Walden Asset Management

Advancing sustainable business practices since 1975

CLARCOR Shareholder Proposal on Sustainability Reporting Receives Strong Support

March 31, 2014 – On March 25, 2014 CLARCOR Inc. hosted its Annual General Meeting, at which a shareholder proposal submitted by Walden Asset Management received 40 percent support from shareholders, excluding abstentions. Equally notable is what happens when abstentions are included in the total of votes cast. Of total shares voted, 50.3 percent – a majority – did not support management's opposition to the resolution.

Sustainability reporting – comprehensive disclosure of environmental, social, and governance (ESG) policies, metrics and progress toward goals – continues to be an increasing trend amongst companies of all sizes, including small cap companies such as CLARCOR. A recent report by IW Financial indicated that 22 percent of the Russell 3000 now has ESG disclosures, compared to 15 percent of the companies in 2011.

Conglomerate companies, like CLARCOR, are a legitimate focus for shareholders who encourage sustainability reporting. "There is an increasingly accepted link between ESG performance and operational efficiencies, risk management, and other material business considerations," said Carly Greenberg, ESG Analyst at Walden Asset Management. "Since CLARCOR manages more than 60 subsidiaries, investors would like assurance that all pieces of the business are managed synergistically as opposed to being left in silos."

The sponsors of this resolution are pleased with the strong shareholder vote for sustainability reporting. This outcome is contrary to what the Board presumed in its Statement of Opposition which specified: "Our Board of Directors is responsible to the shareholders of the company as a whole, not for ensuring that the Company conforms its practices to the philosophies of certain shareholder groups."

The shareholder proponents look forward to continuing this initiative to encourage sustainability reporting. This resolution was led by Walden Asset Management and co-filed by a number of proponents: Catholic Health East, Christopher Reynolds Foundation, Inc., Clean Yield Group, Park Foundation, Needmor Fund, Sisters of Notre Dame, The Swift Foundation, and Wallace Global Fund.

Walden began this engagement with CLARCOR in 2011 as a part of the Small Cap Project, an engagement initiative co-led by Pax World Investments and Walden Asset Management, which promotes ESG reporting for companies in the Russell 2000® Index. The Small Cap Project currently has 14 members with over $37 billion in assets under management, including: 3Sisters Sustainable Management LLC, B Lab, Calvert Investments, Inc., Christian Brothers Investment Services, Inc., Everence Financial, HIP Investor Inc., Mission Markets, Parnassus Investments, Portfolio 21 Investments, Reynders McVeigh Capital Management, LLC, Trillium Asset Management, and Zevin Asset Management. To date, the Small Cap Project has written more than two hundred companies to encourage sustainable business practices and increased transparency.

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For those interested in engaging CLARCOR or becoming a signatory to the Small Cap Project, please contact Carly Greenberg at cgreenberg@bostontrust.com.

About Walden Asset Management

Walden is the sustainable and responsible investment (SRI) practice of Boston Trust & Investment Management Company, an employee-owned investment management company. Walden has been a leader since 1975 in integrating environmental, social and governance (ESG) research and engagement into the investment process. Walden advocates for improved corporate policies and practices on behalf of clients through shareholder engagement strategies and public policy advocacy. For more information, please visit www.waldenassetmgmt.com.