



The summer and early fall is a busy time for the advocacy team. This is generally when we finish many of our core engagements from the prior year and begin planning our strategy for the next spring season. Climate change, human rights, and corporate political/lobbying spending continue to be major themes. And as always, we use all the shareholder tools at our disposal. Here are the highlights from our work over the last quarter:

CLIMATE CHANGE

- » **Costco Wholesale:** In August, Trillium filed a shareholder proposal requesting Costco adopt absolute, time-bound quantitative, company-wide targets, taking into consideration the most recent Intergovernmental Panel on Climate Change guidance for reducing total greenhouse gas emissions and issue a report by May 2015 on its plans to achieve these goals.
- » **Oneok:** In September, representatives of Oneok came to our offices to discuss methane emissions in the company's pipeline, storage, and gathering businesses. We look forward to improved disclosures and environmental performance as we continue to engage the company on this critical issue.
- » **General Mills:** Following engagements from many stakeholders, including Trillium, in July the company committed to defining and disclosing a total supply chain greenhouse gas reduction target, including scope 1, 2, & 3 emissions, by August 2015, with a focus on achieving agriculture emissions reductions.

SUSTAINABLE AGRICULTURE

- » **The Home Depot:** Following conversations with Trillium and other stakeholders, in August the company committed to require suppliers to label all live goods treated with neonics (chemicals connected with bee colony collapse), and will work with suppliers to eliminate neonics in plant production. In addition, the company is also providing its customers with a list of neonic-free alternatives for home application. As part of this effort, Trillium also met with **Pepsi**, **Target**, and **Lowe's** to discuss what they can do to help address this threat to agriculture.
- » **Hain Celestial*:** In response to a shareholder proposal we filed with Calvert Investments, in August the company agreed to disclose: its approach to reducing synthetic pesticides through a commitment to organic and sustainable agriculture; its approach to testing products for pesticide residues; and efforts to reduce the use of pesticides throughout its supply chain.

LESBIAN, GAY, BISEXUAL, TRANSGENDER (LGBT) WORKPLACE POLICIES

- » **Mineral Technologies:** In July, Trillium filed a shareholder proposal requesting the company amend its written equal employment opportunity policy to explicitly prohibit discrimination based on gender identity or expression and to take concrete action to implement the policy.
- » **Nucor***, **Southwestern Energy**, **F5 Networks**, **JB Hunt**, **SunEdison**, and **Kansas City Southern** have all received letters from Trillium asking them to provide fully inclusive LGBT non-discrimination language in their policies and procedures.
- » **National Fuel Gas:** In September, we again re-filed a shareholder proposal requesting the company amend its written equal employment opportunity policy to explicitly prohibit discrimination based on gender identity or expression and to take concrete action to implement the policy. Last year the proposal received more than 30% of the vote.

POLITICAL CONTRIBUTIONS & LOBBYING SPENDING

- » **Emerson Electric:** In July Trillium re-filed a shareholder proposal requesting the company issue a report disclosing its direct and indirect political spending. Last year the proposal received 47% of the vote.

INDIGENOUS PEOPLES

- » **FedEx*:** Along with the Oneida Nation of Wisconsin and other investors, we attended the company annual meeting in Memphis, Tennessee on September 29th to urge the gathered board members and executives to distance the company from the racist name of the Washington Football team.
- » In our ongoing effort to protect the world class salmon fishery in **Bristol Bay**, Alaska we led a group of investors who sent a letter in September to the EPA urging it finalize its proposed restrictions on large scale mining in the region.

CONTINUES ON REVERSE

In addition to engaging with our core portfolio companies, Trillium also conducts advocacy at selected companies (identified with an "*"*) that are not in our core portfolios but are held as legacy positions in client portfolios. These are companies that may not meet our minimum social and environmental criteria, but that we still seek to improve.

FREEDOM OF EXPRESSION AND PRIVACY ON THE INTERNET

- » **eBay**: In July, we met with eBay representatives to urge the company to issue a “Transparency Report” on government requests for user information and to encourage it to leave the American Legislative Exchange Council over the organization’s opposition to effective climate change policy.
- » Working with Open MIC, we submitted a comment letter in August to the FCC requesting that it block the **Comcast*/Time Warner Cable*** merger on the grounds that it would threaten open Internet and network neutrality principles and could be detrimental to entrepreneurial growth in the national economy.

INCOME INEQUALITY

- » As part of our commitment to policy initiatives, in July Trillium submitted a comment letter to the Securities and Exchange Commission in favor of the Pay-Ratio rule which will compel companies to disclose the median annual total compensation of all employees (excluding the CEO), the annual total compensation of the CEO, and the ratio of the two figures.

BOARD GENDER DIVERSITY

- » **Angio Dynamics** — Following a shareholder proposal filed by Trillium, the company agreed in August to institutionalize a commitment to board diversity inclusive of gender, race, and ethnicity in its proxy statement and corporate governance documents.

IN-DEPTH: **Target Corporation**

For the past decade Trillium and its investor and NGO partners have been meeting with **Target Corporation** to discuss a wide range of environmental and social issues. In August, we met with the company to discuss a number of risks to the company’s operations that we believed warranted updated disclosures and assessment. including: 1. Supply chain working conditions — one year after the Rana Plaza building collapse in Bangladesh, 2. Responsible food sourcing, and 3. Safer Chemicals.

1. In Bangladesh, Target, in collaboration with industry partners in the Alliance for Bangladesh Worker Safety, have completed audits and more than 90% of factory workers have gone through a health and safety training program. Target is now implementing important revisions to its apparel sourcing and audit program. It has also expanded the environmental portion of its audit program and increased sourcing collaboration with other brands. By year-end, Target will publish its supplier list allowing stakeholders a deeper look into its supply chain.
2. A dedicated Food Social Responsibility Group is in place, set to implement changes in its sourcing system and better understand its agricultural impacts including pesticide use. Target also will not support anti-GMO labeling organizations.
3. Target is making progress on its Sustainable Product Standard — a tool that will help define its current chemical footprint by identifying chemicals of concern in its household, personal care, and baby care products. This is an industry leading practice — moving from addressing one chemical at a time to transparency on chemicals in all products.

Target has not yet determined how it will share the findings on its chemical footprint. It has much work to do to manage the risks and opportunities in its retail food division. Progress on these sustainability initiatives is a positive indicator and we will continue to press management to prioritize transparency and goal setting on these and other social and environmental issues.

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