SUMMARY OF WALDEN'S 2013 SHAREHOLDER RESOLUTIONS

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

Corporate Governance

Board Diversity

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 Walden's shareholder proposal asking NetApp to take additional steps to increase board diversity was withdrawn with an agreement to enhance disclosure in its proxy statement on the value of diversity as well as on implementation processes to help identify women and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

Lobbying Disclosure

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

Proposals at 3M and PepsiCo were withdrawn with agreements to expand lobbying disclosure substantially.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

Sustainability/ESG Reporting

For the fourth consecutive year Walden filed resolutions requesting comprehensive sustainability reports at **C.R. Bard** and **Gentex***, and a third-year resolution was submitted to **Emerson Electric.** In each case, the vote results in favor increased relative to 2012 at 35 percent (vs. 30.5), 36 percent (vs. 32.5) and 38 percent (vs. 35), respectively. While shareholder support slowly builds, Walden continues the dialogue with the companies on the merits and necessity of ESG reporting. Walden withdrew a proposal co-filed at **Nike**** that aims to push ESG transparency throughout the company's supply chain. An industry leader in supply chain management, Nike agreed to a phased-in approach that will encourage major suppliers to publish their own sustainability reports.

A dearth of ESG information at smaller companies has fueled targeted advocacy by Walden. Resolutions submitted to **Coherent** and **Wabtec** were withdrawn with their commitment to initiate sustainability reporting. The proposal at **Simpson Manufacturing** was backed by 33 percent of shares voted, a strong result that should enable ongoing, constructive engagement. Dialogue with **Men's Wearhouse*** has progressed, but voting on the proposal was delayed due to the abrupt termination of its founder and executive chairman and postponement of the annual meeting.

Environmental Impact

Climate Change Mitigation

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

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

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

Workplace

Inclusive Non-Discrimination Policy

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

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

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

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