



## **2005 Sustainability Report**

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### **Scope of Trillium Asset Management Corporation’s (“Trillium”) Sustainability Report**

This is the fourth edition of Trillium Asset Management Corporation’s Sustainability Report, and the first we have completed utilizing the GRI framework for financial services firms. Our last report was published in 2003. We have included more key indicators of our social and environmental performance in this year’s report. We have provided the last three years’ worth of data for each indicator whenever this information is available.

Trillium’s Sustainability Report is not independently verified. Internal assurance is provided through scrutiny at multiple levels and we welcome any feedback.

During the reporting period, we did not experience any major operational changes, nor do we have any changes or restatements regarding operations or measurement systems to report from previous years.

The appendix to this document maps cross-references it with the requirements of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines framework for financial services firms ([www.globalreporting.org](http://www.globalreporting.org)).

Please contact Shelley Alpern, Director of Social Research & Advocacy, at (617) 423-6655 x 248 or [salpern@trilliuminvest.com](mailto:salpern@trilliuminvest.com) if you would like to provide any feedback or have any questions pertaining to this report.

# Statement by Joan Bavaria, CEO

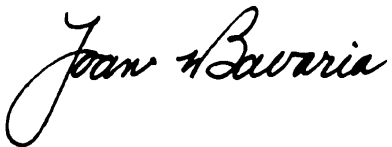
Trillium's 2005 Sustainability Report was prepared by our Social Research & Development team, assisted greatly by our very gifted Summer '06 intern, Daniel Bishop-Schaffer.

Twenty years ago, the demand for corporate environmental and social self-disclosure was limited to a few watchdog groups, and the supply was nonexistent. Following the Bhopal and *Exxon Valdez* disasters, however, all that began to change. Fast forward to today, and hundreds of companies worldwide produce sustainability reports. Trillium is proud of the role we played in helping to jumpstart this sea change in accountability as the founder of [Ceres](#). For several years in 1990, the fledgling environmental nonprofit occupied four cubicles in our back office, laboriously convincing one company after another that what gets measured gets managed. Ceres' stepchild, the [Global Reporting Initiative \(GRI\)](#), added social indicators into the mix of reported information. The data has gradually enabled more sophisticated study of the cost savings of environmental initiatives, identification of leaders and laggards, the connection between environmental performance and stock price, et cetera.

This is not the only environmental report that Trillium has had a hand in. As an active member of Ceres, our dialogues and shareholder proposals at a dozen or so companies have resulted in companies like AIG, Bank of America, Baxter, Citigroup, Ecolab and GM producing their first sustainability reports.

This year, we delved deeper into the process than in the past by measuring our greenhouse gas emissions (GHG) more comprehensively in order to offset them. We will purchase offsets for our 2005 emissions and going forward. As I write this, we are negotiating for the purchase of green furniture and interior design materials for an expansion of our Boston office, and are planning to move our Boise office to a "Platinum"-rated LEEDS building.

Looking at our mostly flat GHG emissions for the last few years, going forward we will look more aggressively to reduce our emissions as well as offset them. As always, we welcome your suggestions and feedback.

A handwritten signature in black ink that reads "Joan Bavaria". The signature is written in a cursive, flowing style.

**Joan Bavaria, President & CEO**

# Company Profile

## About Our Company

Trillium manages customized portfolios for individuals and institutions, offering equity, balanced, and fixed income portfolios designed to meet specific financial and social objectives. Since our founding in 1982, Trillium has been a leading proponent of proactive social investing. As of year-end 2005, we managed over \$900 million in assets. We have spent, and will continue to spend, much of our time and fee revenue developing new and effective ways to promote corporate social change.

## Mission and Vision

Our vision for our firm is to achieve financial gain while promoting social equity and ecological sustainability. To bring this vision to life, we seek to:

- Provide superior products and services that fulfill the financial, social, and ecological goals of individual and institutional investors.
- Explore and develop all possible means of social progress by the capital markets, and educate other concerned investors in their use.
- Create a work environment that encourages personal development and growth, and in which ownership, responsibilities and rewards are broadly shared, and
- Support other persons and organizations working to build a just society and a better world.

Our approach to social investment goes well beyond simple avoidance screens, to focus on strategies to create positive change. These strategies include proactive investment in solutions-oriented companies, extensive dialogue and advocacy with corporate management, and directing investor capital to high impact community-based investments.

We particularly pride ourselves on our record of proactively engaging with corporate America to create change. Most companies (like most people) are a mixture of strengths and weaknesses, and many of them prove open to socially motivated overtures from concerned shareholders. That is why we invest the time and resources we do in corporate research and engagement. Our goal is to identify, analyze and provide stakeholder input around the most pressing social and environmental issues for the companies whose stock we own.

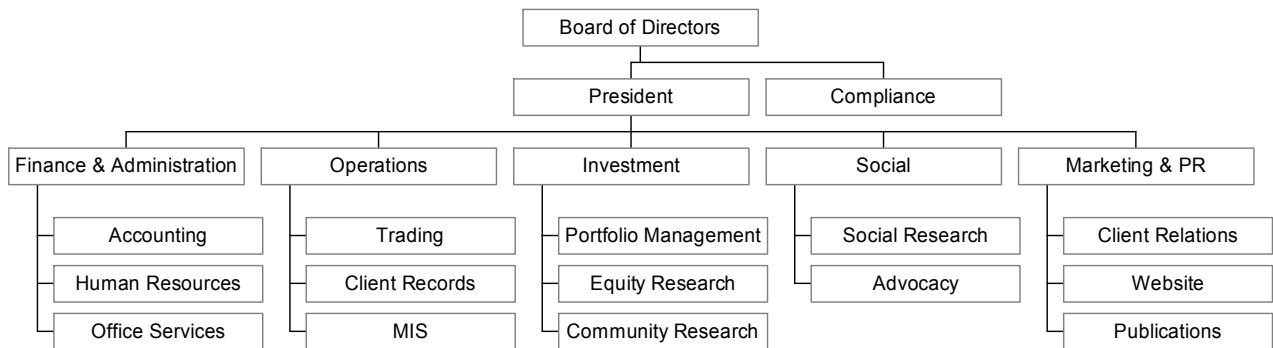
Our record of using these tools to achieve social change is unmatched in the investment industry, extending our social, economic and environmental influence well beyond traditional investment services:

- Trillium President and CEO Joan Bavaria founded [Ceres](#) in 1989 and played a central role in founding the Social Investment Forum, the trade organization of the socially responsible investment industry.

- Each year the company engages in numerous dialogues and files shareholder resolutions to promote sustainable and responsible corporate behavior across a range of issues including the environment, human rights, political contributions, and equal employment opportunity. (Our web site [www.trilliuminvest.com](http://www.trilliuminvest.com) has the most current information on our activism.) In the last decade, we've been an early leader in identifying emerging issues in corporate responsibility, such as corporate involvement with repressive regimes in Burma and Afghanistan, water scarcity, and equal treatment for lesbian, gay, bisexual and transgender workers.
- We provide input into public policymaking where our expertise permits. Trillium portfolio managers and analysts have testified before legislative bodies considering bills related to doing business with South Africa and Burma, corporate governance matters, the insurance industry, and nondiscrimination policies.
- In 2005, we facilitated \$10.1 million of client investments into community development securities that support affordable housing, microfinance and small business development ([http://www.trilliuminvest.com/pages/invest/invest\\_community.asp](http://www.trilliuminvest.com/pages/invest/invest_community.asp)).
- Trillium designates 5% of previous year's earnings each year to charitable giving. From 2001 through 2005, we have contributed over \$54,218 to nonprofit organizations.

Trillium Asset Management Corporation

Organizational Chart



## **Assets Under Management**

As of year-end 2005, we managed over \$900 million in assets in customized portfolios for a broad array of clients, including individuals with significant wealth, family trusts, foundations, ERISA funds, and charitable accounts.

Our overarching goal has been to provide competitive financial returns for clients, while helping them leverage the power of their assets to create concrete positive social change. We avoid investing in companies that are found to have negative social and environmental issues and prove to be unwilling to engage in a meaningful process of change. We do invest in companies with strong social and environmental policies and performance, as well as more problematic companies that prove themselves responsive to various forms of shareholder activism. We will also, on occasion, purchase stock in a company in order to engage with it on pressing issues. We vote on hundreds of shareholder and management proposals every year, applying proxy voting guidelines that can be viewed at [http://www.trilliuminvest.com/pages/social/social\\_proxy.asp](http://www.trilliuminvest.com/pages/social/social_proxy.asp).

## **Products & Services**

Trillium manages customized portfolios for individuals and institutions, offering:

- Equity, balanced, and fixed income portfolios designed to meet specific financial and social objectives
- A record of long-term competitive returns, delivered by a disciplined, rigorous investment approach
- Highly personalized attention from a team of experienced professionals that includes some of the pioneers in social investing
- Special attention to tax-sensitive situations, and
- An unmatched long-term record of achieving real, lasting change through social investment

We offer equity, balanced, and fixed income portfolios that are customized to meet each client's financial and social objectives. Our minimum account size for an individual portfolio during this reporting period was \$1 million.

## **Company Ownership**

Since our founding more than twenty years ago we have been an employee-owned company. In 1997, [Wainwright Bank](#) of Boston purchased an equity position in the company consisting of non-voting, preferred shares. Wainwright is an award-winning bank committed to community lending and environmental values.

Until that purchase, shares of the company were valued on a discounted, book value basis that allowed shares to be awarded to employees with no tax disadvantage to them. Subsequent to the purchase, the valuation of shares was set at the prevailing market price and only options have been awarded to employees. Most Board members own shares or options of the company.

**Figure 1. Breakdown of Company Ownership**

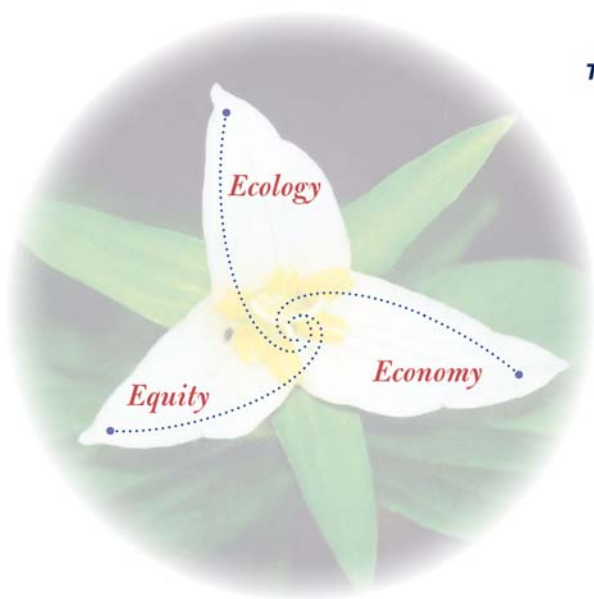
Ownership	Senior Management	Other Employees	Independent Board of Directors	Wainwright Bank	Publishing Consultants
Percentage Equity Including Options	Stock & Options	Stock & Options	Stock	Preferred Stock	Stock
	52.42%	5.24%	6.15%	34.27%	1.92%

**Stakeholders**

Trillium Asset Management Corporation identifies its stakeholders as consisting of:

- Owners
- Clients
- Employees
- Broker/Dealers
- Local communities in which we operate
- Non-governmental organizations
- SRI (socially responsible investment) community

Through ongoing dialogue with our stakeholders, Trillium demonstrates its commitment to continuous improvement and learning, corporate transparency, and advocating for the social and environmental issues that are important to them.



*The Trillium flower symbolizes our social mission — weaving together the three elements of sustainability: Ecology (healthy environment), Equity (social justice), and Economy (vibrant commerce). The trillium, a member of the lily family, grows best in shady, undisturbed forests. All of its parts, including its petals and leaves, grow in groups of three. It is often the first flower to blossom in the spring.*

# Key Indicators & Performance

As in previous years, we believe that the **key indicators** of our ecological footprint are the following:

- Energy use to light and heat four offices
- Purchase and recycling and/or disposal of paper, office supplies and equipment
- Business travel, in particular the air travel, of our employees and board members
- Employees' commute

Our last report, for calendar year 2003, was the first in which we collected data on our resource use. This report includes data from 2003 through 2005.

**Figure 2. 2005 Key Indicators**

Indicator	Quantity	Greenhouse Gas Emissions (metric tons)
Electricity Used for Lighting and Office Equipment	98,452 Kilowatt hours	41.9
Heating fuel (2005 for Boston only)	334 million Btu's	39.9
Employee Commuting	192,922 miles per year traveled (5,846 per employee)	43.5
Employee Business Travel	201,612 miles traveled	78.1
Board Travel	8,819 miles	3.4
Paper purchased	10,022 pounds	-
Paper recycled (newspapers and shredded documents only)	3,769 pounds	-
Charitable contributions	\$ 33,285	-
Client assets invested in community development vehicles	\$ 11.7 million	-
<b>TOTAL</b>		206.8 metric tons

## Environment

In this section, we report on our approach to environmental management as a small service company; our measurable use of energy and natural resources, our efforts to minimize that usage; and the staff resources devoted to managing this area. We also identify key challenges and opportunities ahead

### Our Environmental Ethic

The Ceres Principles (Fig. 3), which we helped to draft, form the core of our environmental ethic.

## Figure 3. Ceres Principles

### THE CERES PRINCIPLES

#### Protection of the Biosphere

We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness, while preserving biodiversity.

#### Sustainable Use of Natural Resources

We will make sustainable use of renewable natural resources, such as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning.

#### Reduction and Disposal of Wastes

We will reduce and where possible eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods.

#### Energy Conservation

We will conserve energy and improve the energy efficiency of our internal operations and of the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources.

#### Risk Reduction

We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures, and by being prepared for emergencies.

#### Safe Products and Services

We will reduce and where possible eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We will inform our customers of the environmental impacts of our products or services and try to correct unsafe use.

#### Environmental Restoration

We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent feasible, we will redress injuries we have caused to persons or damage we have caused to the environment and will restore the environment.

#### Informing the Public

We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or to appropriate authorities.

#### Management Commitment

We will implement these Principles and sustain a process that ensures that the Board of Directors and Chief Executive Officer are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our Board of Directors, we will consider demonstrated environmental commitment as a factor.

#### Audits and Reports

We will conduct an annual self-evaluation of our progress in implementing these Principles. We will support the timely creation of generally accepted environmental audit procedures. We will annually complete the Ceres Report, which will be made available to the public.

## Environmental Staff

Shareholder advocacy on environmental issues is a function of our Social Research and Advocacy core staff (2 full-time equivalents in 2003-2005) and other employees who participate directly in shareholder advocacy efforts or volunteer on the boards of environmental organizations.<sup>1</sup>

This report was written by our Social Research & Advocacy Department.

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<sup>1</sup> See the "Workplace" section below for more detail on our employees' community volunteer efforts.

## **Staff Incentives for Environmental Performance**

We have not incorporated environmental performance incentives into our compensation structure. Employee environmental motivation is already at a high level, and we have no positions that afford an opportunity to improve our environmental performance on a regular basis beyond the ordering of office supplies.

## **Environmental Training**

As a service company, we offer employees no formal environmental training. Tuition reimbursement is available for environmental coursework. A staff member attended a workshop in February 2004 in Boston on measuring office greenhouse gas emissions, led by the [World Resources Institute](#).

## **Supplier Purchasing Policies and Management Systems**

In purchasing decisions, our policy is to buy supplies and equipment that are made from recycled/recyclable materials wherever possible. See “Materials and Water Stream Policies” on page 14.

## **Office Space**

The Boston headquarters of Trillium occupies 8,156 square feet. Our branch offices are considerably smaller: Durham (1,1550 sq. ft.), San Francisco (1,467 sq. ft.) and Boise (1,350 sq. ft.).

We are expanding and remodeling our Boston office at 711 Atlantic Avenue. At the time that this report was prepared, our staff was working to implement a number of green approaches to the remodeling effort. This included: installation of energy efficient lighting fixtures and occupancy sensors; recovery of materials and furniture from the existing office to be donated for reuse rather than disposal; use of reclaimed materials such as doors, cabinetry and lumber; use of low-VOC (volatile organic compound) paints; use of recycled content carpet with non-PVC (polyvinyl chloride) backing (100% recyclable at end of life); installation of Energy Star appliances; and purchase of furniture and finish materials with green attributes. The lighting upgrade should result in approximately a 30% reduction in electricity consumption for lighting in the Boston office.

## Environmental Advocacy In Action

- At Whole Foods Markets' May 2005 annual meeting, CEO John Mackey announced that the company would begin to label its store-label brands with respect to the presence/absence of GE ingredients. For several years Trillium had been pressing Whole Foods in dialogue and through resolutions for this change.
- Trillium commissioned a report on the business risks of water scarcity by a leading environmental think tank, the Pacific Institute. The report, released in August 2004, gained coverage from the *Wall Street Journal* and business programs on CNN and CNBC. We now meet regularly with PepsiCo and Coca-Cola to provide input on new actions both companies are taking to address water issues. In 2005, we persuaded Analog Devices to publicly report on its progress reducing its water use and addressing other environmental issues.
- As an active member of Ceres, our dialogues and shareholder proposals at a dozen or so companies have resulted in companies like AIG, Bank of America, Baxter, Citigroup, Ecolab and GM producing their first sustainability reports.

## Energy Use

The Boston office, which houses most of our employees, is located in a multi-tenant building for which we assume the cost of approximately 10% of the gas and electricity. The building's gas-fired boiler furnishes the heat of the shared spaces. Electric power runs communally shared equipment such as HVAC and water heating. We are billed separately for electricity used to power lighting and office equipment.

For this report, we calculated the energy use associated with lighting and office equipment from 2003 through 2005 in all but the San Francisco branch. This branch's utilities are included in its rental fee and could not be obtained separately.

**Figure 4. Electricity Use Broken Down by Office Location (Lighting and Office Equipment)**

Energy Use (kWh)				
	Boston	Durham	Boise	Trillium Total
2003	62,748	19,201	20,274	102,223
2004	61,045	18,323	18,946	98,314
2005	62,576	18,701	17,175	98,452

**Figure 5. Greenhouse Gas Emissions from Electricity Use (Lighting and Office Equipment)**

GHG Emissions from Lighting and Office Equipment	2003	2004	2005
Annual Emissions from Lighting and Office Equipment (lbs. of CO <sub>2</sub> )	95,979	92,299	92,610
Normalized Emissions from Lighting and Office Equipment (in lbs. of CO <sub>2</sub> per square foot of office space)	9.0	8.7	8.7
Normalized Emissions from Lighting and Office Equipment (in lbs. of CO <sub>2</sub> per employee)	2,999	2,797	2,806

\* To calculate these metrics, we used the Power Profiler available on the [EPA's](#) website.

### **GHG Emissions From Employee Commuting**

Most of our employees work in our Boston office, which is easily reached by public transportation. As a result, about 90% of our employees commute; 75% by public transportation and 22% by car. In our Boston and San Francisco locations, cars are used primarily to reach public transport stations. Figure 6 reflects data from 2003-2005. The company subsidizes up to \$100 of the monthly subway pass or commuting expense for all employees. The subsidy results in a tax deduction for the company.

**Figure 6. Annual Employee Commuting Emissions**

Source	Activity Data (A)	Emissions factors(B)	Metric Tons CO <sub>2</sub> (C) C (= A x B x conversion factor by source) / 2,205
<b>Single Car</b> (conversion factor = 0.4536)			
2003	1,447	Gallons of gas 19.56 Lbs. CO <sub>2</sub> / gallon	12.84
2004	1,650	Gallons of gas 19.56 Lbs. CO <sub>2</sub> / gallon	14.64
2005	1,463	Gallons of gas 19.56 Lbs. CO <sub>2</sub> / gallon	12.98
<b>Carpool</b> (conversion factor = 0.4536)			
2003	68	Gallons of gas 19.56 Lbs. CO <sub>2</sub> / gallon	0.60
2004	119	Gallons of gas 19.56 Lbs. CO <sub>2</sub> / gallon	1.06
2005	119	Gallons of Gas 19.56 Lbs. CO <sub>2</sub> / gallon	1.06
<b>Subway</b> (conversion factor = 0.4586)			
2003	25,038	Miles per year 0.35 Lbs. CO <sub>2</sub> / passenger mile	3.97
2004	19,422	Miles per year 0.35 Lbs. CO <sub>2</sub> / passenger mile	3.08
2005	35,827	Miles per year 0.35 Lbs. CO <sub>2</sub> / passenger mile	5.69

<b>Commuter rail</b> (conversion factor = 0.4585)					
2003	99,918	Miles per year	0.42	Lbs. CO <sub>2</sub> / passenger mile	19.03
2004	75,348	Miles per year	0.42	Lbs. CO <sub>2</sub> / passenger mile	14.35
2005	102,960	Miles per year	0.42	Lbs. CO <sub>2</sub> / passenger mile	19.61
<b>Bus</b> (conversion factor = 0.4542)					
2003	20,592	Miles per year	0.66	Lbs. CO <sub>2</sub> / passenger mile	6.16
2004	20,124	Miles per year	0.66	Lbs. CO <sub>2</sub> / passenger mile	6.02
2005	15,022	Miles per year	0.66	Lbs. CO <sub>2</sub> / passenger mile	4.50
<b>Walk/Bike</b>					
2003	3,978	Miles per year	0	Lbs. CO <sub>2</sub> / passenger mile	0
2004	2,106	Miles per year	0	Lbs. CO <sub>2</sub> / passenger mile	0
2005	4305	Miles per year	0	Lbs. CO <sub>2</sub> / passenger mile	0
<b>TOTAL 2003</b>	<b>194,219</b>	<b>Miles Per Year</b>	<b>6,069</b>	<b>Miles Per Employee</b>	<b>42.6 Metric Tons CO<sub>2</sub></b>
<b>TOTAL 2004</b>	<b>169,186</b>	<b>Miles Per Year</b>	<b>5,127</b>	<b>Miles Per Employee</b>	<b>39.2 Metric Tons CO<sub>2</sub></b>
<b>TOTAL 2005</b>	<b>192,922</b>	<b>Miles Per Year</b>	<b>5,846</b>	<b>Miles Per Employee</b>	<b>43.6 Metric Tons CO<sub>2</sub></b>

*\*In collecting data on car pools, we assumed two people on average participated and worked 234 workdays per year. Figures from 2003 have been recalculated from the 2003 Sustainability Report, which used a different estimate of average days per year for the employee commute. Emissions factors provided at [www.safeclimate.org](http://www.safeclimate.org). Emissions factors vary by the type of transportation and fuel.*

To provide a more accurate estimate of emissions generated by staff commuting going forward, we will also ask employees to provide the type of cars they use to commute. Determining the model of the cars will enable us to calculate the exact miles per gallon for each model, providing a more accurate calculation. In absence of this information, we used 29.5 miles per gallon as an estimate.<sup>2</sup>

<sup>2</sup> This figure was obtained based on the, *Automotive Fuel Economy Program Annual Update Calendar Year 2003*, which stated that the average fleet average for domestic and imported cars in 2003 was 29.5.

## Greenhouse Gas Emissions from Staff and Board Business Travel

**Figure 7. Greenhouse Gas Emissions from 2005 Board and Employee Air, Train and Auto Travel (Non-commuting)**

	Total Miles	Average Miles Traveled Per Employee	CO2 Equivalent (metric tons)	Normalized CO2 Equivalent (metric tons/employee)
Total Employee Air Travel	185,289	5,614.8	69.9	2.3
<i>Short-haul legs</i>	1,667		3.1	0.1
<i>Medium-haul legs</i>	34,806		20.1	0.7
<i>Long-haul legs</i>	148,816		46.7	1.6
Employee Train	6,437	195.1	1.2	0.1
Employee Auto	9,886	299.6	3.6	0.1
Board Air	8,819	1,684.0	3.4	0.1
<b>TOTAL</b>	<b>210,431</b>	<b>7,793.5</b>	<b>78.1</b>	<b>2.6</b>

*\* Greenhouse gas emissions were calculated by NativeEnergy, using emission factors from the GHG Protocol Commuting Emissions Tool Version 1.2. Short flights as those less than 275 miles, medium flights as less than 994 miles, and long flights as any distance over 994 miles. Estimates for miles flown are from WebFlyer.com. Estimates for rail travel miles are from Miletrack.com..*

*Shorter flights are more fuel intensive because of the significant amount of altitude gain relative to the length of the flight itself. On a short trip, a large portion of the energy per mile is devoted to climbing and landing, compared to cruising. That means shorter trips are more carbon intensive.*

Because of inconsistencies in tracking, some of the miles traveled were estimated from specialized sources.

Trillium pays for the [Zipcar](#) account of the one Boston employee who occasionally uses it for local travel. Zipcar is a car sharing company.

### Materials and Waste Streams

**Policies.** As noted above, our policy is to buy supplies and equipment that are made from recycled or recyclable materials. We also try to use soy-based inks on all our printed materials wherever possible. Our office paper contains 30% post-consumer recycled content. Employees are encouraged to print all materials double-sided.

The San Francisco office purchases office supplies primarily from Give Something Back™ Business Products, a privately held company whose mission is to “sell business products for less and donate the profits back to the community.”

Recycling bins are provided for white paper, newspaper, magazines, flattened cardboard, manila folders, and glossy/coated papers. Redeemable cans and bottles are collected by the [New England Shelter for Homeless Veterans](#). Paper that is shredded for security reasons is also recycled. File folders and other office supplies

are reused consistently. Beginning in 2007, non-redeemable cans and bottles will be collected by Empire Recycling in our Boston office.

**Results.** FY 2004 marked the first year that we have been able to track our paper stream, from what we purchase to what we recycle. Office wide, the average amount of paper purchased for 2004 and 2005 was 10,022 pounds.

In 2005, our Boston office recycled more than 3,769 pounds of paper. The Environmental Protection Agency considers this equivalent to the following natural resource conservation savings<sup>3</sup>:

- 32.02 trees
- 13,230 gallons of water
- 7,749 kWh of electricity
- 5.693 cubic yards of landfill space
- 113 lbs. of pollution

This figure includes newspapers and shredded documents. Office paper that is recycled is pooled with the other tenants in our office building, which makes tracking impossible. Totals for branch office paper recycling were not available.

In 2005 we recycled 644 pounds of computer equipment, diverting 103.4 pounds of lead to reuse.

Our coffee-drinking Boston staff quaffs their brew from a [Keurig Premium Coffee System](#)<sup>TM</sup> machine that brews cups individually, which has eliminated wasted coffee and the electricity formerly used to heat it. The exclusive coffee provider is [Green Mountain Coffee Roasters](#), an environmentally friendly company. Several of the roasts offered from Green Mountain are organic.

We do not currently monitor our water usage, which could potentially be reduced through the installation of low-flow faucets and/or toilets in cooperation with our landlords.

## **Moving Forward**

As noted in “Office Space” above, we are working to implement a number of green technologies into the office expansion at 711 Atlantic Avenue scheduled for 2007.

Trillium is acquiring 207 metric tons (See Fig.2) of carbon dioxide (CO<sub>2</sub>) offsets<sup>4</sup> from a new family farm waste to energy project to offset the emissions created by their office electricity, heating and employee travel for 2005.

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<sup>3</sup> Recycled savings based on the EPA formula: For every ton (1 ton = 2,000 lbs.) of paper and aluminum recycled, 17 trees, 7,000 gallons of water, 4,100 kWh of electricity, 3.3 cu. yds. of landfill space, and 60 lbs. of pollution are saved. These environmental equivalents come from a number of sources, including [www.mathleague.com/recycled.htm](http://www.mathleague.com/recycled.htm) and [www.epa.gov/epaoswer/non-hw/muncpl/recycle.htm](http://www.epa.gov/epaoswer/non-hw/muncpl/recycle.htm).

<sup>4</sup> For accounting purposes, Carbon Offsets from *Native Energy* renewable energy projects are purchased in the form of Renewable Energy Certificates and converted into CO<sub>2</sub> offsets.

By purchasing and retiring 207 tons of CO<sub>2</sub> offsets, our company will minimize the global warming impact its operations and will help to support the Shrack family farm methane digester project in Pennsylvania. For more information on how this arrangement creates cleaner energy alternatives, see Appendix 3.

## Workplace

Incorporated in the state of Massachusetts, most of our employees work at our Boston headquarters (Fig. 8). We have branch offices in Durham, North Carolina, San Francisco, California and Boise, Idaho. We have one employee who worked entirely from his home office in Seattle during the period covered by this report.

In early 2005, we had a total of 30 employees. Over the course of the year, three employees left the company, and all three were replaced. We created one new position in October 2004 - "Chief Investment Analyst." This position started as part-time in October and was made full-time in February 2005.

Currently, Trillium's employees are not represented by a labor union or a collective bargaining agreement.

**Figure 8. Employee Breakdown by Office Location**

Number of Employees at Each Location					
	Boston	Durham	San Francisco	Boise	Total
Year-end 2003	22	4	4	2	32
Year-end 2004	23	4	4	2	33
Year-end 2005	22.5	4	4.5	2	33

**Figure 9. Annual Revenue Breakdown by Office Location**

Annual Fee Revenue					
	Boston	Durham	San Francisco	Boise	Total
Year-End 2002	\$2,346,642	\$677,387	\$1,148,143	\$348,797	\$4,520,970
Year-End 2003	\$2,086,353	\$619,492	\$1,083,349	\$419,883	\$4,209,079
Year-End 2004	\$2,442,906	\$704,545	\$1,269,545	\$666,243	\$5,083,239
Year-End 2005	\$2,677,873	\$754,335	\$1,450,326	\$794,288	\$5,676,822

**Figure 10. Total Square Footage of Office Space Broken Down by Office Location**

Office Space (square feet)					
	Boston	Durham	San Francisco	Boise	Total
Year-End 2002-2005	8,156	1,550	1,467	1,350	12,523

**Employee Health, Safety and Well Being**

**Health Benefits.** We offer employees comprehensive health insurance plans. Benefits include medical, dental, a long- and short-term disability plan, supplemental disability, and life and accidental death benefits. With the exception of the medical coverage, Trillium absorbs the full cost of these programs. Both the medical and dental coverage are available to dependents, including domestic partners. We also offers a cafeteria plan. Employees who choose to join can use a portion of their salary to pay for medical care or dependent care with pre-tax dollars.

**Education Benefit.** As part of our education commitment, employees are encouraged to enroll in educational programs. The company will reimburse eligible employees up to \$2,000 per year for tuition. All awards are subject to the availability of funds. Occasionally, the company may request or arrange for employees to attend off-site seminars or training programs that are fully paid for by the company.

**Health and Safety.** As a small company, we are not regulated by Occupational Safety & Health Administration. We have identified only one work-related health challenge – providing need ergonomic furniture or office equipment for employees who request them.

**Other Employee Benefits**

The normal workweek for employees is 9 a.m. to 5 p.m. Monday through Friday. However, to assist employees in balancing their work and life demands the company does support flexible scheduling, compressed workweeks and telecommuting. Several employees take advantage of this benefit.

The Massachusetts Bay Transportation Agency pass program was introduced to encourage commuting on the local transit system. As noted in the “Environment” section above, Trillium Asset Management Corporation subsidizes up to \$100 of the monthly subway pass or commuting expense for all employees. The subsidy results in a tax deduction for the company.

The Charitable Giving Committee was established to encourage community involvement and to support employees and other organizations in their efforts to build a better world. Our gifting program is equal to 5% of its pre-tax profit. (See Figure 12 below for a list of our charitable gifts.)

Trillium also grants employees two hours per week or up to ½ day a month to volunteer at a non-profit organization.

## Wages & Benefits

Our compensation policy reflects the commitment to broadly shared rewards. Socially responsible investors have long used ratios of CEO pay to the average of all other workers or the median of all other workers to gauge fairness. According to the annual *Business Week* CEO salary survey, the ratio of CEO pay to the average worker's pay was 369 to 1 in 2005.<sup>5</sup> Our policy on compensation is to pay competitive salaries to all staff, with senior manager and CEO targets relative to comparable companies and aimed somewhat below the average of comparable size firms.

**Figure 11. Trillium's Executive Pay Compensation Comparative Data**

Executive Pay Metrics	
4 x	Trillium CEO/Median Trillium Employee* (3/1/05 data)
3 x	Trillium CEO/Average Trillium Employee* (3/1/05 data)
369 x	Av. Company CEO/Average Hourly Worker

\*Includes all salaried employees.

All employees receive merit and profit sharing bonuses computed as a percentage of operating profits. Profit-sharing bonuses are prorated (using salary as the denominator) through all staff without consideration for rank. Merit bonuses are awarded from an all-company budget. CEO compensation numbers above include all compensation for the fiscal year ending September 30, 2004.

In addition to the above, we sponsor a 401k savings and retirement plan. The plan provides eligible employees an opportunity to reduce current income taxes and accumulate money for future financial needs. Employees may contribute as much as 25% of their salary. Trillium will contribute matching funds (dollar for dollar) up to the first 3% of the employee's salary. One key features of the plan is the ability of employees to direct their employee deferral into a menu of socially responsible mutual funds.

Our salary policy for the company is to pay all employees competitive salaries, regionally adjusted. Professionals are to be paid low median salaries for companies of similar sizes in our industry.

During times of economic hardship, we have chosen to enact temporary pay cuts for employees at the top of our salary ranges in order to avoid layoffs.

## Workplace Diversity

Having advocated for greater diversity in corporate workplace at our portfolio companies<sup>6</sup>, Trillium deeply appreciates the benefits and advantages that a diverse workforce brings to companies and their stakeholders. Trillium has pressed numerous

<sup>5</sup> *Business Week*, October 30, 2006.

<sup>6</sup> Trillium has filed shareholder proposals calling for the disclosure of equal employment data, greater board diversity, and the implementation of sexual orientation nondiscrimination policies. See our web site ([www.trilliuminvest.com](http://www.trilliuminvest.com)) for more information.

companies to make public their diversity data. Ours is as follows. At year-end 2005, women comprised 73% of our workforce and 66.6% of our officers. Five persons of our 33 total staff (15%) are people of color (all are women). This was an increase from 6% of total staff in 2004. Only one of our officers is a person of color and only one (the same person) is female. Fifteen percent of our employees are openly gay.

As we have noted in our 2003 Sustainability Report, we are proud of the diversity of backgrounds and perspectives that the numbers do *not* reflect. Our employees include a Ph.D.-trained philosopher, a former professional ice skater, and portfolio managers with educational backgrounds in religion, social work and art as well as finance and economics. At least four employees are rabid Red Sox fans and the staff is encouraged to be sensitive to this condition. Employees serve on the boards of community and professional organizations such as Shared Interest, Ceres, Earth Justice Legal Defense Fund, Interlock Media, Durham Community Land Trust, Shareholder Action Network, Fund for Idaho, Unitarian Universalist Association's Committee on Socially Responsible Investing, the Boston Community Loan Fund and the YWCA Boston.

Our twelve-member board is composed of five women and seven men. Two board members are persons of color. Our board members are invited to serve as much for their social and environmental expertise as their financial acumen. A list of board members, their affiliations and ownership stake in the company will be further discussed in the next section. Their biographies can be found on our web site at [www.trilliuminvest.com](http://www.trilliuminvest.com).

## **Corporate Governance**

### **Board of Directors**

Our board of twelve directors is two-thirds independent.

Under our by-laws, one of our directors is the CEO and two elected voting members are chosen by shareholders from a slate nominated by all employees. The employee representatives need not be shareholders at Trillium.

Wainwright Bank, which owns one-third of the total equity of the company in the form of preferred stock, has two seats on the Board per agreement. A third Board member is, at this time, employed by Wainwright Bank. The unaffiliated Board members now number eight.

The Audit and Compensation Committees are comprised of two unaffiliated Directors each. Other Board Committees are populated by a majority of independent Directors and affiliated Directors.

## **Disclosure of Proxy Voting**

Trillium sponsors, co-sponsors and votes on numerous shareholder resolutions that appear on proxy ballots. We disclose our proxy voting guidelines and our voting record on our web site, along with the full text of the proposals we sponsor and co-sponsor.

### **Trillium Asset Management Corporation Board of Directors**

Ownership share (where applicable) shown in parentheses ( ).

In addition to the members listed below, two additional board seats are filled by Trillium Asset Management employees, who are nominated by employees to serve for one-year terms and elected by shareholders.

**Joan L. Bavaria, President** (17.24%)  
Trillium Asset Management Corporation,  
*President*

**Margaret Flinter**  
Community Health Center, Inc., *Vice  
President and Clinical Director*

**Thomas Gladwin** (0.50%)  
University of Michigan, *Max McGraw  
Professorship of Sustainable Enterprise and  
Associated Directorships*

**Robert Glassman**  
Wainwright Bank & Trust Company, *Co-  
Founder and current Co-Chairman*

**Sally Greenberg** (0.50%)  
Consumers Union, *Senior Product Safety  
Counsel*

**Charles Grigsby, Vice-Chair** (0.40%)  
Mass Capital Resource Company, *Senior  
Vice President*

**Carol O'Cleireacain** (0.51%)  
State of New Jersey, *Deputy Treasurer*

**John Plukas**  
Wainwright Bank & Trust Company, *Co-  
Founder and current Co-Chairman*

**George Rooks** (1.81%)  
Heritage Capital Management, *President*

**Peter Rosenblum, Esq.**  
Foley, Hoag LLC. *Partner*

**Sherry Salway Black**  
First Nations Development Institute, *Senior  
Vice President*

**Elliott Sclar, Chair** (2.02%)  
School of Architecture at Columbia  
University, *Professor*

**William Torbert** (0.40%)  
Boston College, *Professor*

## **Corporate Philanthropy & Company Relations**

### **Philanthropy**

Trillium has a policy to donate 5% of all pre-tax profit to charitable organizations chosen by employees. These grants go to organizations where our employees volunteered, or to groups that meet basic human needs. Separately, we also

donate \$10,000 to a variety of nonprofit organizations. This is done during the holiday season when we invite individual and institutional clients to help us determine the allocation of the funds. In addition, employees can donate up to two hours per week of work time to volunteer for non-profit groups. The company also matches employee fundraising for an approved non-profit, dollar-for-dollar, up to \$300. Through a convenient payroll deduction arrangement, employees can make voluntary gifts to [Community Works](#), a partnership of grassroots, community-based organizations in the Boston area working together to raise resources through workplace payroll deduction campaigns

We do not contribute to any political campaigns or lobbying groups. Our 5-year charitable giving history is detailed below. From 2001 to 2005, our total charitable contributions amounted to approximately \$54,218. We have not kept records of in-kind giving or employee time spent volunteering during work hours.

**Figure 12. Yearly Charitable Contributions**

<b>Name of Organization</b>	<b>Gift Amount (\$)</b>
<b>2001</b>	
<a href="#">Amaze</a>	\$500
<a href="#">BAGLY</a> (Boston Alliance for Gay and Lesbian Youth)	\$500
Community Friends for Human Services, Inc.	\$500
<a href="#">CPPAX</a>	\$500
<a href="#">Durham Community Land Trust</a>	\$500
<a href="#">Interlock Media</a>	\$250
<a href="#">Light Hawk</a>	\$500
<a href="#">Sisters of Charity of Nazareth of Nazareth, KY</a>	\$500
<a href="#">Neighborhood Elder Lead Inc.</a> (now Seniors Connect)	\$500
<a href="#">Save Fenway Park</a>	\$250
<a href="#">SEED</a>	\$500
<a href="#">Women in Community Service</a>	\$500
<a href="#">Students for a Free Tibet</a>	\$500
<a href="#">Project Bread</a>	\$200
<a href="#">AIDS Action Committee</a>	\$300
<a href="#">September 11th Fund</a>	\$250
<b>Total Gift (\$) for 2001</b>	<b>\$6,750</b>
<b>2002</b>	
<a href="#">BAGLY</a> (Boston Alliance for Gay and Lesbian Youth)	375
<a href="#">Richie McFarland House</a>	250
<a href="#">National Multiple Schlerosis Society</a>	300
Oak Square YMCA	108
<a href="#">Neighborhood Elder Lead Inc.</a> (now Seniors Connect)	375
<a href="#">Baba Siri Chand Yoga Center</a>	375
Community Friends for Human Services	375
<a href="#">Dismas House of Central Massachusetts</a>	375
<a href="#">Durham Community Land Trust</a>	400
<a href="#">Interfaith Center for Corporate Responsibility</a>	375
<a href="#">The Fund for Idaho</a>	375
<a href="#">Interlock Media</a>	375
<a href="#">Light Hawk</a>	400

<a href="#">Maine Women's Fund</a>	125
<a href="#">Mass Breast Cancer Coalition</a>	75
<a href="#">Sisters of Charity of Nazareth of Nazareth, KY</a>	375
<a href="#">New England Shelter for Homeless Veterans</a>	375
<a href="#">Outward Bound Thompson Island</a>	375
<a href="#">Rodman Ride for Kids</a>	375
<a href="#">Save the Harbor/Save the Bay</a>	375
<a href="#">Share Our Strength</a>	375
<a href="#">Slide Ranch</a>	375
<a href="#">Unitarian Universalist Association</a>	200
<a href="#">Women's Institute for Housing and Economic Development</a>	375
<b>Total Gift (\$) for 2002</b>	<b>\$7,858</b>
<b>2003</b>	
<b>Total Gift (\$) for 2003*</b>	<b>\$0</b>
**As we did not have any net earnings in 2002, we did not make charitable gifts in 2003 (gifts are calculated at 5% or more of the previous year's earnings).	
<b>2004</b>	
<a href="#">Amaze</a>	\$275
<a href="#">BAGLY (Boston Alliance for Gay and Lesbian Youth)</a>	\$275
<a href="#">Breast Cancer Action</a>	\$275
<a href="#">CERES</a>	\$275
<a href="#">Changing Worlds</a>	\$250
Community Friends for Human Services	\$275
<a href="#">Divine Compassion Ministry</a>	\$300
<a href="#">Durham Community Land Trust</a>	\$600
<a href="#">Durham School of the Arts</a>	\$50
<a href="#">Episcopal City Mission</a>	\$150
<a href="#">The Fund for Idaho</a>	\$275
<a href="#">Jewish Fund for Justice</a>	\$500
<a href="#">Leukemia &amp; Lymphoma</a>	\$275
<a href="#">Sisters of Charity of Nazareth, KY</a>	\$275
<a href="#">Sisters of Mercy</a>	\$500
<a href="#">Sisters of Saint Benedict</a>	\$500
<a href="#">Seniors Connect</a>	\$400
<a href="#">Shared Interest</a>	\$500
<a href="#">Stop the Violence</a>	\$100
<a href="#">Wang YMCA of Boston</a>	\$275
<b>Total Gift (\$) for 2002</b>	<b>\$6,325</b>
<b>2005</b>	
<a href="#">Afghan Women's Mission</a>	833.33
<a href="#">Amazon Watch</a>	275.00
<a href="#">American Liver Foundation</a>	750.00
<a href="#">America's Second Harvest</a>	1,500.00
<a href="#">Asian Task Force Against Domestic Violence</a>	250.00
<a href="#">BAGLY, INC. (Boston Alliance for Gay and Lesbian Youth)</a>	750.00
<a href="#">Breast Cancer Action</a>	275.00
Community Friends for Human Services	750.00
<a href="#">Dana Farber</a>	750.00

<a href="#">Durham Community Land Trust</a>	1,000.00
<a href="#">East Coast Biker Chicks</a>	750.00
<a href="#">www.edc.org</a>	3,000.00
<a href="#">Fifty Crows Foundation</a>	750.00
<a href="#">FINCA International</a>	1,220.00
Friends of Dedham Council	750.00
<a href="#">Fund for Idaho</a>	300.00
<a href="#">GLAAD</a>	750.00
<a href="#">Global Reporting Initiative</a>	275.00
<a href="#">Horizon Foundation</a>	750.00
<a href="#">Human Dignity Coalition</a>	750.00
<a href="#">Just a Start Community Development</a>	750.00
<a href="#">Liberty Hill Foundation</a>	750.00
<a href="#">Ocean State Action Fund</a>	750.00
Operation Smile	560.00
<a href="#">Pachamama Alliance</a>	920.00
<a href="#">Partners In Health</a>	1,300.00
<a href="#">People for the American Way</a>	460.00
<a href="#">Pridelines Youth Services</a>	750.00
<a href="#">Providence Gay Men's Chorus</a>	250.00
<a href="#">Richie McFarland Children's Center</a>	280.00
<a href="#">Salem Alliance for the Environment</a>	275.00
<a href="#">SeniorsConnect, Inc.</a>	750.00
<a href="#">Shared Interest</a>	300.00
<a href="#">Sisters of Charity of Nazareth, KY</a>	1,583.33
<a href="#">Social Investment Forum</a>	750.00
<a href="#">Southern Mutual Help Association</a>	3,000.00
<a href="#">Sunshine Foundation</a>	750.00
<a href="#">Tenacity, Inc.</a>	280.00
<a href="#">The Nica Fund</a>	833.33
<a href="#">United for a Fair Economy</a>	540.00
<a href="#">Wang YMCA of Boston</a>	750.00
Youth Pride, Inc.	275.00
<b>Total Gift (\$) for 2005</b>	<b>\$33,284.99</b>

**Figure 13. Yearly Client Determined Donations**

<b>Name of Organization</b>	<b>Gift Amount (\$)</b>
<b>2001</b>	
<a href="#">Amnesty International</a>	\$550
<a href="#">Doctors Without Borders</a>	\$1750
<a href="#">Earthjustice</a>	\$950
<a href="#">GLADD</a>	\$300
<a href="#">Heifer Project</a>	\$650
<a href="#">Save the Children</a>	\$800
<b>Total for 2001</b>	<b>\$5,000</b>
<b>2002</b>	
<a href="#">Global Fund for Women</a>	\$1,500

<a href="#">Doctors Without Borders</a>	\$900
<a href="#">Earthjustice</a>	\$660
<a href="#">Heifer Project</a>	\$660
<a href="#">Amnesty International</a>	\$640
<a href="#">Save the Children</a>	\$640
<b>Total for 2002</b>	<b>\$5,000</b>
<b>2003</b>	
<a href="#">Afghan Girls Fund</a>	\$1,000
<a href="#">amFar</a>	\$300
<a href="#">Earthjustice</a>	\$800
<a href="#">Doctors Without Borders</a>	\$1,300
<a href="#">FINCA</a>	\$700
<a href="#">Global Fund for Women</a>	\$900
<b>Total for 2003</b>	<b>\$5,000</b>
<b>2004</b>	
<a href="#">FINCA</a>	\$2,440
<a href="#">Operation Smile</a>	\$1,120
<a href="#">Pachamama Alliance</a>	\$1,840
<a href="#">Partners in Health</a>	\$2,600
<a href="#">People For the American Way</a>	\$920
<a href="#">United for a Fair Economy</a>	\$1,080
<b>Total for 2004</b>	<b>\$10,000</b>
<b>2005</b>	
<a href="#">Independent Press Association</a>	\$1,033
<a href="#">Nonviolent Peaceforce</a>	\$1,607
<a href="#">Oxfam</a>	\$2,756
<a href="#">Partners in Health</a>	\$2,870
<a href="#">Redefining Progress</a>	\$1,379
<a href="#">Stephen Lewis Foundation</a>	\$1,837
<b>Total for 2005</b>	<b>\$11,482</b>

### **Community Investments**

Many of our clients choose to expand their investments beyond publicly traded stocks and bonds, to what we view as an emerging new asset class with particularly high social impact: community-based investments. These investments are typically directed to community loan funds, nonprofit groups, and community development banks that help provide a flow of capital to historically under-served sectors of society, both domestically and abroad.

Throughout our two-decade history, we have been a leader in helping our clients participate in community investing. In 1981, our president and founder Joan Bavaria initiated and organized some of the very first meetings to bring together

community development organizations and the investment community. Trillium is one of only a few active investment management firms with more than 1% of assets under management in community investment instruments. All of our community investments are client directed, and many of our clients choose to allocate a portion of their portfolios to community investing. Community investment instruments are customized for each client, and can be targeted both geographically and by area of interest. In addition to their high social impact, community investments can help meet some clients' financial goals by providing diversification and risk control.

Community investments are made through such organizations as [Shared Interest](#), [Boston Community Capital](#), [Accion International](#) and [ShoreBank](#).

**Figure 14. Assets Invested in Community Development Initiatives**

Community Investments	
2002	\$6,940,071
2003	\$8,917,145
2004	\$9,126,140
2005	\$11,670,279



# Appendix 1: Trillium Asset Management Corporation Sustainability Report Mapped Against the GRI\* (ver. 2)

NA = Not applicable

NR = Not reported

GRI	Description	Page Number
1.1	Vision and strategy statement	4-5
1.2	Statement from CEO	3
2.1	Company profile	4-7
2.2	Major products	6
2.3	Operational structure	6-7
2.4	Major divisions	16
2.5	Countries of operation	16
2.6	Nature of ownership	6-7
2.7	Markets served	7
2.8	Scale of organization	6-7,16
2.9	List of stakeholders	7
2.10	Contact person	1,2
2.11	Reporting period	2
2.12	Date of previous report	2
2.13	Boundaries of report	2
2.14	Significant changes	2
2.15	Reporting on joint ventures	6-7
2.16	Restatements	2
2.17	Decisions not to apply GRI	2
2.18	Criteria/definitions in cost/benefit accounting	8
2.19	Changes in measurement methods	NA
2.20	Internal assurance	2
2.21	Independent verification	2
2.22	Ways to get additional information	2
3.1	Governance structure	19-20
3.2	Percentage of independent, non-executive board	20
3.3	Process for determining board expertise	NR
3.4	Board-level processes	NR
3.5	Link to executive compensation	18-19
3.6	Organizational structure	5
3.7	Mission and value statements	4-5
3.8	Shareholder resolutions	5-6
3.9	Stakeholder identification	7
3.10	Stakeholder consultation	7
3.11	Information generated from stakeholders	7
3.12	Use of stakeholder information	7
3.13	Precautionary approach	NR

\* Global Reporting Initiative ([www.globalreporting.org](http://www.globalreporting.org)).

3.14	External initiatives	4-5
3.15	Business association memberships	4
3.16	Upstream and downstream impacts	NA
3.17	Indirect impacts	NA
3.18	Major operations decisions	NA
3.19	Performance programs	11
3.20	Management system certification status	NA
4.1	GRI Content Index	25-28
EC1	Net sales	17
EC2	Geographic breakdown of markets by sales	17
EC3	Cost of goods, materials, services purchased	10,12
EC4	Percentage of contracts paid in accordance	NA
EC5	Total payroll and benefits	NR
EC6	Distributions to providers of capital	NR
EC7	Increase/decrease in retained earnings	NR
EC8	Taxes paid	NR
EC9	Subsidies broken down by country	NA
EC10	Donations	21-24
EC11	Supplier breakdown by organization/country	10,15
EC12	Noncore infrastructure development	NA
EC13	Indirect economic impact	NA
EN1	Total materials use other than water, by type	15
EN2	Percentage of materials used that are wastes	14-15
EN3	Direct energy use	12
EN4	Indirect energy use	12
EN5	Water use	NR
EN6	Land owned, leased, or managed (biodiversity)	10
EN7	Major impacts on biodiversity	NR
EN8	Greenhouse gas emissions	12-15
EN9	Ozone-depleting substances	12-15
EN10	Air emissions	12-15
EN11	Waste	12-15
EN12	Water discharges	NA
EN13	Significant spills	NA
EN14	Environmental impacts of products	NR
EN15	Percentage of product weight reclaimable/reclaimed	15
EN16	Noncompliance penalties	NA
EN17	Initiatives to increase energy efficiency	12-16, 29
EN18	Energy consumption footprint	16, 29
EN19	Other indirect energy use	12
EN20	Water sources and ecosystems affected	NR
EN21	Annual withdrawal of ground/surface water	NR
EN22	Total recycling/reuse of water	NR
EN23	Total land owned	NA
EN24	Amount of impermeable land	10
EN25	Impacts on protected and sensitive areas	NA
EN26	Changes to habitats from operations	NA
EN27	Programs for protecting ecosystems	NA

EN28	IUCN Red List species within operational areas	NA
EN29	Business units operating/planning in sensitive areas	NA
EN30	Other indirect GHG emissions	12-16
EN31	Hazardous waste	NA
EN32	Affect on water source by discharges of water	NR
EN33	Suppliers	10,15
EN34	Transportation	13-14
EN35	Environmental expenditures	NA
HR1	Human rights	NA
HR2	Consideration of human rights impacts	NA
HR3	Human rights within supply chain	NA
HR4	Nondiscrimination	NA
HR5	Freedom of association	NA
HR6	Child labor	NA
HR7	Forced labor	NA
HR8	Employee human rights training	NA
HR9	Disciplinary appeals process	NR
HR10	Grievance system	NR
HR11	Security	NA
HR12	Indigenous rights	NA
HR13	Jointly managed community grievance mechanisms	NA
HR14	Share of operating revenue redistributed to communities	NR
LA1	Geographic breakdown of workforce	16
LA2	Employment creation and job turnover	16
LA3	Percentage of employees in unions	16
LA4	Employee involvement in operational changes	17
LA5	Health and safety reporting	17
LA6	Health and safety committees	17
LA7	Standard injury and lost day rates	NR
LA8	HIV/AIDS programs	NA
LA9	Training	17
LA10	Equal opportunity	18-19
LA11	Female/male ratio in management	19
LA12	Benefits beyond those legally mandated	17-18
LA13	Formal worker representation in decision-making	19-20
LA14	Occupational health management systems	17
LA15	Union agreements on health and safety issues	16
LA16	Programs to support promotion/end-of-career training	17
LA17	Policy/programs for skills management	17
PR1	Customer health and safety	NA
PR2	Product labelling	NA
PR3	Policy/procedures for consumer privacy	NR
PR4	Noncompliance with consumer health and safety	NA
PR5	Complaints upheld by regulatory bodies for H&S	NA
PR6	Voluntary codes/product labels/awards for CSR	Web site*
PR7	Noncompliance with product information/labeling	NA
PR8	Procedures/management systems for customer satisfaction	NR

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\* [http://www.trilliuminvest.com/pages/about/about\\_awards.asp](http://www.trilliuminvest.com/pages/about/about_awards.asp)

PR9	Procedures/management systems for advertising	NR
PR10	Breaches of advertising/marketing regulations	NA
PR11	Complaints regarding breaches of consumer privacy	NR
SO1	Impacts on communities	21-24
SO2	Bribery and corruption	NR
SO3	Political lobbying and contributions	21
SO4	Awards	Web site*
SO5	Money paid to political parties and institutions	21
SO6	Court decisions on antitrust/monopoly regulations	NA
SO7	Preventing anticompetitive behavior	NR

## Appendix 2: GRI Finance Sector Social Issues Supplement

GRI	Description	Page Number
CSR1	CSR policy	4-6
CSR2	CSR organization	5
CSR3	CSR audits	2,20
CSR4	Sensitive Issues	NR
CSR5	Noncompliance	NR
CSR6	Stakeholder Dialogue	NR
INT1	Internal CSR Policy	17-20
INT2	Staff Turnover	16
INT3	Employee Satisfaction	NR
INT4	Senior Management Remuneration	18-20
INT5	CSR Bonuses	19
INT6	Male/Female Pay Ratio	NR
INT7	Employee Profile	19-20
SOC1	Charitable Contributions	21-24
SOC2	Economic Value Added	NR
SUP1	Supplier Standards	10, 14
SUP2	Supplier Satisfaction	NR
RB1	Retail Banking Policy	NA
RB2	Lending Profile	NA
RB3	Lending with High Social Benefit	NA
IB1	Investment Banking Policy	NA
IB2	Customer Profile	7
IB3	Transactions with High Social Benefit	23-24
AM1	Asset Management Policy	4-7,24
AM2	Assets under Management with High Social Benefit	4-7
AM3	Shareholder Advocacy	5-6
INS1	Underwriting Policy	NA
INS2	Customer Profile	7
INS3	Customer Complaints	NR

\* [http://www.trilliuminvest.com/pages/about/about\\_awards.asp](http://www.trilliuminvest.com/pages/about/about_awards.asp)



## Appendix 3: Trillium's Carbon Offset Purchase

Trillium is acquiring 207 metric tons of carbon dioxide (CO<sub>2</sub>) offsets<sup>7</sup> from a methane reduction emissions project to offset the emissions created by their office electricity, heating and employee travel for 2005 and 2006. By purchasing and retiring 207 tons of CO<sub>2</sub> offsets, Trillium will minimize the global warming impact its operations and will help to support a new Native American owned wind power project.

*NativeEnergy* works with renewable energy projects that need a stronger revenue stream than the sale of their power will provide, in order to be economically viable. We commit to them during the early stages of development, and through the support of our customers, we bring a lump sum payment to the project once it has demonstrated commercial operations in accordance with design specifications. In exchange for this commitment, we receive the rights to all the CO<sub>2</sub> reductions to be generated over the project's expected operating life (after a conservative discount). We sell the reductions to individuals, businesses, and organizations to offset their CO<sub>2</sub> pollution. Since the offset revenue is critical to the project's development, these projects are truly additional to a "business as usual" baseline.

Trillium Asset Management's purchase will be dedicated to helping finance the Schrack family farm methane project. The purchases will help build the Schrack digester by providing guaranteed funds with which Schrack was able to secure additional capital needed to make the project go. The Schrack's family farm's anaerobic digester is capturing methane gas from cow manure, and is producing electricity with a 200 kW generator while recovering the waste heat to both heat the digester and reduce the use of oil-fired water heating required on the farm. The farm system will displace electricity on the grid, keeping more than 630 tons of carbon dioxide (CO<sub>2</sub>) pollution out of the air annually, and will also destroy methane that would otherwise have escaped from its manure storage lagoons equivalent to an additional 31,000 of CO<sub>2</sub> out of the air over the next 20 years. That's like keeping 4000 SUV's off the road for a year.

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<sup>7</sup> For accounting purposes, Carbon Offsets from *NativeEnergy* renewable energy projects are purchased in the form of Renewable Energy Certificates and converted into CO<sub>2</sub> offsets.