TO ADVANCE DECISION-USEFUL ESG DISCLOSURE

- Continued participation in the UN PRI Corporate Reporting Reference Group, focused on improving the quality of corporate ESG reporting and impact measurement.
- Submitted comments in support of the International Financial Reporting Standards initiative on global sustainability standards, highlighting the importance of working with SASB and other established frameworks.
- Supported the development and launch of the [Ceres Roadmap 2030](#), calling on companies to stabilize the climate, protect water and natural resources, and build a just and inclusive economy.

Today's IAG members collectively account for approximately 36% of total shareholdings in the S&P 500—a testament to strong backing from asset owners and asset managers. Not surprisingly, companies are responding to unprecedented investor demand. In 2020, nearly 550 companies globally disclosed SASB metrics, an increase of approximately 360% in just one year. SASB's goal to achieve corporate adoption of 75% of the S&P Global 1200 by 2023 is well within reach, and Boston Trust Walden remains committed to doing our part.

“The capital markets are a powerful lever of change for a more sustainable and just world. We are grateful for the commitment and hard work of SASB’s Investor Advisory Group, including Boston Trust Walden, who remain instrumental to achieving widespread adoption of SASB standards.”

Janine Guillot,
CEO,
SASB

FIRMWIDE ESG PERFORMANCE

FOSTERING A POSITIVE WORKPLACE

WORKFORCE COMPOSITION METRICS

As a firm with a decades-long understanding of the benefits of equity in the workplace, we hold ourselves accountable to the same standard of transparency that we seek from companies held in client portfolios.

Boston Trust Walden has strong representation of women at senior levels. Our board is 38% female compared to the broader market where women hold approximately 21% of board seats.³

With respect to people of color, there is room for significant improvement. This is a shared concern in the financial services industry and we are committed to do better. Read more about our actions on advancing diversity, equity, and inclusion (DEI).

DIVERSITY PROFILE

	Women	People of Color
Staff	51%	19%
Managers*	47%	3%
Board Members	38%	0%
Equity Ownership in Firm	27%	0%

*Managers are considered employees with the title of "Manager" or "Director."

³ ISS 2020 Proxy Season Review

OUR RENEWED COMMITMENT TO DIVERSITY, EQUITY, AND INCLUSION

As a financial services firm striving for excellence in client service, we recognize that human capital management is a key driver of success. An equitable workplace is critical to both attracting and retaining employees.

Our senior leadership team took several steps in 2020 to affirm this priority:

- CEOs Stephen Amyouny and Kenneth Scott published a [statement](#) on systemic racism in June in support of efforts to create substantive and meaningful change.
- Boston Trust Walden engaged a diversity consultant, [Dr. Deborah Plummer](#), to educate and provide training to board members and employees.
- Boston Trust Walden established a Respect, Equity, Accountability, Diversity, and Inclusion Committee (READI) to bring awareness to DEI in the workplace, educate and engage colleagues, and recommend policies and procedures. This group, composed of a diverse and cross-functional subset of the firm's employees, reports directly to the CEOs.

Recruitment

- We partner with a recruitment firm with expertise in DEI.
- We post open positions to websites focused on diverse professionals, including LaborX and Toigo.
- We remain committed to identifying a diverse candidate pool for all open positions. Recent efforts have demonstrated progress. Over the trailing 3-year period through 12/31/20, we hired 23 individuals, of which 12 self-identified as women and 9 as people of color.

Boston Trust Walden's operations are carbon neutral. 2020 marks the 15th year anniversary of Boston Trust Walden's policy to offset carbon emissions from business travel.

Retention

- We are piloting a mentorship program for new hires.
- We are reviewing our policies, benefits, and programs in partnership with the new READI Committee to ensure a fair and equitable workplace.

Relationships

- We have established trading relationships with minority-owned brokerage firms Loop Capital and Cabrera Capital Markets.
- Boston Trust Walden signed the [Belonging Pledge](#) through Confluence Philanthropy, a network of mission-driven foundations and endowments. Signatories, representing nearly \$2 trillion in AUM, are committed to advancing racial equity.
- As described in the Equality section of this report, Boston Trust Walden is a founding member of the Thirty Percent Coalition and serves as co-chair of its Institutional Investor Committee.

ENVIRONMENTAL IMPACT

Boston Trust Walden offsets carbon emissions from business travel. We purchase certified renewable energy certificates for all energy use. Our materials are printed on 100% post-consumer recycled paper with soy-based ink, and we purchase corporate gifts from a vendor that focuses on sustainable sourcing.

During the pandemic while most of our employees work from home, we have retained our office space at One Beacon Street in Boston. The office building is platinum LEED-EB certified.

EMPLOYEE & COMMUNITY ENGAGEMENT

Boston Trust Walden encourages employees to give back to our local community. The firm offers paid time for employees to volunteer and matches financial commitments up to \$100 annually. We also formally support and partner with nonprofits that focus on leadership and skill-building for young adults in our Boston community, including Sociedad Latina, YearUp, and YouthBuild Boston.

In 2020 Boston Trust Walden created a [blog](#) on its website devoted to perspectives from employees on workplace culture. The enthusiasm from employees has been a welcome means of staying connected in a remote work environment.

POLITICAL SPENDING AND LOBBYING PRACTICES

Since our inception as an independent, employee-owned firm in 2004, Boston Trust Walden has never had a corporate political action committee (PAC) nor made contributions to political candidates. What's more, we have a long history advocating for transparent and responsible political spending and lobbying at companies in our clients' portfolios, including filing numerous shareholder proposals that led to enhanced disclosures. Boston Trust Walden also has publicly called for the SEC to strengthen corporate political spending disclosure requirements.

APPENDIX

PORTFOLIO COMPANIES BOSTON TRUST WALDEN ENGAGED THAT DEMONSTRATED PROGRESS IN 2020

Company Name	Area(s) of Progress
Alexandria Real Estate Equities	Climate
American Financial Group	Board diversity
Amgen	Board diversity, workforce composition disclosure
Amphenol	Board diversity
Anika Therapeutics	LGTBQ equality
Ansys	Climate
Apple	ESG reporting
Aspen Technology	Board diversity
Atrion	LGTBQ equality
Badger Meter	Workforce composition disclosure
Biogen	Workforce composition disclosure, human capital management disclosure
Bridge Bancorp	Board diversity
Bryn Mawr Bank	LGTBQ equality
C.H. Robinson Worldwide	Board diversity, workforce composition disclosure
Canadian National Railway	Human capital management disclosure
Cantel Medical	Board diversity
Carter's	Board diversity, ESG reporting, human rights
Charter Communications	ESG reporting
Chemed	Board diversity
Chesapeake Utilities	Board diversity
Chevron	Climate
Choice Hotels International	Workforce composition disclosure
Cincinnati Financial	Board diversity, ESG reporting
Cisco Systems	Human capital management disclosure
Citrix Systems	Climate
ConocoPhillips	Climate, ESG reporting
Consolidated Edison	Climate, ESG reporting
CoreSite Realty	Workforce composition disclosure
Corvel	LGTBQ equality
Costco Wholesale	Climate
Danaher	Board diversity
Dentsply Sirona	Board diversity
Dorman Products	Board diversity
Eaton Vance	Proxy voting practices, workforce composition disclosure
Emerson	Board diversity
Ensign Group	Board diversity
Equinor	Climate
Expeditors International of Washington	Board diversity
ExxonMobil	Lobbying transparency
FactSet Research Systems	Board diversity, workforce composition disclosure
Flowers Foods	Board diversity
Forward Air	Board diversity
General Mills	Climate
German American Bancorp	Board diversity
Hill Rom Holdings	Board diversity

Hubbell	Workforce composition disclosure
Hyatt Hotels	Workforce composition disclosure
Intel	Human capital management disclosure
Interpublic Group of Companies	Board diversity
Intuitive Surgical	Workforce composition disclosure
Johnson & Johnson	Access to medicine, ESG reporting
Jones Lang LaSalle	Climate, ESG reporting
JPMorgan Chase	Board diversity, proxy voting practices
Juniper Networks	Climate
Lamar Advertising	Board diversity
Lancaster Colony	Board diversity, LGBTQ equality
Lincoln Electric Holdings	Board diversity
M&T Bank	Board diversity
Masimo	Board diversity
McDonald's	ESG reporting
Merck & Co	Access to medicine
Microsoft	Human capital management disclosure, human rights
Minerals Technologies	LGBTQ equality
Monro	Board diversity
Nestlé	Climate, human capital management disclosure
New Jersey Resources	Board diversity
Nike	Human capital management disclosure, human rights
Nordson	Board diversity
Nordstrom	Nondiscrimination—mandatory arbitration
Omnicom Group	Workforce composition disclosure
ONE Gas	ESG reporting
O'Reilly Automotive	Board diversity
Paychex	Board diversity
PepsiCo	Human rights, workforce composition disclosure
PNC Financial Services Group	Board diversity
Quest Diagnostics	Board diversity
Roche	Access to medicine
Ross Stores	Board diversity, climate
RPM International	Board diversity
Ryman Hospitality Properties	LGBTQ equality
Schneider Electric	Human capital management disclosure
Sensata Technologies	Board diversity
SVB Financial Group	Climate
Texas Roadhouse	Board diversity
The Hershey Company	Climate
Tompkins Financial	Board diversity
Truist Financial	Climate
U.S. Physical Therapy	Board diversity
UMB Financial	Board diversity
United Parcel Service	ESG reporting
Valmont Industries	Board diversity
Verisk Analytics	Board diversity
Visa	Human capital management disclosure
Walt Disney Company	Lobbying transparency
Watts Water Technologies	Board diversity
Williams-Sonoma	Workforce composition disclosure

*Companies that are unique to the Boston Trust Walden International Equity Fund are currently excluded from the universe, pending an evaluation of the opportunities for engagement and strategy assets. Past performance does not guarantee future results.



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