



# CLIMATE TRANSPARENCY REPORT 2019

Boston Trust & Investment Management Company

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here ([https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-5BD3BB7A-3034-4178-AEA1-F5FBBD94CEFB/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-5BD3BB7A-3034-4178-AEA1-F5FBBD94CEFB/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/)). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

## TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
<b>Name</b>	Boston Trust & Investment Management Company
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 5 - 9.99 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2007
<b>Region</b>	North America
<b>Country</b>	United States
<b>Disclosure of Voluntary Indicators</b>	97% from 38 Voluntary indicators

# Boston Trust & Investment Management Company

## Reported Information

Public version

Strategy and Governance

## 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.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) <b>Public Policy Advocacy</b> <input type="checkbox"/> Other, specify(2)	<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

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The hallmark of our investment approach is our emphasis on identifying higher quality investments with sustainable business models. We believe environmental, social, and governance (ESG) factors are an appropriate and material part of a comprehensive analysis of long-term investment prospects. We therefore believe it is important to consider a company's management of significant ESG risks and opportunities as part of our fiduciary duty to all of our clients. ESG integration builds on 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 and risks that may otherwise be overlooked.

Our clients who self-identify as sustainable, responsible, or impact investors are represented in our Walden practice, which has been a leader in integrating client-specific ESG research and engagement into the investment process since 1975. Walden client assets represent approximately 45 percent of firm-wide assets under management.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our ESG/RI investment approach includes the following key elements:

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

**Fundamental security analysis:** ESG analysis is an integral component of our approach to identify and invest in high quality companies. Our dedicated in-house ESG research and engagement team of professionals works concurrently with traditional securities analysts, and together they assess and monitor the financially material ESG factors for each company under review. ESG analysts also evaluate each company's overall ESG performance (strengths and challenges).

**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 considerations for current and prospective portfolio holdings.

**Portfolio construction:** Our portfolio construction process results in broadly diversified portfolios for our clients. When determining position weights, the portfolio management team considers the high quality characteristics of companies, including ESG considerations, as well as diversification and risk. Additionally, portfolio managers construct client portfolios to be consistent with each client's objectives, including unique ESG guidelines.

**Active Ownership Practices**

**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 our clients, we actively pursue company dialogues and file shareholder resolutions to encourage more sustainable business practices and greater transparency.

**Public policy advocacy:** Public policy advocacy and thought leadership initiatives complement our company-specific engagement efforts and broaden the scope of our impact.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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<b>SG 01.6 CC</b>	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Boston Trust/Walden considers multiple dimensions and timeframes associated with climate change risks and opportunities in securities selection and portfolio construction.

Climate-related risks are apparent in the short, medium, and long term. At Boston Trust/Walden, we consider short term to be 1-2 years, medium term to be 3-10 years, and long term to be 10-10+ years.

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a framework that organizes risks into two broad categories: transition and physical impact risks. The risk framework makes clear that climate change risks are relevant to numerous industries and are manifest in a variety of ways. We have long shared this perspective and assess climate change risk resulting from regulations that impact direct operations and value chains, technological changes, and reputational (brand) damage, among other issues.

Physical risks can manifest in the short, medium, and long term. Rising sea levels endanger coastal assets in the long term, but parts of the eastern seaboard of the United States are already affected by increased flooding. Severe weather, and its link to climate change, is more complex. In the Fourth National Climate Assessment, researchers note that improvements in climate science now enable a closer link to be made between specific storms and climate change. The devastating wildfires experienced in California in the fall of 2018 provide yet another example.

Transition risk is also apparent across time periods. Regulation that prices greenhouse gas emissions exists in numerous jurisdictions globally. Regulations also continue to evolve, implying regulations could be more (or less) stringent around the globe over time. Technological change, another type of transition risk, is also already occurring. A prime example is electricity generation. In the United States, coal has been displaced by natural gas, a cheaper and more climate-friendly fuel stock, as the most used fuel for electricity generation. In 2017, 6.3 gigawatts (GW) of coal-fired generation were retired in the U.S., of a total 11.2 GW of retirements. No new coal-fired generators were added. At the same time, capacity and generation of renewable electricity continues to grow at a rapid pace. While the outcome and exact timing are less apparent, the transition from internal combustion engines to advanced mobility solutions is another example of risk.

See SG 01.10CC below for additional discussions of types of climate-related risks and opportunities.

<b>SG 01.7 CC</b>	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

**SG 01.8  
CC**

Indicate the associated timescales linked to these risks and opportunities.

See SG 01.6CC and our TCFD report available at <https://waldenassetmgmt.com/wp-content/uploads/2019/01/TCFD-2019.pdf>.

No

**SG 01.9  
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.10  
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Our team of in-house dedicated ESG analysts, three of whom are CFA charterholders, are responsible for performing ESG research and analysis, including climate risk analysis. Together, ESG analysts and securities analysts review a company's climate performance from numerous perspectives, inclusive of physical and transition risk, each representing short- to long-term risks:

- Regulatory risk (e.g., how prepared sectors/industries/companies are for carbon regulation)
- Operational risk (e.g., business operations at risk due to impacts of climate change)
- Reputational risk (e.g., how companies are viewed by key stakeholders and customers)
- Litigation risk (e.g., lawsuits against fossil fuel companies for alleged failure to disclose climate risk)

In addition to risks, we also consider opportunities afforded to companies with products, services, or processes that mitigate climate risk. For example, a company with filtration technology stands to benefit from more stringent clean air regulations, and a utility building transmission and distribution infrastructure may benefit from an increase in new renewable energy assets.

During the research process, analysts also consider the potential for shareholder engagement to encourage improved management of climate-related risks and opportunities. Our analyst team utilizes a variety of resources including: company reports, company responses to the CDP climate survey, third-party ESG data providers, academic and NGO research, and, as appropriate, primary company research.

The ESG assessment (inclusive of climate-risk) is reviewed and affirmed by designated members of the Investment Committee, usually including the leader of the relevant investment strategy. The assessment is then presented to members of the Investment Committee by the securities analyst, and, as needed, the ESG analyst. The Investment Committee, comprised of all portfolio managers and analysts, analyzes all material factors in its review of individual securities, including ESG considerations. Most of our investment professionals on the Investment Committee have some cross-functional experience in traditional and ESG research. The work of the Investment Committee results in a thorough assessment of a company's appropriateness for client portfolios. Individual portfolio managers are responsible for constructing portfolios from the firm's approved list of securities, taking into consideration client-specific objectives, including ESG and climate objectives.

No

<b>SG 1.12 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

	specify
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<https://waldenassetmgmt.com/wp-content/uploads/2019/01/TCFD-2019.pdf>

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:<https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>}

- Attachment (will be made public)

- Formalised guidelines on environmental factors

	URL/Attachment
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- URL

	URL
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{hyperlink:<http://www.waldenassetmgmt.com>}

- Attachment (will be made public)

- Formalised guidelines on social factors

	URL/Attachment
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- URL

URL

{[hyperlink:http://www.waldenassetmgmt.com](http://www.waldenassetmgmt.com)}

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{[hyperlink:http://www.waldenassetmgmt.com](http://www.waldenassetmgmt.com)}

- Attachment (will be made public)
- Fiduciary (or equivalent) duties

URL/Attachment

- URL

URL

{[hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1](https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1)}

- Attachment (will be made public)
- Sector specific RI guidelines
- Screening / exclusions policy

URL/Attachment

- URL

URL

{[hyperlink:http://www.waldenassetmgmt.com](http://www.waldenassetmgmt.com)}

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

{[hyperlink:https://waldenassetmgmt.com](https://waldenassetmgmt.com)}

- Attachment (will be made public)
- (Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://waldenassetmgmt.com/wp-content/uploads/2017/10/2018-BT-WALDEN-US-Voting-Guidelines\_2019.pdf}

Attachment (will be made public)

Other, specify (1)

Other, specify (1) description

Public Policy Advocacy

URL/Attachment

URL

URL

{hyperlink:https://waldenassetmgmt.com/}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1}

- Attachment
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

{hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1}

- Attachment
- ESG incorporation approaches

URL/Attachment

- URL

URL

{hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1}

- Attachment
- Active ownership approaches

URL/Attachment

- URL

URL

{hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1}

- Attachment
- Reporting

URL/Attachment

- URL

URL

{hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://waldenassetmgmt.com/wp-content/uploads/2019/01/TCFD-2019.pdf}

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

{hyperlink:https://reporting.unpri.org/surveys/PRI-reporting-framework-2018/3A4A1FF6-0BF7-4A90-BCCD-A1EB6A50971E/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1}

Attachment

We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

Notwithstanding our responses to SG 02 above, **formal** corporate policies of Boston Trust/Walden, which incorporate ESG policies, are not available to the public. However, we believe our public reporting for PRI (we make public our responses to voluntary, as well as mandatory, questions) and the Boston Trust/Walden websites provide comprehensive disclosure of our approach to ESG incorporation. We provide a link to our PRI page on our website for easy access (alongside the PRI logo). Upon request, we provide current and prospective clients information about our investment approach, including ESG incorporation, similar to the content of the SEC Form ADV, Part 2A.

**Governance and human resources**

SG 07 CC	Voluntary	Public	Descriptive	General
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<b>SG 07.5 CC</b>	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.			
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6**  
**CC** For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

ESG/RI strategy development, oversight, and implementation is a shared responsibility at Boston Trust/Walden. This applies to climate-related issues, as well as all other ESG matters.

Our nine managing directors have both board and management-level roles in our employee-owned organization. They oversee all investment activities of Boston Trust, including investment strategy and



implementation, which includes considerations related to climate change.

The Board of Directors oversees all investment activities of Boston Trust/Walden, including responsible investment strategy and implementation. Three Executive Managing Directors comprise the Office of the Executive. Dedicated senior-level ESG professionals meet regularly, as needed, with representatives of the Office of the Executive Committee to establish, monitor, review, and revise RI objectives and priorities.

A managing director served as Director of ESG Investing in 2018. Reporting to the Chief Investment Officer and Office of the Executive Committee, the Director of ESG Investing oversees ESG research, ESG integration, ESG engagement, and proxy voting. All these functional areas have a significant climate component.

With respect to proxy voting, the Chair of the Corporate Governance Committee (also Director of ESG Investing in 2018) oversees the process from the creation of proxy voting guidelines to the casting of votes, including those related to climate change. We rely on an external proxy advisor, ISS, to provide proxy research and implement our custom proxy voting guidelines via electronic voting (which includes referring certain proxy items back to our attention). Boston Trust/Walden reviews the votes populated by ISS, and, as appropriate, overrides the ISS interpretation of our proxy voting policies.

The ESG Research and Engagement Committee (REC) also plays an important role. Chaired by the Director of ESG Shareowner Engagement, REC includes two of three members of the Office of the Executive Committee and six of nine Boston Trust board members, as well as other portfolio managers, securities analysts, and ESG team members. The committee reviews and guides methodologies on emerging or complex ESG research issues, advises the Chief Investment Officer and ESG Integration Manager to develop policies on ESG factor integration, and reviews and monitors company engagements and public policy priorities. This process incorporates our assessment and management of climate-related risks and opportunities. *See SG 07.2 and 07.4 for additional detail.*

<b>SG 07.7 CC</b>	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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A managing director served as Director of ESG Investing in 2018. Reporting to the Chief Investment Officer and Office of the Executive Committee, the Director of ESG Investing oversees ESG research, ESG integration, ESG engagement, and proxy voting. All these functional areas have a significant climate component.

The six-person dedicated ESG team has primary responsibility for ESG research, integration, and engagement and reports directly to the Chief Investment Officer (who is a member of the Office of the Executive Committee). Additionally, most employees contribute to RI activities at Boston Trust/Walden.

Members of the Investment Committee and the ESG Research and Engagement Committee who do not have day-to-day ESG analysis responsibility have varying degrees of ESG research expertise, including on issues of climate and clean energy. 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 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. Hence, essentially all Boston Trust/Walden investment professionals contribute to RI activities and can speak knowledgeably on ESG topics and processes, including those that are climate-related, with clients.

## ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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Yes, to assess future ESG factors

	Describe
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As appropriate, ESG considerations are considered in strategic asset/sector/industry allocation decisions, particularly with respect to portfolio holdings and weightings.

- Yes, to assess future climate-related risks and opportunities

	Describe
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As appropriate, climate-related risks and opportunities are considered in strategic asset/sector/industry allocation decisions, particularly with respect to portfolio holdings and weightings.

- No, not to assess future ESG/climate-related issues

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	We do the following
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- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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As appropriate, ESG considerations are considered in strategic asset/sector/industry allocation decisions, particularly with respect to portfolio holdings and weightings. For example, we consider the impact of climate change on industries comprising the energy sector as part of our sector and industry allocation decisions. As the TCFD framework makes clear, however, climate risk is not limited to energy companies and utilities. We have long considered the supply side of climate risk (fossil fuel companies and utilities), as well as the demand side (all other companies). The impact on demand side companies is more challenging to discern and is further influenced by the range of potential responses to climate change. The current state of disclosure from companies makes it especially challenging for investors to systematically consider risks, underscoring the importance of the TCFD framework.

Other examples of ESG considerations include how performance on financial inclusion and fair lending practices may affect the long-term outlook of the banking industry, and how consumer preferences for healthy food influences fast food restaurants and food and beverage companies.

<b>SG 13 CC</b>	Voluntary	Public	Descriptive	General
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<b>SG 13.4 CC</b>	Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.
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- Initial assessment
- Incorporation into investment analysis

Describe
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Please see our TCFD report, specifically our response to "Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree C or lower scenario. Describe how each product or investment strategy might be affected by the transition to a lower-carbon economy" at <https://waldenassetgmt.com/wp-content/uploads/2019/01/TCFD-2019.pdf>.

Inform active ownership

Describe
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Climate change is the world's foremost environmental challenge. Moreover, unmitigated climate change has profound societal impacts. While we cannot anticipate the global pathway to a low carbon economy, we know we want to use our investment influence and resources to advance a low carbon future. As such, a multiple scenario approach is unnecessary.

The specific goals of our climate-related engagement are:

- To encourage companies to adopt science-based GHG goals consistent with the Paris Climate Agreement, which commits to limiting warming to well below 2 degrees Celsius with an effort to limit warming to well below 2 degrees.
- To influence companies to support effective climate-related public policy, because we believe a vocal corporate constituency is crucial for continued progress.

Our active ownership efforts on climate risk have been a priority that spans decades, including filing resolutions. For example, in 1990, we filed our first climate-related shareholder resolution, asking the company to commit to an environmental code of conduct called the Valdez Principles. In 1998, we filed a resolution asking an insurance company to review the potential effects of climate change on its business and financial outlook.

We have tracked substantive climate-related engagement with 76 companies held in client portfolios over the last five years, with most interactions spanning two or more years. Engagement focused on climate change governance, strategy, emissions reduction targets, and public policy. Over the five-year period, 52 of the companies improved climate policies, practices, or disclosures. Many committed to new goals, including:

- American Express: reduce absolute GHG emissions 31% and 85% by 2021 and 2040, respectively, from 2011 levels
- ConocoPhillips: reduce GHG emissions intensity (per unit of output) 5-15% by 2030 from a 2017 baseline
- Hubbell: increase energy efficiency 6% by 2020 relative to the 2016 level
- Merck: reduce absolute GHG emissions 40% by 2025 from a 2015 baseline (and procure 50% or greater of purchased electricity from renewable sources by 2025 and 100% by 2040)
- Oracle: reduce absolute GHG emissions 20% by 2020 and 65% by 2050 from the 2015 level
- PNC Financial Services: reduce absolute GHG emissions 75% by 2035 from a 2009 baseline (including a 50% renewable energy goal)

To leverage the impact of our active ownership initiatives, we often collaborate through partnerships with other investors. Together with Ceres, CDP, and the Interfaith Center on Corporate Responsibility (ICCR), we ask companies to disclose climate-related risks, set science-based emissions reduction targets, and support-or refrain from obstructing-smart climate-related public policy.

Our proxy voting record supports our engagement efforts. In 2018, we voted for all shareholder proposals that asked companies to set GHG emission reduction targets and improve climate risk disclosure.

Other

**SG 13.5  
CC**

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6  
CC**

Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

- Yes

Describe

As investment managers on behalf of asset owners who often have indefinite time horizons, we keep informed by the work of the IPCC, among others, in considering climate risk.

- No

**SG 13.7  
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8  
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

- Increasing US and global income and wealth inequality.
- Other, specify(2)
  - None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		7	894	000	000
Currency	USD				
Assets in USD		7	894	000	000

Specify the framework or taxonomy used.

Boston Trust/Walden integrates climate change risk in portfolio management in a holistic manner - addressing the supply side (fossil fuel and related companies when held) as well as the demand side (all other portfolio companies as energy users). We consider several indicators of corporate performance on climate change when making investment decisions, including greenhouse gas reduction initiatives, energy efficiency and natural resource conservation, commitment to renewable fuel sources, and public policy positions. This investment approach results in portfolios that have favorable carbon footprints relative to comparable benchmarks.

We also use our influence as investors to engage companies strategically on the development and implementation of robust climate strategies, including minimization of risk and identification of opportunities. We have tracked substantive climate-related engagement with 76 companies held in client portfolios over the last five years, with most interactions spanning two or more years. Over the five-year period, 52 of the companies improved climate policies, practices, or disclosures.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14.4**

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

In 2018, for the fifth consecutive year, we published carbon footprint metrics for our strategies. In 2018, based on TCFD recommendations, we reported emissions normalized by revenue, in place of market capitalization. Using the weighted average intensity metric, our portfolios were 40 to 81 percent less carbon intensive than their respective benchmarks (see <https://waldenassetmgmt.com/wp-content/uploads/2019/01/TCFD-2019.pdf> for details).

The shortcomings of footprinting methodologies are well established. For example, most approaches do not include value chain emissions (Scope 3), which usually dwarf emissions from direct operations. The footprint also gives no indication of industry dynamics in scenarios that incorporate a price on carbon, which may help predict winners and losers. Furthermore, the underlying data do not reflect commitments companies may have made to reduce their carbon footprints going forward, or whether a company's products have a positive or negative impact from a climate perspective.

To address this final concern, in 2018 we provided a new metric: the carbon reduction commitments of companies in our Large Cap Core strategy. Forty-seven of sixty-six companies in the portfolio as of December 31, 2017 had greenhouse gas reduction goals. *Most recent data available as of this writing.*

In 2018, we also added the weighted average carbon intensity metric to our standard "Portfolio Characteristics" table. This table is used internally and externally to help clients and others understand how our portfolios compare to their respective benchmarks on a range of financial metrics.

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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<b>SG 14.6 CC</b>	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To assess our relative carbon intensity across equity strategies.	Tons of carbons emissions per million dollars of revenue, per the portfolio.	See our Annual Carbon Footprint Report for details on our methodology and the results (for 2018): <a href="https://waldenassetmgmt.com/wp-content/uploads/2018/04/Carbon-Footprints-April-2018.pdf">https://waldenassetmgmt.com/wp-content/uploads/2018/04/Carbon-Footprints-April-2018.pdf</a> .
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To assess our relative carbon intensity across equity strategies.	Tons of carbons emissions normalized by market capitalization.	For years prior to 2018, see here: <a href="https://waldenassetmgmt.com/wp-content/uploads/2017/10/CarbonFootprinting-Feb2016.pdf">https://waldenassetmgmt.com/wp-content/uploads/2017/10/CarbonFootprinting-Feb2016.pdf</a> AND <a href="https://waldenassetmgmt.com/wp-content/uploads/2017/10/R26EBrief-Q1-2017FINAL.pdf">https://waldenassetmgmt.com/wp-content/uploads/2017/10/R26EBrief-Q1-2017FINAL.pdf</a> (page 2).

**SG 14.8 CC** Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

Please see the attached TCFD report (under 14.7CC).

- Process for climate-related risks is not integrated into our overall risk management

**SG 14.9 CC** Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes

Please describe

Please see the attached TCFD report (under 14.7CC).

- No, we do not engage

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 15.1** Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

**SG 15.2** Indicate the percentage of your total AUM invested in environmental and social themed areas.



%

8

**SG 15.3** Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

**Fossil Fuel Free**

Asset class invested

- Listed equity

% of AUM

8

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Brief description and measures of investment

For all client portfolios, Boston Trust/Walden integrates climate change risk in portfolio management in a holistic manner - addressing the supply side (fossil fuel companies) as well as the demand side (all other portfolio companies as energy users). We consider climate change risk in company selection, shareholder engagement activities, and public policy advocacy.

For clients who have determined that they will exclude investment in fossil fuel companies altogether, we have over twenty years' experience managing portfolios with no direct exposure to coal, natural gas, and oil companies.

No

