



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

Recent Activity

We've been quite busy the past few months on the corporate engagement front. In September, Bailard attended the 'PRI In Person' conference, which is the leading global conference on responsible investment. A few themes of the conference included the urgency and funding of climate action, income inequality, and alignment with the UN Sustainable Development Goals. As new signatories to the United Nations-supported Principles for Responsible Investment (PRI), it was energizing to share best practices and discuss challenges with responsible investors from all over the world.

In October, we attended the Interfaith Center for Corporate Responsibility (ICCR) conference in New York City. The conference convenes companies, investors, NGOs, and community groups on various multi-stakeholder issues and shareholder resolutions, encouraging a productive corporate responsibility dialogue. The SRII team focused its participation this year on environmental initiatives including methane management, carbon asset risk, and the Climate Action 100+ initiative which engages greenhouse gas emitters on a global scale to drive clean energy adoption.

Other highlights include signing-on to letters to several companies in the pharmaceutical industry via our involvement with the Investors for Opioid Accountability coalition. The letters requested changes such as appointing an independent Board Chairman, reporting to the Board on opioid-related business risks, and implementing an executive incentive pay clawback. We also had the opportunity to engage with Starbucks, through the Plastic Solutions Investor Alliance, on the use of plastic straws and the recyclability of materials and infrastructure.

Moskowitz Prize

Bailard is a sponsor of the Moskowitz Prize, the only global award recognizing outstanding quantitative research in sustainable and responsible investing. Since its launch in 1996 by Berkeley-Haas and US SIF: The Forum for Sustainable and Responsible Investment, its winners have explored shareholder activism, socially responsible mutual funds, and socially responsible investing as a catalyst to financial performance, among other topics.

Learn more about the Moskowitz Prize here: www.responsiblebusiness.haas.berkeley.edu/research/moskowitz-research-prize.html

Moskowitz Prize Spotlight: The 2018 Moskowitz Prize winners were recently announced at the annual SRI Conference. Congratulations to Samuel Hartzmark and Abigail Sussman from University of Chicago, who authored a research paper showing that retail investors value sustainability.

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 about the CPA-Zicklin Index here:
www.politicalaccountability.net

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 about the Ceres Investor Network here:
www.ceres.org/networks/ceres-investor-network

Disclosures

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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 per year on social and environmental issues. In 2016, the ICCR filed 257 resolutions. Bailard is an affiliate member of the ICCR.

Learn more about the ICCR here:
www.iccr.org

As You Sow

Bailard is proud to support the corporate engagement work of As You Sow (AYS). AYS is celebrating its 25th anniversary this year working with corporations on important environmental and social issues. 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 about As You Sow here: www.asyousow.org



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

– Ceres

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