



ESG IMPACT REPORT

First Quarter 2023

PERSISTENCE PAYS OFF

Corporate lobbying activities can have an outsized influence on public policy and can either complement or contradict a company's public commitments. Too often, we observe that corporate lobbying and political spending are non-transparent and misaligned with companies' stated sustainability commitments. This can create reputational, regulatory, and litigation risks that may harm shareholder value and undermine corporate initiatives to address direct and systemic material ESG risks. At Boston Trust Walden, we view transparent and aligned lobbying and political spending as measures of strong corporate governance.

Nearly a decade ago, we began engaging UPS on lobbying and political spending transparency, citing investor demand for more decision-useful disclosure to evaluate risk exposure associated with political activity. Specifically, we encouraged the company to expand disclosure of its direct and indirect lobbying efforts. While our discussions were constructive, the company did not meet the level of transparency we sought, so we escalated to filing shareholder resolutions. Given the company's dual class voting structure, achieving a majority vote proved difficult. For example, shares with super-voting rights accounted for approximately 65% of the 2022 season proxy votes at UPS, translating to significant insider control of the proxy vote.¹ Our 2022 resolution received over 29% vote in favor — notable given the unequal voting rights at play.

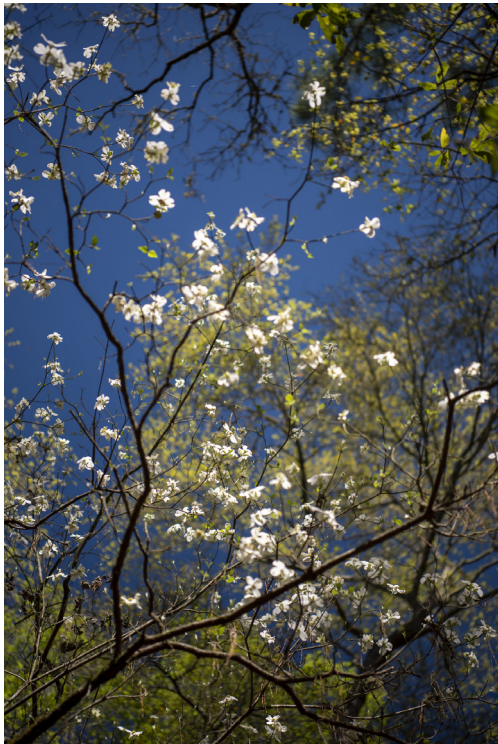
In 2023, we evolved our strategy. We took important lessons learned from our successful corporate engagement efforts on climate-related lobbying and our focus on the risks of misalignment between a company's political activity and its corporate policies and commitments.

¹ <https://www.bostontrustwalden.com/wp-content/uploads/2023/03/2022-BTW-Annual-Impact-Report.pdf> (page 28)



Ahead of the UPS 2023 Annual General Meeting, we introduced a new shareholder resolution in collaboration with a Boston Trust Walden client, Friends Fiduciary Corporation. The new resolution combined requests for UPS to expand disclosure of both its political spending and its lobbying activities — including a specific focus on the company's processes for evaluating and correcting instances of misalignment. Importantly, the resolution also called for expanded disclosure of organizations with which UPS is affiliated (e.g., trade associations). Following constructive engagement with the company —and its commitment to expand disclosure of its direct and indirect political activity, and the policies and processes that guide their spending — we successfully withdrew our resolution.

Changing corporate systems and processes can take time — requiring consistent engagement, evolution of strategies, and persistence. The UPS engagement is a poignant example of how the persistence and commitment of a few investors can lead to meaningful change.



“At Friends Fiduciary Corporation, we believe in the power of active ownership to create change. We appreciate our near decade-long partnership with Boston Trust Walden and the opportunities to collaborate on company engagements, such as the resolution with UPS.”

Amy Carr, Senior Shareholder Advocate
Friends Fiduciary Corporation

2022 ESG IMPACT REPORT HIGHLIGHTS

Transforming Systems. Accelerating Impact.

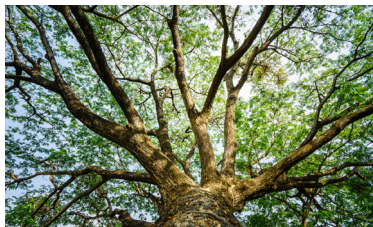
In March, Boston Trust Walden published its annual ESG impact report. The examples highlighted below and detailed in the full report reflect our unwavering commitment to *Principled Investing*: engaging companies directly; voting proxies responsibly; advocating for smart public policy; and contributing to industry-leading practices related to climate risk, equality, and governance. The full report can be found online at www.bostontrustwalden.com/2022-impact-report.



REACH AND IMPACT RESULTS

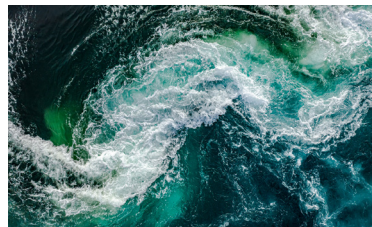
Boston Trust Walden's multi-faceted approach to active ownership — refined over nearly five decades of experience — enabled us to reach more than 80% of the companies held across our investment strategies. Nearly half of the companies we engaged took steps to strengthen corporate policies, enhance public reporting, or advance more sustainable business practices.

Boston Trust Walden directly engaged 218 companies — a reach rate of 81%.
Of those companies, we engaged:



52% on Governance

- Disclosure
- Lobbying
- Political spending



62% on Climate Risk

- Greenhouse gas emissions reductions
- Climate lobbying and policy advocacy



95% on Equality

- Board diversity
- Workforce composition disclosure
- LGBTQ+ inclusive policies

We observed measurable, positive change in policies, practices, and performance disclosure at 104 companies — an impact rate of 48%.

30 YEARS OF SAY NO TO NON-DIVERSE BOARDS

2022 was a landmark anniversary for Boston Trust Walden's work to advance gender, racial, and ethnic diversity within corporate boardrooms — celebrating 30 years of our *Say No to Non-Diverse Boards* campaign.

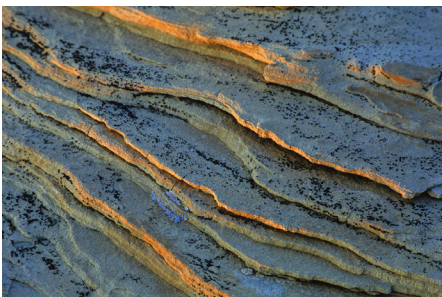


GETTING TO NET ZERO

As an early signatory to the Net Zero Asset Managers initiative, in June 2022 we formally announced our own targets, which focus on two key areas: moving the companies we invest in to set science-based greenhouse gas (GHG) emissions reduction targets and reducing carbon intensity across our investment strategies.

ALIGNING LOBBYING WITH CLIMATE SCIENCE

Smart climate policies are essential to catalyze rapid emissions reductions needed in the market. In 2022, we directly engaged more than a dozen companies on climate lobbying and successfully withdrew five of the six shareholder proposals we filed asking for increased transparency on climate lobbying and alignment of direct and indirect policy advocacy with the goals of the Paris Agreement.



INFLUENCING STANDARD SETTING

Complex ESG challenges, such as climate risk and persistent inequality, are spurring massive corporate transitions and rapidly presenting new and evolving financial risks. In 2022, we continued our decades-long engagement with regulators and standard-setters to drive efforts to improve corporate disclosure of material ESG information, seizing a pivotal opportunity to influence the creation of disclosure standards in the US and globally.

ADVANCING THE SDGs

Our active ownership initiatives touched 11 of the 17 goals, with strong results across those SDGs most aligned with our focus areas of climate risk, equality, and governance. Contributing to the achievement of the SDGs helps amplify Boston Trust Walden's impact well beyond our portfolio holdings.



The reach and impact figures represent the majority of Boston Trust Walden engagements during the year. As explained in the report, we also engaged companies on issues beyond our focus areas. Boston Trust Walden measures reach as the number of companies on the receiving end of engagement and impact as a definitive improvement in a company's policies, practices, or performance disclosure. For more information please reach out to us for our summary methodology. The engagement universe is inclusive of companies held during the year across investment strategies. 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.**