



Veris Wealth Partners 2016 Impact Report

Our Collective Achievements



VERIS

Wealth
Partners

Values. Wealth. Sustainability.



Executive Summary

At Veris Wealth Partners, we're proud to have helped create significant positive social and environmental impact in 2016.

This report, our second annual Impact Report, reflects the continued progress we're making as a global community of individuals and organizations dedicated to sustainability. We are emboldened that sustainable and impact investing continues to gain momentum. Increasingly, both private and Fortune 1000 companies and institutional investors are joining individuals, family foundations and endowments to direct capital to investments that deliver both financial performance and social gain. One key data point confirming that trend: US SIF recently reported that sustainable, responsible and impact investing grew to \$8.72 trillion in 2016—a 33% increase since 2014.¹

This steadily increasing flow of capital is creating opportunities to fund innovative ideas that address the planet's greatest challenges. In the process, impact and sustainable investing have moved from upstart insurgency toward a mainstream approach to investing, a trend that will only continue as wealth is transferred to Millennials and other investors who see a world of possibilities.

Another very positive development in 2016 is the growing number of funds and managers adopting impact reporting. This alone is a cause for celebration. Our industry now has more data than ever on specific social and environmental outcomes in impact investor portfolios. This effort to monitor, measure, and analyze impact makes it possible for us to share these

meaningful results with you. This enhanced ability to measure performance is the foundation for integrating financial and impact analysis into total wealth planning. We are still in early days, but progress is clear. Objective research and analysis are confirming that impact investing is truly a smarter way to invest. The faster this is universally understood, the faster we can transform the way business operates and government and investors allocate capital.

In 2016, there were other noteworthy achievements. One was the memorable display of leadership from hundreds of large companies, both U.S. and Global, affirming their commitment to the Paris Climate agreement. Similarly, many public companies have used their influence to advance issues of gender diversity, campaign finance reform, and supply chain sustainability, to name a few.

Also in 2016, we saw the power of vocal, active ownership in public companies, much of it spearheaded by Veris managers. Public equity managers who work with Veris filed or co-filed 165 shareholder resolutions relating to Environmental, Social, or Governance (ESG) issues, a 22% increase from 2015. Over 40% of these resolutions led to the companies agreeing to take action to improve their operations.

In the private markets, Veris managers addressed issues from sustainable farming to financial inclusion for low-income communities, and they expanded their geographical footprints significantly. The results were impressive. Veris managers in private and community investments collectively created 23,427 jobs, produced

and sold 3,446,814 mega-watt hours of renewable energy, and created or preserved 45,139 affordable housing units.²

In the pages that follow, we highlight the progress being made by public and private companies. We also review Veris’ impact through its five thematic areas of focus: Climate Change and Environment, Community Wealth Building & Social Justice, Gender Lens Investing, Sustainable Agriculture and Food Systems, and Mindfulness and Sustainability. We also share examples of companies and managers we believe are setting new standards. As our thematic areas evolve and new solutions emerge, we will provide perspective on what we believe are significant developments.

Finally, we are very grateful to our clients and partners for their courage in supporting sustainable and impact investing early on. We truly appreciate your role as change agents and the opportunity to work together. Your optimism inspires us each day and helps us face the inevitable challenges in trying to redefine broad swaths of the global economy. We’ve seen that impact investing can be integrated into all types of investments and portfolios. We remain focused on identifying the best solutions for you, your family or your organization.

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SUSTAINABLE DEVELOPMENT GOALS

United Nations Sustainable Development Goals

In September 2015, the countries of the United Nations adopted 17 goals, called the U.N. Sustainable Development Goals, aimed at creating a more equitable, prosperous, and sustainable planet. The goals include eradicating poverty, ending hunger, ensuring access to safe water, ending the AIDS, tuberculosis, and malaria epidemics, halting deforestation and restoring degraded ecosystems, and many more targets. Veris clients have long invested in solutions that align with these “Global Goals.” The Goals illuminate the greatest challenges of our time, and together with governments and NGOs, companies and impact investors will play a big role in achieving them. They also provide a common framework and language for understanding the work that needs to be done. Each Goal has a mutual relationship with the others and with the Veris investment themes. They provide a vision of a more sustainable and inclusive future. In that spirit, we have mapped our investment themes with the U.N. Sustainable Development Goals and support the growing efforts to achieve them.

Veris Impact Across Asset Classes

Veris takes a total-portfolio approach to impact investing. We work with managers across all asset classes to create performance-driven investment strategies that align wealth with values. The chart below shows the impact areas that our investments targeted in 2016.

		Community Investments / CDFIs	Private Debt / Equity	Real Assets	Public Fixed Income	Public Equity
Climate Solutions & Environment	Renewable & Clean Energy	✓	✓	✓	✓	✓
	Water Infrastructure / Water Management	✓	✓	✓	✓	✓
	Energy Efficiency / Green Buildings / Resource Optimization	✓	✓	✓	✓	✓
	Green Business / Ecotourism	✓		✓		✓
	Environmental Technology Solutions / Infrastructure	✓	✓	✓	✓	✓
	Green Chemistry / Products		✓		✓	✓
	Waste Management / Recycling / Circular Economy	✓	✓	✓	✓	✓
	Fossil Fuel Free / Low-Carbon Economy / Carbon Sequestration	✓	✓	✓	✓	✓
Gender Lens Investing	Women in Leadership / Management Diversity	✓	✓		✓	✓
	Women and People of Color Entrepreneurs	✓	✓		✓	✓
	Women & Girls Empowerment / Economic & Educational Opps	✓	✓		✓	
	Products & Services for Women	✓	✓		✓	✓
	LGBTQ Equality	✓				✓
Community Wealth Building & Social Justice	Affordable Housing / Homeownership Assistance	✓	✓	✓	✓	
	Education / Early Childhood Development	✓	✓	✓	✓	
	Small Business Finance / SME	✓	✓	✓	✓	✓
	Financial Inclusion / Microfinance / Access to Credit	✓	✓			
	Health & Wellness / Nutrition	✓	✓	✓	✓	✓
	Quality Jobs / Workforce	✓	✓	✓		✓
	Arts & Creativity	✓				
	Indigenous Rights / Refugees / Immigrants	✓		✓		✓
	Inclusive / Community Economic Development	✓	✓	✓	✓	
Sustainable Agriculture & Food Systems	Sustainable Timber & Forestry			✓		✓
	Sustainable / Organic / Regenerative Farming	✓	✓	✓		✓
	Habitat Conservation	✓	✓	✓	✓	
	Sustainable Fisheries / Aquaculture	✓	✓	✓		
	Sustainable Food System Support	✓	✓	✓		✓
Shareholder Engagement Campaigns & ESG	Human Rights / Supply Chain / Conflict Minerals / Child Labor					✓
	Drug Pricing Transparency					✓
	Political Spending / Lobbying Disclosure					✓
	Sustainability / Carbon Emissions Disclosure / GHG Goals					✓
	Workforce Policies / Wage Gap / Executive Compensation					✓
	Responsible Marketing					✓
	Broad Environmental, Social, & Governance					✓
	Sustainable Mindset	✓	✓	✓	✓	✓



Innovative Public Companies Scaling Sustainability

Companies play the largest role in the transformation to a more sustainable model of capitalism. The most successful, innovative firms are moving toward a more inclusive notion of wealth creation in which the needs of all stakeholders—investors, producers, workers, consumers, communities, and the environment—can be fulfilled.

These companies increasingly recognize that the long-term approach is better for their own success and profitability, as well as the health of their shareholders and stakeholders. The emerging ethos among this cohort of companies is that growth that ignores the detrimental outcomes to stakeholders in pursuit of short-term profit is counterproductive. The same way corporations take advantage of economies of scale, they are working to scale sustainability. These progressive companies are changing the way we transact, the way we work, and how we allocate our time and resources.

There's good reason to embrace this vision. The business case for sustainable business is strengthened by hundreds of research studies at major universities worldwide. Perhaps more importantly, it's now clear that "Sustainability = Innovation." This is a game-changing new reality for both public and private companies. Sustainability is increasingly seen as a more powerful business model and creator of innovative products or services. Innovation is what companies want. Innovation is what solves the world's most intractable problems.

2016 was a milestone year because we saw many companies make further progress creating solutions to address climate change. They are designing energy-efficient solutions; building greener, more livable cities;

creating smarter grids and transport systems; and streamlining packaging and processes. In doing so, these companies are significantly reducing human impact and degradation of our natural resources.

At the same time, others are inventing new software or technology to improve standards of living for the underserved or underbanked. Still other companies are making new medical devices or treatments for neglected and communicable diseases at more affordable prices. Some are advancing a model of shared ownership among employees. That corporate structure can enable worker participation in the company's success through profit sharing and ownership. Some companies are democratizing healthy foods and challenging the status quo of industrial farming and forestry practices. Many of these same companies have recognized the more diverse their leadership and workforce, the more dynamic the ideas they generate. They also recognize sustainable approaches and products are what many consumers want.

This is a revolution more than three decades in the making. It has accelerated, in part, because of sustainable investors like you. As advisors, the Veris team helps clients discover and invest in these innovative companies by partnering with a wide range of impact asset managers. Your capital is moving public and private markets and creating a more prudent, sustainable, and just economic order.

Active Ownership by Company Shareholders

Veris recommends public equity managers and funds that integrate Environmental, Social, and Governance (ESG) into their investment criteria and funds that exclude companies such as fossil fuel producers and weapons manufacturers. Representing shareholders, these managers vote proxies at company meetings based on ESG factors. They engage in dialogue with companies about sustainability, and many initiate shareholder resolutions to influence and improve corporate decision-making. Ownership in public companies gives sustainable investors—Veris clients—seats at the table with some of the largest players in our global economy. These are the very entities that will help save or degrade our planet and society.

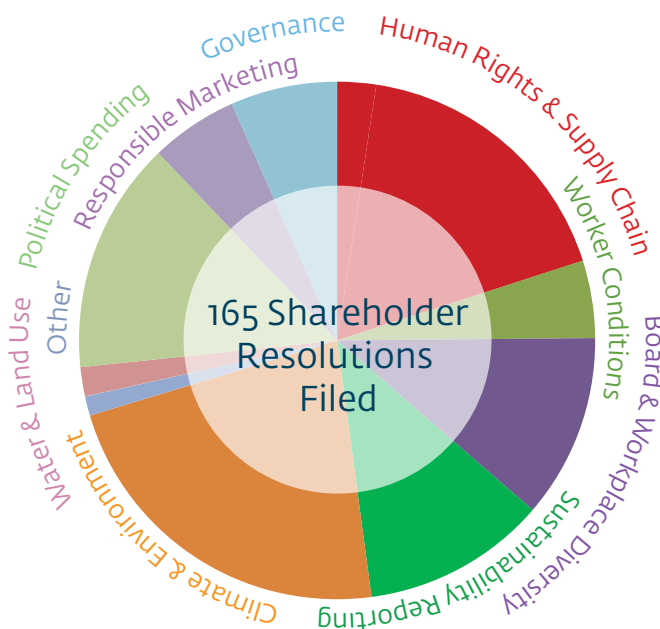
Impact in Public Equity

- Proxy Voting
- Shareholder Resolutions
- Dialogue with Companies
- Public Policy Activism
- Environmental, Social, and Governance (ESG) Analysis
- Exclusionary Screening
- Thematic Impact Strategies

Active ownership is also a powerful tool influencing the decisions and the diversity of corporate boardrooms. Together with shifts in consumer preferences, investors have begun to shift corporate culture. Clearly, the work is far from finished. Many companies are still dominated by business models based on exploitation of natural resources and employees, while marginalizing community stakeholders and human rights. Veris is proud to partner with several organizations that are effectively pushing companies towards positive change: As You Sow, a national shareholder advocacy coalition, CERES Investor Network on Climate Risk, a leader in climate change advocacy, and The Forum

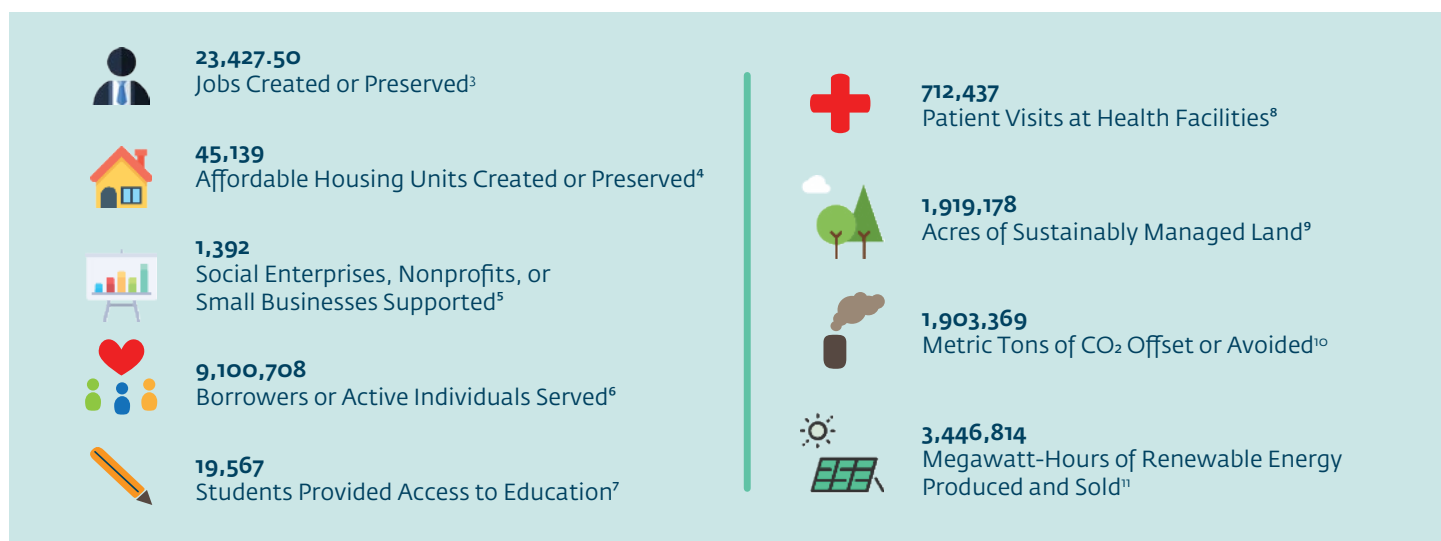
for Sustainable and Responsible Investment (US SIF), the national membership association for sustainable, responsible and impact investors.

In 2016, Veris public equity managers filed or co-filed 165 shareholder resolutions, a 22% increase from 2015. Sixty-nine of these resolutions successfully prompted the companies to agree on steps toward the improvements proposed. There was a ninefold increase in the number of resolutions focused on Human Rights & Supply Chain. The measures included such issues such as reducing “conflict minerals,” sourcing without deforestation, responsible packaging and disposal of waste, and commitments to protect human and indigenous rights and eliminate slave labor. Other issues that received greater attention in 2016 were working conditions and minimum wage policies, climate change and carbon emissions, responsible marketing and drug pricing transparency, executive compensation and pay gaps, and political spending and lobbying.¹²

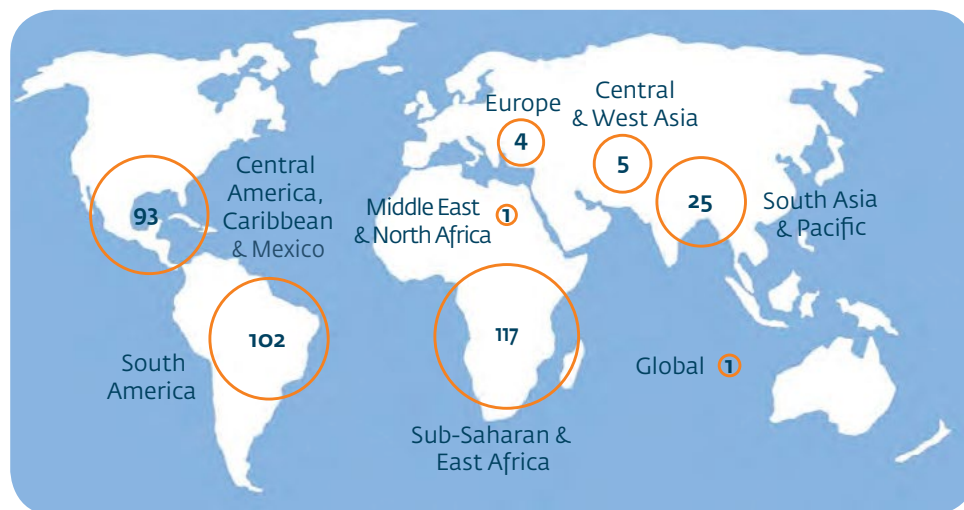


Community Investments | Private Equity & Private Debt

In addition to public company equities, Veris recommends what it believes are the best private impact investments in all asset classes based on independent research. We encourage the private equity, fixed income, and community development funds we recommend to measure and report their impact quantitatively and include narratives about the families, communities, and ecosystems they are positively impacting. In 2016, our managers collectively reported the following results:



Along with generating positive local and domestic impact, Veris identifies sustainable investment opportunities globally. This map of our global scope details, by region, the number of small and medium-sized enterprises (SMEs) and microfinance institutions (MFIs) and other organizations that are supported in part by Veris clients.¹³



2016 Impact By Theme

In this section, we highlight the five thematic areas of investing that Veris focuses on as a firm: **1) Climate Solutions & Environment; 2) Gender Lens Investing; 3) Community Wealth Building & Social Justice; 4) Sustainable Agriculture & Food Systems; and 5) Mindfulness and Sustainability.** These themes are

our long-term strategic priorities. We have developed significant investment and sector expertise in each of these areas. The following highlights were produced with the help of our sustainability research partner Sustainalytics and from impact reporting from our investment managers.¹⁴



Climate Solutions & Environment



Aligns with U.N. Sustainable Development Goals: 6, 7, 11, 12, 13, 14, 15, 16, 17

The negative impact of global warming is well documented. Our oceans temperatures are reaching levels unsustainable for marine life. Extreme weather events are threatening coastal and inland communities. These trends are accelerating. And while the US Federal Government has rescinded global commitments to the Paris Climate Agreement, thousands of investors, over 900 companies, and more than 1,000 governors, mayors, and policy makers remain steadfast in upholding the Paris goals. Veris is proud to be one of thousands of corporate signatories committed to the Paris Climate Agreement. In addition, the issuance of Green Bonds, which finance environmentally-sustainable development of our cities, roads, hospitals, and other infrastructure, set a record of \$68 billion in bond issuance in 2016.

For Veris clients, we emphasize that it's important to "know what you own" and that you can bring about change with your portfolio. Public, investor-owned companies, account for 30% of greenhouse gas emissions. Divesting from the highest emitters, minimizing portfolio carbon footprints, and investing in Green Bonds are ways Veris clients make positive impact.

Private Market Solutions

Several Veris private equity and debt managers mitigate climate change with investments in the conservation of natural resources, renewable energy like solar and wind, energy-efficient buildings and transport, green consumer products and sustainable waste management. **New Energy Capital (NEC)** invests in renewable power generation and clean energy infrastructure across the United States. Projects within its Credit Infrastructure Fund include large community solar farms, utility-scale solar developments, energy storage, and retrofitting buildings with energy-efficient upgrades. In 2016, NEC's portfolio companies collectively surpassed 1,000 Gigawatt/hours of renewable energy production. This was equivalent to removing more than 251,000 passenger cars from roads in 2016. The majority of NEC's investments are in the solar sector, where its projects offset 981,000 metric tons of carbon dioxide. That would provide enough clean energy for 104,000 family homes for a year and is the equivalent of planting more than 25 million trees.

Public Company Solutions

Biogen is a leading biotechnology company developing life-saving and life-improving treatments for autoimmune, neurodegenerative, and other diseases. It is also a leader in environmental sustainability,

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and achieved a Net Zero Carbon Footprint across its value chain in 2015. The company reached its 100% renewable electricity target by 2014 and purchased renewable energy certificates to cover 100% of electricity used in its supply chain. Its carbon emissions intensity is well below its biotech peers and has been reduced by 70% since 2006, while potable water intensity has been reduced 65%. Biogen's strong environmental practices also focus on utilizing green chemistry in drug development and target zero waste-to-landfill. It screens 100% of all suppliers' spending to ensure sustainable and ethical sourcing. They currently achieve a 60% recovery and recycling rate for materials.

Active-Ownership

In 2016, Veris public equity managers filed or co-filed 56 resolutions with companies on environmental issues. These include requests that companies disclose their climate risks, adopt time-bound Greenhouse Gas reduction targets, reduce waste, and increase renewable energy sourcing. Along with resolutions, managers engage companies in face-to-face dialogue to encourage best practices in sustainability. In one example, long-time Veris impact manager, **Boston Common Asset Management**, led the campaign of investors in support of the Standing Rock Sioux Tribe opposition to the Dakota Access Pipeline (DAPL). Boston Common engaged the four major banks lending to the DAPL, as well as Marathon Petroleum, Phillips 66, and Enbridge, and worked closely with First Peoples Worldwide to advocate for environmental and water protection along with safeguarding sacred tribal sites. Boston Common remains committed in 2017 to engaging with banks and oil and gas companies to further the transition to a low carbon economy and strengthen policies protecting indigenous rights.

Gender Lens Investing

SUSTAINABLE DEVELOPMENT GOALS Aligns with U.N. Sustainable Development Goals: 4, 5, 8, 10, 16

Few ideas have captured the imagination as much as Gender Lens Investing (GLI). Investing with a “gender lens” is a strategy in which investors focus intentionally on mobilizing capital to improve the condition of women and girls worldwide. Whether it's advancing diversity in corporate board rooms and executive suites, or channeling capital to underserved entrepreneurs, the underlying premise is that when women are fully engaged and empowered, social change and economic performance accelerate. All of society—both women and men—benefit.

Private Market Solutions

Research shows that women-owned businesses have lower loan approval rates from banks, they receive a fraction of all lending to small businesses, and are shut out of many of the traditional venture capital networks and other opportunities for funding. Recognizing this gap, **Hope Credit Union** provides financing to female entrepreneurs and founders of color. Hope has 30 locations throughout the American South—primarily Mississippi, Louisiana, Arkansas, and Tennessee. In 2016, 41% of Hope business loans were made to women- and minority-owned businesses, far exceeding the national average. For example, Hope provided a small business loan to Renee Brown and Stephanie Bock when they were offered the opportunity to buy the bakery they worked at in Biloxi, MS. The two women didn't have the collateral needed to secure traditional bank financing. With Hope's help, they now own the business and employ nine people, the majority women. Hope applies the same compassion in its consumer



Research conducted by Veris in 2016 found that Gender Lens Investing (GLI) assets under management in public market equities and debt have grown fivefold since 2014 to \$561 million. And have since grown to \$910 million at the end of 2017.

lending practice, opening doors and expanding opportunities for individuals and families regardless of credit scores.

Public Company Solutions

Procter & Gamble (P&G), one of the world's largest producers of consumer products, has a unique channel to millions of women around the world through its many products. In addition to being a signatory to the Women's Empowerment Principles and offering women-specific career development programs within its own business, P&G often uses the strength of its brands to launch campaigns that empower women. Through its brand *A/ways*, P&G's Global Confidence Teaching curriculum launched in 2016 will provide millions of girls around the world with lessons and tools on confidence-building. Similarly, *Pantene's* Beautiful Lengths program helps women battling cancer by providing free, real-hair wigs. P&G is the largest corporate sponsor of the "Lean In Circles" with more than 4,000 women participating. The company also offers flexible work schedules, child care leave, and parental benefits in the U.S. of 16 weeks paid leave for mothers and adoptive parents. With other initiatives aimed at ending girl-to-girl bullying and recognizing the hard work of moms around the world, P&G leverages many channels of its business to empower women.¹⁵

Active Ownership

Market research conducted by Veris and published in 2016 found that Gender Lens Investing (GLI) assets under management in public market equities and debt have grown fivefold since 2014 to \$561 million. Those assets have since grown to \$910 million at the end of

Veris Manager Gender Diversity

We encourage our managers to report on the gender diversity of their investment professionals, senior leadership, and company workforce as a whole. We hope that by asking the question it will inspire firms to build more diverse teams and advance gender equity in a field where women are underrepresented.

Morningstar published a study in 2016 examining fund portfolio managers by gender across 56 countries. They identified the manager's gender of 26,340 funds in the Morningstar database using algorithms to mine gender descriptors in fund documents. They found that between 2008-2015 10% of U.S. fund managers were women. While there are numerous variables and assumptions in this study, Morningstar concludes that women are underrepresented in fund management. Ten-percent is also well-below representation in other professions like law and medicine.¹

In 2016, 30 Veris fund managers reported that an average of 40% of their investment professionals were women. All reporting managers are domiciled in the U.S. Our comparison is not perfect—we are reporting on all investment professionals, which can include portfolio managers, analysts, ESG specialists, and potentially other roles. We look forward to better benchmarks for this metric and strive to enhance our methodology for collecting this data.

¹ Fund Managers by Gender, Morningstar Research, November 28, 2016



With close to zero growth in wages for the bottom half over the past three decades, social mobility, employment, and educational opportunities have slipped out of reach for millions of Americans.

2017. More companies are realizing the importance of diversity within their teams and taking seriously the persistent inequity in opportunity, pay, and treatment that hinders business performance.

Pax World, a sustainable and impact mutual fund manager, has a long history of engaging with companies on gender diversity. For Pax, gender lens investing is both the right thing and the smart thing to do. In 2016, Pax successfully withdrew pay equity shareholder resolutions at five large public companies following the companies' agreements to enhance pay equity disclosure. Goldman Sachs, BNY Mellon, Verizon, AT&T and Qualcomm each agreed to disclose the percentage pay gap between male and female employees and take steps to address disparities. At the time of the filings, none of the companies had any public disclosure related to pay equity. Pax believes that through persistent dialogue, more companies will view pay parity as essential to maintaining top talent and key to any competitive global strategy.

Community Wealth Building & Social Justice

SUSTAINABLE DEVELOPMENT GOALS Aligns with U.N. Sustainable Development Goals: 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 16

The latest research demonstrates that income inequality in the United States has surged since the 1970s. The bottom 50% of wage-earners saw their income decline from 20% in 1980 to 12% in 2014. While the top 1% earned on average 27 times more than the bottom half in the same period.¹⁶ This growing disparity causes enormous distortions and negative implications for

society. With close to zero growth in wages for the bottom half over the past three decades, social mobility, employment, and educational opportunities have slipped out of reach for millions of Americans. Income disparities are part of a broader societal challenge to eliminate discrimination, ensure prosperity, and promote human rights while ensuring the economy grows.

Private Market Solutions

Self-Help Credit Union is on a mission to create and protect ownership and economic opportunity for all. It provides responsible lending and fair financial services focusing on underserved communities. Self-Help offers unique loan products to the immigrant community such as the Citizenship Loans and the DACA (Deferred Action for Childhood Arrivals) Loan. These loans help immigrants complete the naturalization application and pay the legal fees associated. They also help young American “Dreamers” who came to the U.S. as temporary residents gain legal status and establish positive credit. Further, in 2016 Self-Help made loans that enabled 964 families to become homeowners, an increase of 41% from the previous year. This includes helping build 187 energy-efficient affordable homes in North Carolina.

Public Company Solutions

Intel Corporation was an early innovator of the microprocessors that propelled personal computing. As a veteran tech giant, the company has also embraced inclusivity, diversity, and community much more strongly than its Silicon Valley peers. Intel was the first company to publicly commit to making a conflict mineral-free product and was ranked #1 of the 24 consumer

electronics companies for its stewardship in avoiding conflict-minerals by The Enough Project.¹⁷ Its work to reduce conflict-minerals includes pioneering smelter-audits and clean mineral programs in the Congo. And investments in Congolese communities to ensure clean sourcing continues in the country. In 2016, 92% of the company's smelters and refiners were conflict-free. Intel receives a 100% rating from the Human Rights Campaign Corporate Equality Index and is a "Best Place to Work for LGBT Equality."¹⁸ It receives accolades for sanctioning one of the first corporate LGBT employee groups in 1994, and supports Muslim, Jewish, and Christian employee groups.

Community Capital Management (CCM) invests in public fixed income securities that support inclusive community development, such as municipal bonds. In 2016, CCM's investments resulted in the creation or preservation of 30,000 affordable housing units, 2,000 home mortgages for low-and-moderate income families and the creation of over 550 jobs. CCM also invests in bonds that finance disaster recovery efforts, affordable healthcare, neighborhood revitalization, and assistance for mentally or physically disabled persons.



Sustainable Agriculture & Food Systems



Aligns with U.N. Sustainable Development Goals:
2, 3, 10, 11, 12, 13, 14, 15, 16

Millions of consumers are voting with their stomachs. That growing trend of consumer awareness drove the 9% annual growth in demand for local, sustainable foods in 2016. According to the USDA, there has been a 350% increase in the number of farmers' markets since 1994. Meanwhile, local and regional food production is projected to be a \$20 billion market by 2019. Walmart sells 86% more locally sourced foods than it did in 2010. Over 5,000 American school districts now have farm-to-school programs.¹⁹ Yet, many challenges remain. Almost half of all food in America is wasted.²⁰ Obesity and diabetes plague millions globally.

Private Market Solutions

SJF Ventures, an impact venture capital firm, invests in six sectors to initiate positive change. Two sectors address the intersection of food, health and wellness, with sustainable agriculture. One portfolio company is Vital Farms, the nation's leading provider of pasture-raised eggs and poultry products. Committed to ethically-produced food, Vital Farms coordinates with 52 family farms to operate under a set of organic agricultural practices that includes humane treatment of farm animals. As part of the Vital Farms supply chain, these small-scale family farms are earning sustainable incomes, as well as receiving support in converting to healthy humane practices. All supplier farms provide at least 108 square feet per bird and year-round vegetative land for chickens to graze as they naturally would. For Vital Farms, giving laying hens the highest quality of life possible is the key to sustainable land use, beneficial relationships with farmers, and ultimately an amazing tasting egg.

Public Company Solutions

Danone is a global leader in production and distribution of food and beverage products. Water and dairy are huge inputs for many of Danone's products. They recognize that the sustainability of global food systems is essential to the future of their business and their communities. In 2016, Danone U.S. announced that products from its three flagship brands (Dannon, Oikos and Danimals) will transition toward the use of non-GMO ingredients (including feed). To achieve this, Danone has started working with suppliers to plant non-GMO feed and expects to convert 65,000 acres of farmland to non-GMO crops by late 2018. Danone has also committed to linking their business targets with the UN Sustainable Development Goals and publicly tracking their progress on each front.

Active Ownership

Domini Impact Investments, a manager of domestic and international equities, continues to lead and participate in shareholder engagements regarding deforestation, biodiversity, and sustainable agriculture.



Veris clients invest with a “Sustainable Mindset” to affect positive change that will ripple across these themes to build a current for positive and sustainable business.

After successfully convincing Pepsi to adopt a set of forestry commitments in 2014, Domini submitted another shareholder proposal in 2016 urging Pepsi to apply responsible pesticide management policies across its global agricultural supply chain. On a similar front, Domini filed a shareholder proposal with Kraft Heinz encouraging the company to formally report on its efforts to address deforestation and human rights abuses in its supply chain connected with the sourcing of palm oil, paper, beef, soy and sugar.



Mindfulness & Sustainability



Aligns with U.N. Sustainable Development Goals: 3, 8, 10, 11, 12, 13, 16, 17

Veris works with investment managers that build sustainability and mindfulness into their business models. Like the UN Sustainable Development Goals, and our own investment themes, Veris views the world's challenges and their solutions as interconnected and interdependent. The economy and the ecosystem are one. Veris clients invest with a “Sustainable Mindset” to affect positive change that will ripple across these themes to build a current for positive and sustainable business.

Private Market Solutions

TriLinc Global provides finance to Small and Medium-sized Enterprises (SMEs) addressing health and wellness, affordable housing, and access to education and finance in developing countries. One of TriLinc's portfolio companies, a diaper manufacturer in Peru, has provided 12,324 babies and toddlers from Low-and-

Middle Income (LMI) families with access to affordable disposable diapers. This initiative has improved household health and sanitation. The company reported a 94.5% increase in the number of jobs it created since TriLinc's loan. TriLinc's lending has helped 380 students in rural South Africa receive secondary education or vocational training, provided access to consumer credit to more than 35,000 low-income customers in Indonesia, and enabled 51,000 tons of rice and cooking oil imported and distributed in Kenya.

RSF Social Finance has long-embodied a holistic approach to investing that promotes an equal and sustainable economy focused on long-term relationships. RSF is particularly mindful of the complex dynamics between people, profit, and planet. Its purpose is to “transform the way the world works with money.” One way RSF does this is holding “Community Pricing Gatherings” with investors, borrowers, and RSF staff to discuss and set interest rates. Addressing the many capital needs of social entrepreneurs, RSF provides loans, guarantees, grants and equity investments in underfunded arts, cultural and community programs, education, healthful local food systems and the environment. For example, recognizing climate change disproportionately impacts the people of color, BlocPower develops green building projects and energy-efficient upgrades in low-income neighborhoods to save families money, improve health, and reduce emissions. BlocPower helped save the Fordham Methodist Church from bankruptcy and with energy cost-saving. It is addressing asthma rates in dilapidated housing in the South Bronx's “Asthma Alley” and organizing a Bronx Healthy Building Fund and coalition to raise \$10 million.²¹

We truly appreciate your role as change agents and the opportunity to work together. Your optimism inspires us each day and helps us face the inevitable challenges in trying to redefine broad swaths of the global economy.

Public Company Solutions

NovoNordisk is a Danish healthcare company leading the development of treatment for diabetes and obesity. The company founded the World Diabetes Foundation, which helped to encourage a UN resolution to fight the disease globally. Diabetes is the second disease after HIV/AIDS to receive this UN decree. In 2016, NovoNordisk made an unprecedented commitment to offer access to insulin in refugee camps and least-developed countries (LDCs) at a fixed affordable price of no more than \$4 U.S. dollars. Since 2001, NovoNordisk has been selling insulin to many LDCs at prices not exceeding 20% of the average price in industrial countries. This “Differential Pricing Policy” allowed the company to sell insulin at an average of \$0.16 per patient per day.²² The company is consistently ranked in the top 10 of the Access to Medicine Index.²³

Active Ownership

Trillium Asset Management embodies the sustainable mindset in its active ownership efforts. The firm filed or co-filed over 30 shareholder resolutions with companies in 2016. Through sustained dialogue, 18 of those withdrew resolutions because companies agreed to make positive change. Trillium has long advocated for greater gender diversity and LGBTQ equality, for more disclosure and strengthening of sustainability practices and climate change planning, for the rights of shareholders, for fairer pay and benefits for employees,

and for severing ties between Wall Street and Washington through disclosure of companies lobbying and political spending.

Looking Ahead

At Veris, we try to understand the impact thesis of an investment and the criteria by which portfolio companies are chosen. We seek to measure and report quantitative impact as well as stories of the communities and lives affected by our clients’ investments. Going forward, we will continue to bring more clarity to this space and in our own reporting. We welcome more robust, specific and consistent impact measurement across all investment areas. Veris continues to encourage all participants in impact and sustainable investing to promote more diversity and inclusion, greater disclosure of the efforts to mitigate climate change, and better measurement of the effectiveness of tools to alleviate poverty and raise living standards.

Thanks to all of our partners, allies, and investment managers that provided critical information and data for this report and for your thoughtful approaches to more effective impact investing.

***In an effort to support the growing movement to establish more common language in impact reporting, Veris has referenced, where appropriate, the Impact Reporting and Investment Standards (IRIS) catalog developed by the Global Impact Investing Initiative (GIIN). In this report, Veris has aggregated the common impact outputs managers reported in 2016 to highlight the types of activities managers engage in and track.**

To discuss investment opportunities or for help in devising an impact investing strategy to reduce carbon in your portfolio, contact us at www.veriswp.com.



Veris Sustainability

Veris Business-Related Travel & Commuting Emissions

Veris calculates its carbon footprint annually to achieve three sustainability goals: **1) quantify our operational impact on the environment; 2) more closely align our business practices with our investment values, and 3) offset emissions to neutralize the negative environmental effects of our energy use.** This year we used the Native Energy Business Carbon Calculator to define and quantify the sources of our emissions.

	Short Tons CO ₂	Percentage of Total
Offices	48.81	29.47
Flights	94.57	57.11
Driving	6.1	3.68
Trains/ Subway	5.61	3.39
Hotel stays	10.36	6.25
Waste	0.05	0.03
Total Emissions	165.6	100

In 2016, the business operations of Veris produced 165 tons of carbon emissions. To offset the negative externality caused by these emissions, Veris is purchasing \$2,317 worth of carbon offsets through Native Energy.

Native Energy's offset projects cost \$14 per ton of CO₂ to invest in projects that will have a positive environmental and social impact for the people that benefit from them. In 2016, Veris employees chose Native Energy's Clean Water project in Ethiopia.

Veris' Carbon Offset—Ethiopia Clean Water Project

The Ethiopia Clean Water Project installs thousands of Hyraid® water filters in homes and schools in the Sidama Zone. The people in this region live with the least access to clean water and sanitation resources in Sub-Saharan Africa. The project helps raise the standard of living and reduce potential greenhouse gas emissions. According to Native Energy, almost 75 percent of people in the project area drink raw water from rivers, lakes, and rain pits and are desperately in need of alternative means to get clean water.

The water filters enable villagers to conserve the valuable resources and time it normally takes to purify their water and greatly reduce the risk of serious disease from drinking raw, untreated water. The drivers of improved health and the carbon reductions will be monitored and verified according to The Gold Standard's rigorous requirements. Beyond the immediate water and carbon benefits, the process for implementation creates career opportunities for Ethiopians. Clean water enables villagers to spend more time with their families and put more energy into farming and building prosperous coffee businesses. The project works closely with Coffee Co-ops in the region to ensure filters go to families that need them most.

Veris Sustainability Key Performance Indicators

	2010	2011	2012	2013	2014	2015	2016
% Staff Women	57%	57%	66%	67%	65%	68%	65%
% of Paper & Cardboard Recycled	100%	100%	100%	100%	100%	100%	100%
Business Miles Flown	114,536	88,240	118,353	154,558	169,137	212,021	210,161
% Employees Not Driving to Work	71%	70%	66%	60%	59%	52%	70%
Volunteer Time Off (Hours), Annual	n/a	16	113	158	252	248	218
CO2 Emissions (Tons)	112	101	112	140	147	162.6	165.5
CO2/AUM (Tons per \$1 Million)	0.23	0.17	0.21	0.21	0.21	0.22	0.17
Renewable Offsets Purchased	\$1,562	\$1,412	\$1,572	\$1,961	\$2,057	\$2,276	\$2,317

Footnotes

¹ US SIF Report on US Sustainable, Responsible and Impact Investing Trends 2016.

² The metrics cited in this impact report were not audited by a third party. Data is collected directly from the investment managers Veris works with.

³ IRIS Metric PI4874, 13 managers reporting.

⁴ IRIS Metric PI5965, 11 managers reporting.

⁵ IRIS Metrics PI4940 & PI9652, 13 managers reporting.

⁶ IRIS Metric PI9327, 7 managers reporting.

⁷ IRIS Metric PI2822, 6 managers reporting.

⁸ IRIS Metric PI2822, 3 managers reporting.

⁹ IRIS Metric I6912, 5 managers reporting.

¹⁰ IRIS Metric OI6697, 4 managers reporting.

¹¹ IRIS Metric PI5842, 5 managers reporting.

¹² Some Veris managers do not vote proxies, file shareholder resolutions, or engage in dialogue directly on behalf of individual Veris clients, but rather collectively on behalf of the fund's pooled capital.

¹³ 3 managers reporting.

¹⁴ Sustainalytics is a leading ESG research, ratings and analysis firm founded in 1992. Veris and Sustainalytics have a strategic partnership to better understand and apply ESG factors, impact measurement and reporting.

¹⁵ <http://news.pg.com/press-release/pg-corporate-announcements/procter-gamble-commits-helping-100-million-girls-and-women->

¹⁶ Piketty, T., Saez, E. and Zucman, G., *Distributional National Accounts: Methods and Estimates for the U.S.*, National Bureau of Economic Research, Working Paper No. 22945, December 2016

¹⁷ Corporate Rankings 2012, The Enough Project, <https://enoughproject.org/files/CorporateRankings2012.pdf>.

¹⁸ <http://www.hrc.org/resources/best-places-to-work-2017>.

¹⁹ Statistics provided by Fresh Source Capital.

²⁰ Wasted: How America is Losing Up to 40% of Its Food from Farm to Fork to Landfill, *NRDC*, August 2012.

²¹ "Re-energizing the Bronx," RSF Quarterly Newsletter, Summer 2017.

²² Guiding Principles on Access to Healthcare, BSR.org Case Study, retrieved Aug. 30, 2017. <http://gpah.bsr.org/en/case-studies/view/differential-pricing-policy-for-least-developed-countries>.

²³ <http://accessmedicineindex.org/media/atmi/ATMIIndex-2016-Report-Cards-Novo-Nordisk.pdf>.

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About Veris Wealth Partners

Veris Wealth Partners, LLC is a partner-owned, independent wealth management firm that specializes in impact and sustainable investing. Veris believes that superior investment performance and positive impact are complementary parts of a holistic investment strategy. Veris is based in San Francisco with offices in New York, Portsmouth, and Boulder.

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Values. Wealth. Sustainability.

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