

# Large Cap Core (LCC) Strategy IMPACT ASSESSMENT REPORT

**85%**  
TRILLIUM ENGAGED WITH 85% OF THE LARGE CAP CORE (LCC) STRATEGY PORTFOLIO DURING THE 9/30/18–9/30/19 REPORTING PERIOD.

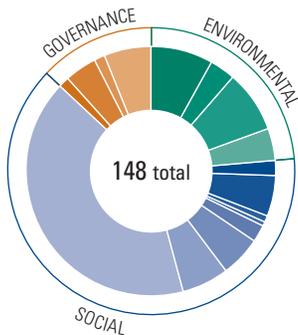
**Corporate advocacy** includes communications with company executives, correspondence, shareholder proposals, and other tools. Through these forms of engagement, and other inputs from the market and civil society, we are able to achieve improvements in corporate policy, performance, and practices. Sometimes this takes the form of withdrawing a shareholder proposal after a commitment to improve is made by the company (referred to as a “successful withdrawal” below). Other times shareholder proposals will go to a vote and companies will generally be responsive to those proposals that receive support in the 20%–50% range as it is difficult for company leadership to ignore such large pluralities. Another way we engage with companies is proxy voting in the best interest of our clients at annual meetings. We take this responsibility seriously as these votes communicate important information and ESG priorities to the company. The information below is a summary of our advocacy engagement covering the 9/30/18–9/30/19 reporting period, including collaborative and individual efforts led by Trillium or other organizations.

Advocacy Engagement	LCC	FIRM WIDE
Total # of engagements	148	655
# of companies engaged	66	519
% of strategy engaged	85%	-

Shareholder Proposals	LCC	FIRM WIDE
Total # of shareholder proposals filed	20	34
Successfully withdrawn proposals	8	18
Proposals with votes over 20% <sup>1</sup>	6	9

Proxy Voting	LCC	FIRM WIDE
Total votes cast	100%	100%
Votes cast against management	45%	45%
Support ESG proposals	89%	89%
Trillium votes NO for pay packages	98%	97%

## Advocacy Engagements under Large Cap Core (LCC) Strategy by category

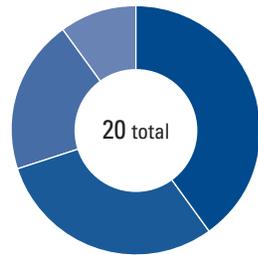


- ENVIRONMENTAL**
- 12 Emissions and Climate
  - 5 Environmental Other
  - 12 Environmental Reporting/Disclosure
  - 6 Sustainable Agriculture

- SOCIAL**
- 3 Community Relations/Impact
  - 8 Human Rights
  - 1 Privacy
  - 1 Product Integrity
  - 3 Responsible Lending
  - 8 Social Other
  - 9 Workplace Diversity
  - 61 Workplace: Labor-Management Relations

- GOVERNANCE**
- 2 Board Accountability
  - 6 Board/Executive Diversity
  - 2 Executive Compensation
  - 9 Political/Lobbying Spending

## Proposals Filed under Large Cap Core (LCC) Strategy



- 8 Successfully withdrawn proposals
- 6 Proposals with votes over 20%
- 4 Proposals with votes under or equal to 20%
- 2 Omitted by Securities Exchange Commission

1. Includes our shareholder proposal at Facebook which received 68% support, when excluding insiders.

**Trillium’s investment approach** goes well beyond traditional exclusionary screening, integrating Environmental, Social, and Governance (ESG) factors with fundamental financial analysis to provide meaningful insights into value-creation opportunities and risk profiles. Ultimately, we seek to identify the companies that are best positioned for risk-adjusted, long-term outperformance relative to their peers. The **Large Cap Core (LCC) strategy** invests in large capitalization stocks that are well diversified across economic sectors.

Environmental Metrics <sup>1</sup>	LCC	S&P 500	Governance Metrics	LCC	S&P 500
Total Carbon Emissions (metric tons) <sup>2</sup>	1,689,548	6,554,440	Companies with 20% or More Women on the Board <sup>4</sup>	87%	83%
Total Carbon Emissions Intensity (t/USD million sales) <sup>2</sup>	65.6	184.7	Companies with 80% or More Board Independence <sup>4</sup>	80%	70%
CDP Participant <sup>3</sup>	84%	67%	Companies with an Independent CEO/Board Chair <sup>4</sup>	28%	28%
			Average Annual CEO Total Compensation (Million) <sup>5</sup>	\$17.6	\$18.7

Trillium’s Large Cap Core Strategy is **65% less carbon intense** than its benchmark, the S&P 500

The Large Cap Core strategy **avoids investing** in companies with material involvement in:

- Private Prisons
- Agricultural Biotechnology
- Nuclear Power
- Weapons

The risk-based, revenue-driven criteria above only eliminate a small portion of the investable universe for the strategy. While we still consider this as an important risk-mitigation step, we focus the vast majority of our analytical efforts on using ESG information to help identify the best companies, not simply screening out the worst.

1. Source: MSCI ESG data as of 9/30/19 for the Trillium Large Cap Core Strategy in comparison to a portfolio replicating the strategy benchmark.
2. Total Carbon Emissions represents the companies’ most recently reported or estimated Scope 1 (direct emissions from owned or controlled sources) + Scope 2 (indirect emissions from the generation of purchased energy) greenhouse gas emissions. The Total Carbon Emissions Intensity, or the carbon footprint, represents the Total Carbon Emissions normalized by sales in USD, which allows for comparison between companies of different sizes. Data represents weighted averages and reflects 100% of the Trillium Large Cap Core Strategy and 100% of the S&P 500.
3. CDP supports companies, cities, states and regions to measure and manage their risks and opportunities on climate change, water security and deforestation.
4. Source: MSCI data as of 9/30/19 for the Trillium Large Cap Core Strategy in comparison to a portfolio replicating the strategy benchmark.
5. Source: Bloomberg data as of 9/30/19. Data represents weighted averages and reflects 100% of the Trillium Large Cap Core Strategy and 99% of the S&P 500.

**IMPORTANT DISCLOSURE:** The views expressed are those of the authors as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be a forecast of future events or a guarantee of future results. These views may not be relied upon as investment advice. The information provided in this material should not be considered a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the authors on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is for informational purposes and should not be construed as a research report.



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