

Active Investor Social Update

First Quarter, 2013

Dear Reader,

As we enter 2013, our 10th full year in business, we want to take a moment to express our deep appreciation of our community, allies and clients, who have actively supported our global shareholder advocacy and engagement efforts on climate change, human trafficking, immigration reform and political and lobbying disclosure. Our efforts and results are enriched by your involvement. It is in this spirit that we share the results of Boston Common's first quarter shareholder advocacy and engagement program.

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Taking Stock: Reflecting on the Quarter

	<i>What changed</i>	<i>We will continue to work toward</i>
<i>Environmental Risk Management</i>	Breakthroughs at the SEC: toxins in the supply chain, financed greenhouse gas emissions	AT&T and Microsoft managing toxic lead batteries in their supply chains
	EOG Resources will expand its reporting on fracking impacts	Fracking best practices and quantitative performance reporting widely adopted and implemented
	JPMorgan Chase to update its environmental policy	Banks assessing their contribution to global climate change
<i>Global Health</i>	International awareness raised on the importance of nutritious food and beverage products via launch of the Access to Nutrition Index	Encouraging the food & beverage sector to disclose more information on progress on nutrition commitments
<i>Disclosure and Transparency</i>	Investors show strong support for 2013's first vote on corporate disclosure of lobbying expenditures	Visa reporting fully on its involvement in the political process
<i>Human Rights</i>	Atlas Copco and ConocoPhillips developing and/or implementing more meaningful human rights programs	VF Corp and Toray Industries developing and/or reporting on water management programs
		Umicore expanding its programs on conflict minerals and human rights, chemical safety

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Mountaintop removal coal mine in southern West Virginia encroaching on a small community.

Credit: Vivian Stockman, Ohio Valley Environmental Coalition. Flyover courtesy of SouthWings.org.

ENVIRONMENTAL RISK MANAGEMENT

Bank Lending & Climate Change

The U.S. Securities and Exchange Commission (SEC) is allowing our shareholder resolution requesting that PNC Financial assess its exposure and contribution to climate change risk to remain on the proxy ballot. This decision marks a reversal of earlier SEC rulings and sets a precedent with broader implications for investors' ability to seek information about the financial sector's contribution and response to climate change. The resolution will be voted on during PNC's annual meeting in Pittsburgh on April 23, 2013.

We were pleased to withdraw a similar climate risk resolution at JPMorgan Chase in light of demonstrated attention to climate change at the company. JPMorgan Chase is currently crafting a public environmental policy, and is becoming actively involved in developing a greenhouse gas risk management and accounting process. Boston Common will meet with JPMorgan Chase in April to review these new policies.

Mickey Mouse & Chemical Safety

As the largest licensor of consumer products in the world, Disney lags its peers in addressing chemical safety within its licensed products and supply chain. Disney also continues to be the focus of numerous public consumer campaigns and demonstrations, the most recent occurring at its March 6th annual shareholders meeting. Boston Common met with Disney and encouraged the company to develop a broad chemical safety framework and a Restricted

Substances List (RSL). We asked that the company prioritize chemicals that predominately impact children including PVCs, phthalates, and brominated flame retardants. Disney promised to provide a progress update in the coming months and to open up the discussion to a broader group of investors.

Toxic Batteries

Boston Common had a major breakthrough at the SEC when it affirmed our shareholder proposal asking AT&T to address its procurement and recycling of lead acid batteries in its supply chain. This may set a precedent that corporations are accountable for supply chain pollution. We had argued that lead acid battery pollution is a significant social issue and that AT&T has influence in its supply chain to push for improved practices.

AT&T and other telecom and IT companies use thousands of lead acid batteries each year to provide backup power for data centers and/or cell phone towers and switching stations. However, faulty practices have made lead acid battery recycling the leading toxic disease burden in the world. Boston Common would like AT&T to prohibit exports of its used lead acid batteries to Mexico and other countries with weak environmental and worker safeguards and also expand its reporting and policies in this area. AT&T will hold its annual meeting on April 26, 2013.

Solar Panels - Sustainable Practices

In February, the Silicon Valley Toxics Coalition sent its 2013 Solar Scorecard survey to over 100 solar photovoltaic companies around the world. Fifteen major institutional investors with a total of \$1.5 trillion in assets under management joined us in support of the initiative, which encourages solar PV companies to adopt sustainable practices for reducing toxic chemical use, recycling spent PV modules, managing supply chains responsibly and providing greater transparency.

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GLOBAL HEALTH

We Are What We Eat

A growing body of evidence suggests that health and nutrition are important drivers of sales growth in the food and beverage sector. Boston Common served on the Expert Group of the Access to Nutrition Index (ATNI), which launched its Global Index 2013 Report in March. The report assesses the nutrition-related commitments, performance and disclosure practices of 25 of the world's largest food and beverage manufacturers. The report suggests that the world's largest food and beverage manufacturers must do more to increase access to more affordable nutritious products and positively exercise their influence on consumer choice and behavior.

Boston Common will use the Index findings to continue its engagement with key companies including Danone, Unilever, Kraft, Mondelez and PepsiCo. More details are available at www.accesstonutrition.org. An investor statement supporting the ATNI was also launched with support from almost 40 global investors, including Boston Common, representing \$2.6 trillion in assets under management.

DISCLOSURE & TRANSPARENCY

Political Contributions

Thirty-seven percent of Visa shareholders voting supported our shareholder proposal in January. The resolution called on Visa to provide a report on its state and federal lobbying expenditures, including indirect funding of lobbying through trade associations. Following the publication of their 2013 proxy materials, Visa took an unusual step in mailing shareholders additional materials, addressing some of the resolution's requests. Nevertheless, despite these concessions, Visa continues to refuse to disclose lobbying expenditures to shareholders.

Spotlight on Fracking

This quarter, Boston Common continued its pioneering use of an "investor forum" format to tackle thorny issues. We convened an investor briefing on chemicals used for drilling and hydraulic fracturing to develop shale oil and gas. Apache Corp. provided technical expertise, discussing the chemicals used for drilling and fracturing, progress in reducing its environmental footprint and future challenges and opportunities. About 30 institutional investors participated in the meeting.

Boston Common also organized an investor meeting with ConocoPhillips. The company shared its policies and practices to insure well integrity for new oil and gas wells. We urged ConocoPhillips to strengthen its principles for onshore well construction policies, employ best practices guidelines and do more quantitative reporting.

Boston Common also withdrew its shareholder proposal with EOG Resources after the company committed to expand its public reporting on hydraulic fracturing for shale energy production.

HUMAN RIGHTS

Before They Start - Stopping Abuses

Boston Common spoke with Atlas Copco regarding the company's newly adopted Human Rights Statement. We were pleased that the statement aligns with the UN Principles on Business and Human Rights and also sets standards for due diligence in high risk countries, including Sudan. We emphasized the importance of training company employees, business partners and distributors. We also pushed for mechanisms that go beyond the existing hotline for reporting breaches of human rights.

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Cesar Cardenas Ramirez (pictured top right), a community leader from Guayaquil, Ecuador, who has been working with Veolia to address community concerns relating to access to water and sanitation.

Human Rights of Indigenous Peoples

Boston Common also met with ConocoPhillips to discuss the implementation of its new Indigenous Peoples' Rights policy. In July 2010, the company revised its human rights position statement to reference the United Nations Declaration on the Rights of Indigenous Peoples. At our February meeting, ConocoPhillips updated investors on its progress in developing social issue implementation indicators broadly, including indicators for its Indigenous Peoples Rights policy.

Spotlight on Water

Boston Common spent almost a year helping the Interfaith Center for Corporate Responsibility (ICCR) prepare and organize February's Roundtable on the Human Right to Water in New York City. Despite an ill-timed snowstorm, the Roundtable brought together 90 participants representing companies, communities, non-governmental organizations and investors. We discussed the impact on communities in water-stressed areas and sought to identify leading corporate practices that protect access to safe, accessible and affordable water. We invited Genevieve Ferone, Senior Vice President of Sustainability at Veolia Water, to participate in the Roundtable, as well as Cesar Cardenas Ramirez, a community leader from Guayaquil, Ecuador, who has been working with Veolia to address community concerns relating to access to water and sanitation in Guayaquil.

We have requested information from VF Corporation, a global apparel manufacturer, on the company's water and chemicals management strategy. VF provides very limited disclosure regarding these practices, while its peers have moved to address operational and supply chain water risks. VF sources from 60 countries and more than 1,000 contractor factories worldwide. VF brands include Lee, Vans, Wrangler, Timberland and North Face.

We continued conversation with Toray Industries, a Japanese materials chemicals producer, on assessing and reporting its water usage. Toray uses significant amounts of water in manufacturing carbon fiber, textiles and chemical materials. It lacks a company-wide water strategy and offers only limited disclosure of water pollutant and wastewater data. Toray's production in China, Malaysia and Indonesia increases its exposure to local water scarcity issues.

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