



Walden Asset Management

Advancing sustainable business practices since 1975

May 29, 2013

Tracey Rembert
Senior Manager, Investor Engagement
Ceres
99 Chauncy Street, 6th Floor
Boston, MA 02111

Dear Ms. Rembert,

On behalf of Walden Asset Management (Walden), a division of Boston Trust & Investment Management, we write to express our support for the proposed ESG listing standard. Walden is an investment manager with approximately \$2.3 billion in assets under management for clients who seek to integrate environmental, social and governance (ESG) analysis into investment decision-making. We also strive to strengthen corporate ESG policies, performance, transparency and accountability through shareholder engagement.

We believe that the proposed ESG listing standard will better enable us to meet our clients' needs. The standard provides an excellent description of the information we seek in making investment decisions. Furthermore, we believe the proposed standard will assist in creating more comparable data across companies, which will better enable us to identify those companies that excel, and those that are falling behind.

Please find below our thoughts on several key aspects of the proposed listing standard.

- **Materiality Assessment (M1):** A robust materiality assessment identifies both risks and opportunities for companies and is absolutely essential to guiding sustainability strategy and disclosure. We believe the listing standard should require companies to carry out and disclose the results of a materiality assessment or explain why they have not. After two years of implementation, a materiality assessment should become mandatory. At this time, we would not advocate that companies be asked to disclose why they determined certain issues to not be material. Rather, we would use any gaps in disclosure as a platform for discussion and engagement.

Stakeholder engagement is an essential element of a sustainability strategy, and should significantly inform a company's materiality assessment. As such, we feel that it is important that companies provide a detailed description of their stakeholder engagement. In that description we'd like to see which groups were engaged; what members of the company participated in the engagement (i.e., management levels, geographic areas and business units of the company that were represented); what specific issues were raised (at a high level, in order to protect potential confidentiality of any specific engagement); and action the company is taking as a result of stakeholder engagement.

- **ESG Issue Disclosure (M2):** We believe that the ten categories of issues identified will serve as an effective guide for companies as they consider their sustainability impacts. We look for companies to disclose business relevant information in each of these categories. A materiality

A Division of Boston Trust & Investment Management Company

One Beacon Street • Boston, MA 02115 • Tel: 617/762/2200 • Fax: 617/771/3666 • www.waldenassetmgmt.com

assessment (as discussed above) should help companies identify the most important issues to discuss. We look for both quantitative and qualitative disclosure, and are particularly interested in a detailed understanding of forward-looking indicators, including company policies, management systems and accountability mechanisms to ensure a high-level of performance.

- ESG Disclosure Index (M3): We believe it is most appropriate to propose the inclusion of a generic content index, but at the same time advocate for the inclusion of a reference to the GRI. While we do not believe it is appropriate to propose any one specific reporting standard to be used in the index, we believe the GRI continues to be the best guide for companies to follow as they report their sustainability performance.

Again, we reiterate our support for this proposed listing standard, as well as thank you for the excellent work that you have done preparing and organizing this multi-stakeholder effort.

Sincerely,

Timothy Smith
Senior Vice President and Director of ESG Shareowner Engagement
Walden Asset Management
Boston Trust & Investment Management Company
617.726.7155
tsmith@bostontrust.com

Aaron Ziulkowski
Senior ESG Analyst
Walden Asset Management
Boston Trust & Investment Management Company
617.726.7125
aziulkowski@bostontrust.com

A Division of Boston Trust & Investment Management Company

One Beacon Street • Boston, MA 02115 • Tel: 617/726/7250 • Fax: 617/277/3667 • www.waldenassetmgmt.com