



# Corporate Engagement Update

Sustainable, Responsible and Impact Investing | Bailard Wealth Management

Bailard's approach to corporate engagement focuses on both the shareholder process and supporting other stakeholders working to improve disclosures on important environmental, social, and governance (ESG) issues. Bailard's Sustainable, Responsible and Impact Investing (SRII) group typically focuses its corporate engagement efforts on the following areas:

## ENVIRONMENTAL

- Climate change
- Greenhouse gas emissions
- Global water issues
- Biodiversity & habitat protection
- Sustainability reporting

## SOCIAL

- Human rights
- Diversity & gender equality
- Social justice
- Supply chain management
- Workplace practices

## GOVERNANCE

- Shareholder rights
- Board structure & independence
- Executive compensation
- Risk management
- Ethical standards
- Policies & procedures on corporate political giving

## Moskowitz Prize

Bailard is a sponsor of the Moskowitz Prize, which builds on a legacy of identifying research whose findings have the potential to influence the future of the practice of responsible finance. First presented in 1996 by the U.S. Social Investment Forum, the Moskowitz Prize was awarded by University of California, Berkeley's Haas School of Business from 2005 – 2019. In 2020, the Prize became an initiative of Northwestern University's Kellogg School of Management. Its winners have explored shareholder activism, socially responsible mutual funds, and socially responsible investing as a catalyst to improved financial performance, among other topics.

Learn more here: [www.kellogg.northwestern.edu/social-impact/academics/moskowitz-prize.aspx](http://www.kellogg.northwestern.edu/social-impact/academics/moskowitz-prize.aspx)

## Recent Activity

The 2021 Moskowitz Prize has been awarded to Laura Starks (University of Texas McCombs School of Business), Parth Venkat (University of Alabama Culverhouse School of Business), and Qifei Zhu (Nanyang Business School). Their paper examines how ESG metrics line up with investor time horizons. Titled *Corporate ESG Profiles and Investor Horizons*, the paper shows that portfolios of long-term investors have a greater proportion of high-ESG-scoring stocks than those of shorter-term investors. Their research also shows that long-term investors are less likely than shorter-term investors to sell high-ESG-scoring stocks after a single quarter of poor returns or earnings shortfalls. Finally, they found that companies newly recognized for their ESG initiatives are more likely to be held by long-term investors. The paper concludes that corporate leaders may be rewarded for pursuing ESG initiatives because they will likely attract long-term investors and lower volatility. This trend could incentivize companies to pursue ESG initiatives, triggering positive societal externalities. By contrast, pressure from short-term investors could curtail ESG initiatives and their associated positive societal outcomes.

## Organizations We're Involved With

### ICCR

Founded in 1971, the Interfaith Center for Corporate Responsibility (ICCR) is a membership organization of over 300 members of faith and values-based organizations including socially responsible asset management firms, pension funds, colleges and universities. ICCR staff and members engage hundreds of large multi-national corporations each year on social and environmental issues. In 2020, the ICCR filed 281 resolutions. Bailard is an affiliate member of the ICCR.

Learn more here: [www.iccr.org](http://www.iccr.org)

### As You Sow

Bailard is proud to support the corporate engagement work of As You Sow (AYS). AYS's goal is to create large-scale systemic change by establishing sustainable and equitable corporate practices. Blaine Townsend, Bailard's SRII Director, has been collaborating with AYS since 1997.

Learn more here:  
[www.asyousow.org](http://www.asyousow.org)

### Disclosures

This communication is for informational purposes only and is not a recommendation of, or an offer to sell or solicitation of an offer to buy, any particular security, strategy or investment product. This communication does not take into account the particular investment objectives, financial situations or needs of individual clients. References to specific stocks are of illustrative purposes only and are not intended to represent any past, present or future investment recommendations. Certain of Bailard's clients may hold shares of specific securities referenced. All investments have the risk of loss. The application of various environmental, social and governance screens as part of a socially responsible investment strategy may result in the exclusion of securities that might otherwise merit investment, potentially resulting in higher or lower returns than a similar investment strategy without such screens. There is no assurance Bailard or any of its investment strategies can achieve their investment objectives. **Past performance is no guarantee of future results.** This communication contains the current opinion of its author and such opinions are subject to change without notice. Information contained herein has been obtained from sources believed to be reliable but is not guaranteed. Bailard cannot provide investment advice in any jurisdiction where it is prohibited from doing so.

### Ceres Investor Network

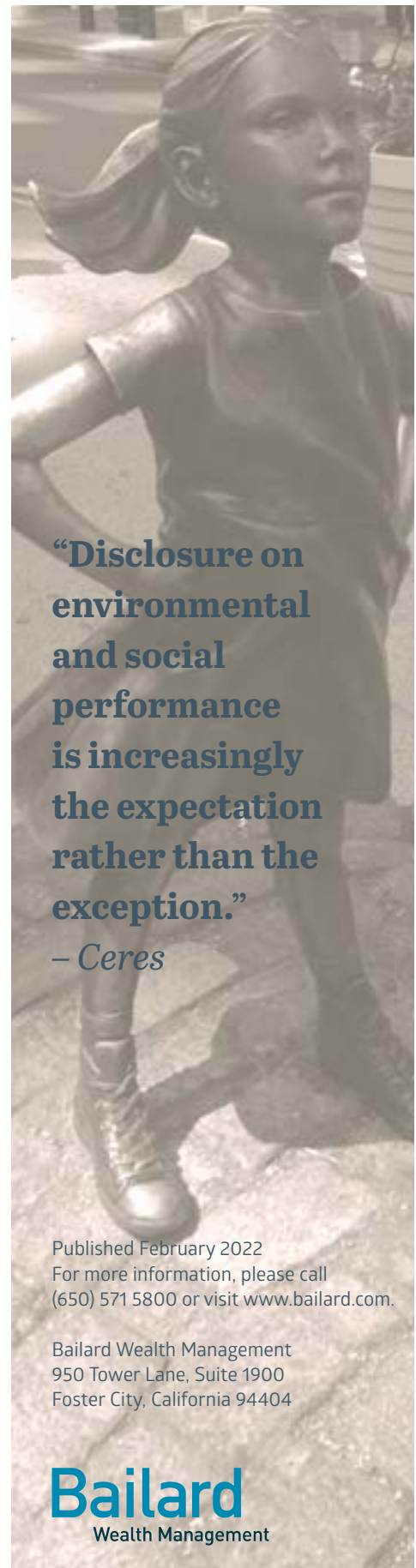
Ceres works with investors specifically to better manage carbon, water and supply chain risks, and to ramp up global investments in clean energy and sustainable food and water systems. Bailard is a member of the Ceres Investor Network (formerly the Ceres Network on Climate Change), which focuses on carbon asset risk, disclosure, human rights, water, climate change and governance policy.

Learn more here:  
[www.ceres.org/networks/ceres-investor-network](http://www.ceres.org/networks/ceres-investor-network)

### CPA-Zicklin Index

Bailard is a sponsor of the CPA-Zicklin Index, which benchmarks the political disclosure and accountability policies and practices of leading U.S. public companies. Issued annually, it is produced by the Center for Political Accountability in conjunction with the Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania.

Learn more here:  
[www.politicalaccountability.net](http://www.politicalaccountability.net)



**“Disclosure on environmental and social performance is increasingly the expectation rather than the exception.”**

– Ceres

Published February 2022  
For more information, please call  
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