

A man with a goatee, wearing a black t-shirt with an 'Orange Bend Harvesting' logo, blue jeans, and a black baseball cap, stands next to a red International 340 tractor. He is smiling and has his hand on the tractor's fender. The background shows a rural area with palm trees, a green building, and other vehicles.

# 2023 IMPACT REPORT

**Focusing on Climate and Environmental Justice**

*Cornelius Caldwell's citrus farm, Orange Bend Harvesting, received a working capital line and technical assistance from Potlikker Capital, an approved Veris manager. Read more on [page 23](#).*

**VERISWP.COM**



**VERIS**

Wealth  
Partners



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**This Impact Report is intended for informational purposes only, provides only a summary of topics discussed, and reflects the opinions of Veris.**

The contents should not be construed as a recommendation of any investment manager, fund or security. Readers should consult their financial advisors to determine if the managers, companies, or funds referenced in the report are appropriate for their personal investment. The information provided illustrates efforts to influence social and environmental issues. The selection was unrelated to financial performance and collected from various sources all of which are believed to be reliable but have not been independently verified. Impact figures are generally approximate values. Past performance is not indicative of future results. The information contained in this report contains certain forward-looking statements, often characterized by words such as “believes,” “anticipates,” “plans,” “expects,” “projects,” and other similar words, that indicate future possibilities. Due to known and unknown risks, other uncertainties and factors, actual results may differ materially from the expectations portrayed in such forward-looking statements.

Veris requested that managers provide impact results for calendar year 2022. However, the information presented may reflect impact results prior to calendar

year 2022 because of delayed reporting by underlying managers. The impact metrics presented herein are compiled based on information reported by managers and funds utilized by Veris and are estimated and unaudited. Data (including, without limitation, information pertaining to impact results) has been provided by third parties. While we believe such information provided by third parties to be reliable, we make no guarantees as to the accuracy or completeness of the information presented.

No assumptions should be drawn as to whether the results of other portfolio companies of managers and funds utilized by Veris compare positively or negatively with the results of the portfolio companies highlighted in this report. There are other portfolio companies of managers and funds utilized by Veris which have not achieved their intended impact results. Past performance is no guarantee of future results.

Individual case studies are presented to highlight the challenges faced with respect to each impact theme on which Veris concentrates its efforts and how each highlighted company proceeds to address such challenges. Impact results presented in such case studies are not necessarily representative or indicative of whether other portfolio companies of managers or funds utilized by Veris have experienced similar results or have approached making an impact in the same manner as the companies described herein. 🇩🇪



## CEO FORWARD



**Stephanie Cohn Rupp**  
Partner – CEO

### Welcome to the 2023 Veris Wealth Partners Impact Report!

Every year, Veris Wealth Partners produces our firm-wide Impact Report to illustrate the environmental and societal impact of our investment platform and our operations. Our investments and advisory teams do an incredible job aggregating quantitative and qualitative data to show how Veris lives its values as a B-Corp, embodies our goals of equity and diversity, and strives to reduce our environmental impact as a firm that has made a net zero commitment.

Our firm seeks to keep ourselves accountable to our mission and vision, and the purpose of this report is to communicate the impact of our efforts to our clients, colleagues, and partners in the marketplace. We hope this information inspires conversation, and we invite you to share any thoughts you have with us.

The theme of this year's Impact Report is focused on Climate Justice, an urgent topic that lies at the intersection of climate solutions and social and economic justice.

#### Climate Change Effects are Not Created Equal

At Veris, we believe there is an urgent need to invest in climate interventions

serving the needs of the people who are most vulnerable to climate change. While no one can fully escape the ramifications of global warming, the effects of climate change are not borne equally. Poorer communities suffer disproportionately from higher temperatures and extreme weather.<sup>1</sup> Low-income countries and people living in poverty tend to depend on natural resources for their day-to-day survival, and they have limited capacity to cope with the extremes climate change brings.<sup>2</sup>

For these reasons, climate change is likely to drive up poverty rates — engendering a vicious cycle. According to the Inter-American Development Bank (IDB),



climate change and natural disasters have the potential to undo much of the recent progress made in lifting households out of poverty and could push an additional 100 million people into poverty globally over the next decade.<sup>3</sup>

### Climate Change and Economic Development: At Odds?

Although poorer populations and countries are disproportionately impacted by climate change, they are not the main culprits of Greenhouse Gas (GHG) emissions. The EU and the US have burned coal and emitted GHGs for centuries, fueling their economic growth. A few emerging markets, such as China, Russia, and India, now number among the world's top GHG emitters.<sup>4</sup>

We believe that dramatically reducing carbon emissions globally by 2050 will be crucial to avoid cataclysmic changes to our planet, but it appears that some emerging market nations are reluctant to commit to net zero goals with a target date of 2050 out of fears that their economic growth will be curtailed. China, for example, has pledged to reach carbon neutrality before 2060 and to ensure their CO<sub>2</sub> emissions peak before 2030.<sup>5</sup> Achieving the transition to net zero emissions by 2050 will require

substantial climate mitigation investment in emerging markets and developing economies, which currently emit around two-thirds of greenhouse gases.<sup>6</sup>

We believe that the climate transition could also be a source of economic development. The Biden Administration shares the view that sound climate policy can actually drive growth, and that idea shaped the Inflation Reduction Act.<sup>7</sup> This is also currently a topic of inquiry for academics and thought leaders such as the [Carnegie Endowment](#).

### COP28 Commitments and the Need for Private Capital

At COP 28, which launched on November 30th, 2023, nation states are gathering to address how to curb GHG emission and combat climate change, while discussing North-South financing options. Non-state actors participate as well, lobbying for more financial support for under-resourced climate transition projects. Ironically, COP 28 will be hosted by the United Arab Emirates, which is one of the highest CO<sub>2</sub> emitting countries per capita in the world.<sup>8</sup>

Commitments will be made at COP28, as they often are at UN Climate Meetings – like the Paris Climate Accords of 2015.

If you note the lack of progress reported by [Climate Action Tracker](#) and others, you can surmise that many such commitments are likely to go unmet. This is why we believe that private capital is essential to funding and fueling the climate transition, while also focusing on the most disadvantaged.

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**“... climate change is likely to drive up poverty rates — engendering a vicious cycle.”**

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### Climate Justice Solutions

We may not be able to control or influence state actors, but we believe that the impact investment sector can influence private sources of capital and seek to ensure that the targets of investment are both focused on climate and social equity through just transition solutions.

This means investing in clean technology, while simultaneously supporting climate adaptation whether it is through job retraining, access to clean technology, access to climate finance and much more.



In practice, this looks like investing in Green Bonds issued by municipalities that are most vulnerable to climate change, climate-retrofitted Affordable Housing projects, investing so that low-income communities have access to solar energy, or reskilling displaced traditional energy workers and our labor force including autoworkers so that they are prepared for the clean-tech jobs of the future.

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**“... we believe that the impact investment sector can influence private sources of capital...”**

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One such investment solution is [Sunwealth](#), which finances solar energy projects for diverse communities, emphasizing investment in women and BIPOC-owned or led solar companies and projects that uplift low-income communities. It also means investing in agricultural communities of color through funds like [Potlikker Capital](#), which provides financing to BIPOC farmers as well as advisory support, advocacy,

and community building. You will find much more in this report as to Veris’ proprietary approach to Climate Justice Solutions investing, through the Veris Just Transition Framework which is focused on communities of color, low income and coastal communities and women. The Veris approach is to invest in models which democratize decision-making and build community wealth by leveraging innovative blended finance structures.

Our impact report not only explains our approach to Climate Justice Solutions investing, but also details our own progress as a firm towards fulfilling our net zero commitments. You will also see more of our firm’s efforts to achieve our goals for diversity, equity, inclusion, and belonging through our work with [CommonHealth Action](#).

Veris is in a phase of true transformation and positive expansion. Despite the significant challenges we face today, including rising threats from climate change, armed conflicts, the reversal of certain human rights, a lack of gun control, attacks on ESG investing, and lawsuits against racial diversity investing, we remain hopeful, determined in our work in close collaboration with our clients, and focused on our mission

to create a more just, equitable and sustainable world through the medium of investing. We will not be deterred.

We hope that these pages will illustrate our progress and if you are not yet part of our community, we hope you will join our movement. 🇺🇸



**Stephanie Cohn Rupp**  
Veris Wealth Partners, CEO  
[scohnrupp@veriswp.com](mailto:scohnrupp@veriswp.com)



# EXECUTIVE SUMMARY

## Impact Metrics Highlights\*



### CLIMATE SOLUTIONS AND THE ENVIRONMENT

**47,373,031**

megawatt hours (MWh) of  
renewable energy generated



### RACIAL AND GENDER EQUITY

**30%**

of supported private companies  
and organizations were founded  
or led by women

**42%**

of supported private companies  
and organizations were founded  
or led by people of color



Photo Credit: Lorie Shull, Creative Commons



### COMMUNITY WEALTH BUILDING

**646,310**

affordable housing units  
created or preserved



### SUSTAINABLE AND REGENERATIVE AGRICULTURE

**5,234,382**

acres of land managed  
sustainably

The metrics above are some of the impact reported by Verisapproved managers. Any portfolio company examples and results presented herein should not be construed as representative of all investments of the manager or fund in question. Certain information has been provided by the pertinent manager or portfolio company, and Veris has not independently verified such information. For additional important disclosures pertaining to the information contained herein, please see page 3.



## Shareholder Advocacy

# 1,091

shareholder resolutions  
sponsored or endorsed  
directly by Veris' clients  
in 2022 (77% increase  
from 2021)

# 4,428

engagements conducted  
by Veris' approved public  
equity managers in 2022  
(5% increase from 2021)

## Climate Justice

Veris created a Just Transition Investment Framework to address Climate, Environmental and Energy Justice. Our firm has identified a few managers that are addressing various aspects of our framework and serving the communities that are most vulnerable to climate change and impacts of environmental pollution. [We've highlighted Potlikker Capital.](#)

## Diversity, Equity, Inclusion, and Belonging

### Veris Team

| DIVERSITY METRIC | WOMEN | PEOPLE OF COLOR | LGBTQ+/PEOPLE WITH DISABILITIES |
|------------------|-------|-----------------|---------------------------------|
| Management Team* | 67%   | 17%             | 17%                             |
| All Employees**  | 74%   | 35%             | 16%                             |

\*Includes all permanent members of Veris' management team as of 12/31/22.

\*\*Includes all Veris employees between 1/1/22 and 12/31/22.

### Veris' Approved Managers

| DIVERSITY METRIC | WOMEN | PEOPLE OF COLOR |
|------------------|-------|-----------------|
| Management Team  | 36%   | 27%             |
| All Employees    | 48%   | 38%             |

### Diversity of Underlying Portfolios

| DIVERSITY METRIC | WOMEN | PEOPLE OF COLOR |
|------------------|-------|-----------------|
| Management Team† | 33%   | 27%             |
| All Employees††  | 43%   | 49%             |

†Management Team Diversity is reported by Veris' approved public equity, fixed income and alternative managers.

††All Employees Diversity is reported by Veris' approved alternative managers only

# FIRM IMPACT

## Veris Re-Certified as a B Corp

Our firm has been a [Certified B Corp](#) since 2011. Every two years, Veris goes through a recertification process, as do all B Corps, to demonstrate that we continue to meet the high standards of social & environmental responsibility expected of this community of responsible business leaders.

### Veris Wealth Partners' B Impact Score



- **144.8 Overall B Impact Score**
- **80 Qualifies for B Corp Certification**
- **50.9 Median Score for Ordinary Businesses**

Based on the B Impact assessment, Veris Wealth Partners earned an overall score of 144.8 out of a possible 200. The median score for ordinary businesses who complete the assessment is currently 50.9.

[See full breakdown.](#)



## Veris Goes to Washington

### Veris Co-Sponsored & Participated in US SIF's Capitol Hill Day & Member Day

A delegation from Veris traveled to Washington DC in August of 2023 to meet with our congressional representatives and other members of US SIF. Highlights included hearing from Representative Sean Casten (D, IL-6), Co-Chair of the Congressional Sustainable Investment Caucus and US SIF President Maria Lettini. At the US SIF's Capitol Hill Day and Member Day events, our team took away several key insights:

- There is strong support for SEC disclosure rules on Climate Risk and Human Capital Management and demand for universal global disclosure standards.
- Congressional representatives on both sides of the aisle need to hear more from ESG supporters
- As a field, we need to do a better job of explaining why integration of financially material ESG factors is important in investment decision making.

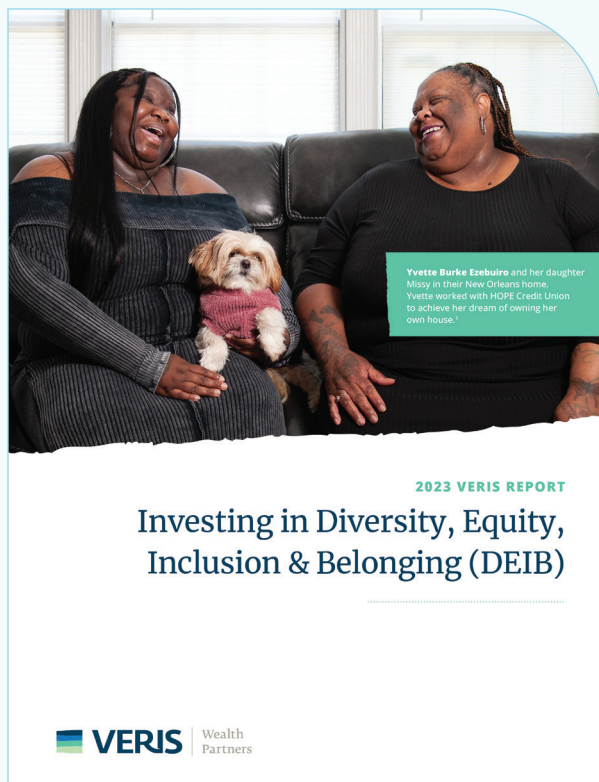
To hear more about the insights the Veris delegation took away from Washington, please read [Veris Goes to Washington](#).



Clockwise from top left: Roraj Pradhananga, Michael Lent, Karen Walls deRochemont; Roraj Pradhananga with members of US SIF in the US Capitol; Stephanie Cohn Rupp with Amy Rell; Stephanie Cohn Rupp with Michael Young, US SIF's Director of Education and Outreach.



Photo Credits: Ashley Givens



## Diversity, Equity, Inclusion, & Belonging

Veris has a vision to build a more just, equitable, and sustainable world through our investments and our practices and we recognize that our goals for diversity, equity, inclusion, and belonging (DEIB) must also guide our internal policies and practices.

In 2023, Veris published [Investing in Diversity, Equity, Inclusion, and Belonging](#), a report detailing our approach to address historic and systemic wealth inequality in the United States.

As a firm, Veris made a two-year commitment with [CommonHealth ACTION](#) to help our firm's leadership and staff share a common understanding of the concepts and language of diversity, equity, inclusion, and belonging and institutionalize DEIB in our policies and practices. In 2022 and 2023, in collaboration with CHA, Veris:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>Formalized our DEIB Committee and its mandates</li> </ul>                                   | <ul style="list-style-type: none"> <li>Made recommended changes to the employee handbook and firm recruitment practices</li> </ul>                  |
| <ul style="list-style-type: none"> <li>Completed workshops on Equity, Diversity, and Inclusion and Allyship as a firm</li> </ul>   | <ul style="list-style-type: none"> <li>Engaged with CHA to determine our firm's approach to implementing DEIB policies</li> </ul>                   |
| <ul style="list-style-type: none"> <li>Conducted surveys and interviewed staff to identify necessary structural changes</li> </ul> | <ul style="list-style-type: none"> <li>Drafted a 3-year strategy focused on accountability, culture, talent, education, and partnerships</li> </ul> |

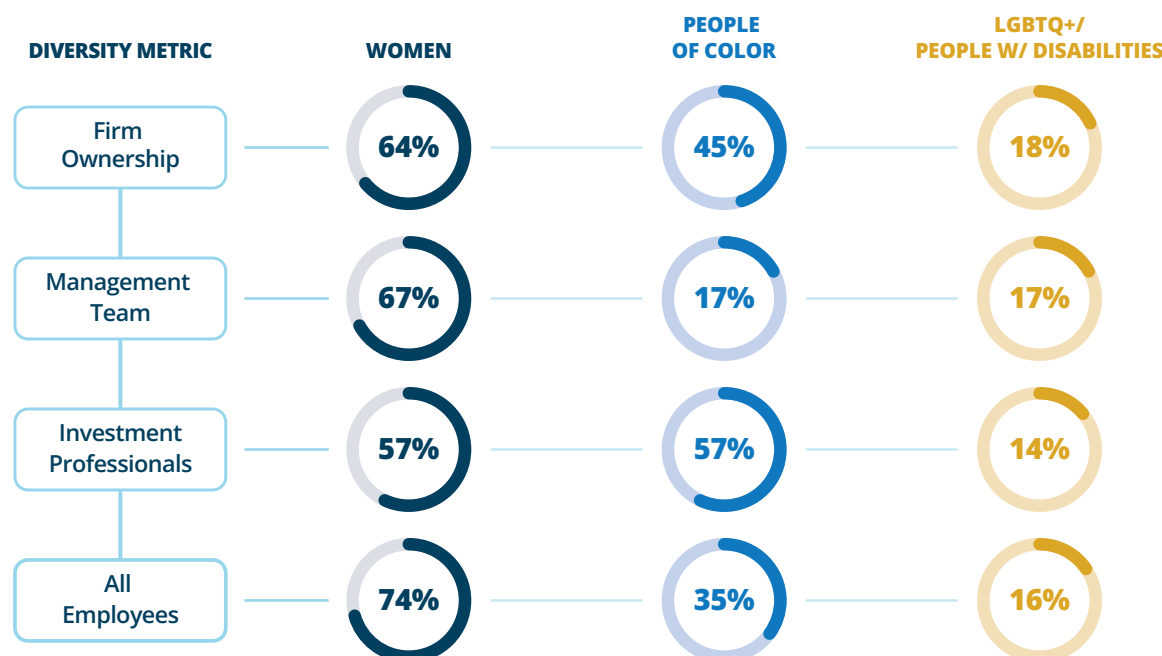
We are proud that our DEIB efforts as a firm were recognized by our colleagues in the industry. Veris was awarded the [Wealth For Good award for Best Diversity and Inclusion Program \(Americas\)](#). The judges highlighted evidence that "Diversity, Equity, Inclusion and Belonging influence all aspects of work" at Veris, as well as the firm's "aim to foster an inclusive economy, expand economic and financial access and cultivate a sense of belonging internally and externally."



## Diversity Metrics Across the Firm

Veris has been a women-led company since inception. We are continually working to diversify our team and build a culture of belonging that is inclusive in terms of gender, race, disability, sexual orientation, religion, veteran-status, and other markers of identity. As of the end of 2022:

### Veris Diversity Metrics As of the End of 2022



To ensure that we continue advancing towards our goals for Diversity, Equity, Inclusion, and Belonging, we have implemented proactive hiring practices to access more diverse channels for recruiting at all levels.

Firm Ownership: Data based on ownership team diversity on 1/1/23. Rosemont is counted as one partner. Management Team: Data based on a snapshot of permanent members of the management team on 12/31/22. Investment Professionals: Data based on a snapshot of Veris investment professionals as of 12/31/22. All Employees: Data includes all Veris employees 1/1/22 – 12/31/2022.

## Net Zero Commitment

As a firm, Veris is committed to reducing our carbon footprint. In 2022, Veris Wealth Partners signed onto [The Small and Medium Enterprise \(SME\) Climate Commitment](#) and pledged to reduce our greenhouse gas emissions by 50% before 2030, achieve net zero emissions before 2040, and disclose our progress on a yearly basis.

- 2021 our firm's carbon footprint was 45.43 metric tons
- In 2022 our firm's carbon footprint was 50.97 metric tons

Despite our efforts to reduce our footprint, Veris has grown, and we now have a greater number of employees generating emissions. We are also traveling more to engage in important conversations about the future of the field of impact now that our industry has returned to in-person events. However, we take our net zero commitment seriously and will continue to seek new ways to balance our growth as a firm and as a field with our sincere desire to reduce our impact on the environment.

We offset 100% of our emissions through Native Energy, a B Corp with a global

portfolio of carbon offsets approved by The Gold Standard and other leading standards. Veris paid Native \$18 per metric ton of CO<sub>2</sub>, to help fund projects that have a positive environmental and social impact. This year, Veris employees voted for our offsets to support the Mozambique Clean Water Project.

### Mozambique Clean Water Project<sup>9</sup>

This project rehabilitates, installs, and maintains borehole water infrastructure to provide Mozambican communities with safe, clean drinking water, while building capacity at the local level around managing water sources. Their [water, sanitation, and hygiene \(WASH\) campaign](#) also seeks to improve sanitation and hygiene practices.

The desired impact is to reduce the risk of waterborne illnesses in the community and to reduce or eliminate the need to boil water for purification. Another positive outcome of this work is that women and girls in the community can reduce the amount of time spent collecting water and firewood for water purification, which allows them to spend more time on other activities. 🇲🇵





# OUR IMPACT INVESTMENT APPROACH

Veris seeks to meaningfully contribute to a more equitable, just, and sustainable world through our investments. It is our view that investors can have positive social and environmental impact across asset classes.

## The Veris Investment Philosophy

We believe that ESG Integrated & thematic investing and shareholder advocacy in public markets along with impact private funds and community investment notes can drive positive impact while approximating the performance of the respective asset class. As a firm, we:



Invest with managers that integrate ESG principles in their investment process or align with our four themes



Believe that the integration of material ESG factors and shareholder advocacy can mitigate risk & have a positive impact on returns



Champion the idea that racial and gender diverse teams can improve outcomes by providing more perspectives on the risks and opportunities of various investments



Seek to invest with diverse managers who incorporate Equity, Diversity, and Inclusion, (EDI) in their investments



Monitor the performance and impact metrics of our managers and report the data to our clients

## Our Clients' Goals Drive our Process

Our clients' financial and impact goals are at the core of our investment philosophy, and they drive our portfolio construction process. Veris works with our clients to:



Understand all short-term spending needs and future expenditures we need to plan for



Identify strategies that serve the client's impact goals and financial goals



Determine the target allocation to various asset classes based on the liquidity and long-term growth goals of the client and the optimal impact strategies that are compatible with those plans

By combining our expertise with our clients' priorities, we strive to provide results that synthesize their financial and impact goals. 🇩🇪



### Intersectionality & Our Thematic Approach to Investing

Veris focuses on creating long-term positive environmental and social impact in four thematic areas. We seek intentional investment opportunities connected to these themes across all asset classes in public & private markets.

We believe interconnected challenges require an intersectional approach to achieve sustainable, long-term impact. An investment that fits into our Climate Solutions and the Environment theme might also support the creation of quality jobs while building wealth in under-resourced communities.

#### Climate Solutions & The Environment

Mitigating and adapting to climate change, conserving natural resources, and helping create a more sustainable and regenerative world through innovation.



#### Sustainable & Regenerative Agriculture

Sustainable and regenerative approaches to agriculture that help increase food security, preserve biodiversity, reduce and capture emissions, and support farmers.



#### Racial & Gender Equity

Removing obstacles and improving outcomes for People of Color and women as workers, communities, clients, entrepreneurs, leaders, and executives.








#### Community Wealth Building

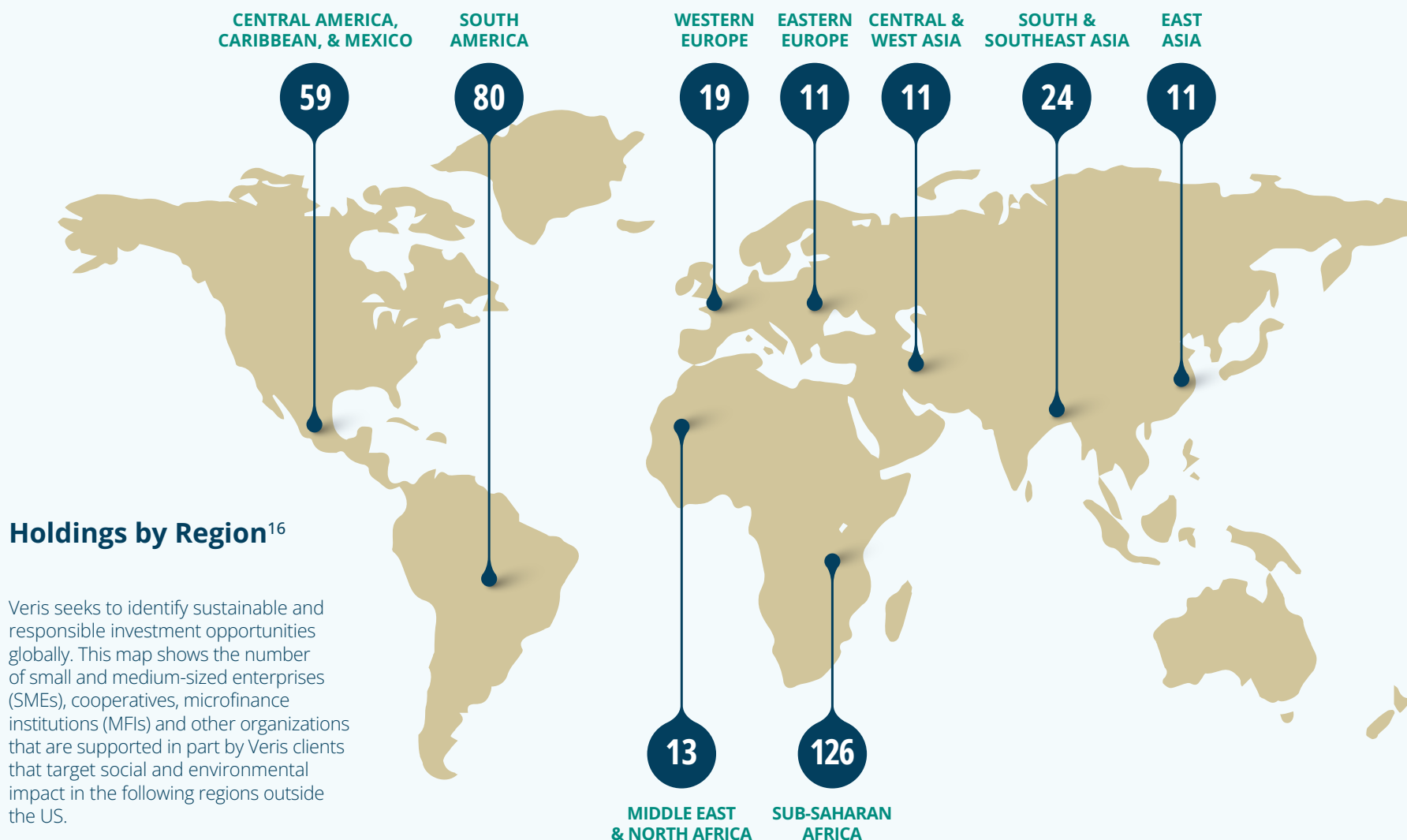
Building wealth and economic success in marginalized communities while ensuring sustainable economic growth, eliminating discrimination, and promoting human rights.



# IMPACT ACROSS ASSET CLASSES

|   |   | COMMUNITY<br>INVESTMENTS/<br>CDFIS | PRIVATE DEBT /<br>EQUITY / VENTURE<br>CAPITAL | REAL<br>ASSETS | PUBLIC FIXED<br>INCOME | PUBLIC<br>EQUITY |
|---|---|------------------------------------|---|----------------|------------------------|------------------|
| <br>Climate Solutions & the Environment      | Renewable & Clean Energy                                    | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Water Infrastructure / Water Management                     |                                    | ✓   | ✓              | ✓                      | ✓                |
|   | Fossil Fuel Free  | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Circular Economy / Waste Management / Recycling             | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Energy Efficiency   |                                    | ✓   | ✓              | ✓                      | ✓                |
|   | Green Buildings   | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Electric Mobility   |                                    | ✓   |                | ✓                      | ✓                |
|   | Green Chemistry / Products                                  |                                    | ✓   |                |                        | ✓                |
|   |   |                                    |   |                |                        |                  |
| <br>Racial and Gender Equity                 | Women on Board / Management / Workplace                     | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | People of Color on Board / Management / Workplace           | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Women and People of Color Entrepreneurs and Owners          | ✓                                  | ✓   |                |                        |                  |
|   | Products & Services for Women and People of Color           | ✓                                  | ✓   | ✓              | ✓                      |                  |
|   | LGBTQ+ Equality   | ✓                                  |   |                |                        | ✓                |
|   | Indigenous Rights / Refugees / Immigrants                   | ✓                                  | ✓   |                |                        | ✓                |
|   | Women & Girls Empowerment                                   | ✓                                  | ✓   |                |                        |                  |
| <br>Community Wealth Building                | Quality Jobs  | ✓                                  | ✓   | ✓              |                        |                  |
|   | Education / Early Childhood Development                     | ✓                                  | ✓   |                | ✓                      |                  |
|   | Health & Wellness / Nutrition                               | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Access to Fair and Affordable Capital / Financial Inclusion | ✓                                  | ✓   |                | ✓                      | ✓                |
|   | Small Business Finance / SME                                | ✓                                  | ✓   |                | ✓                      | ✓                |
|   | Affordable Housing / Homeownership Assistance               | ✓                                  | ✓   | ✓              | ✓                      |                  |
|   | Community Economic Development                              | ✓                                  |   |                | ✓                      |                  |
|   | Microfinance  | ✓                                  | ✓   |                |                        |                  |
|   | Arts & Creativity   | ✓                                  |   |                |                        |                  |
| <br>Sustainable & Regenerative Agriculture | Sustainable / Organic / Regenerative Farming                | ✓                                  | ✓   | ✓              |                        | ✓                |
|   | Sustainable Food System                                     | ✓                                  | ✓   | ✓              |                        | ✓                |
|   | Biodiversity  | ✓                                  |   | ✓              |                        | ✓                |
|   | Habitat Conservation  | ✓                                  |   | ✓              |                        |                  |
|   | Sustainable Fisheries / Aquaculture                         | ✓                                  |   |                |                        |                  |
|   | Sustainable Timber & Forestry                               |                                    |   | ✓              |                        |                  |
| <br>Shareholder Advocacy & ESG Integration | ESG Integration   | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Shareholder and Portfolio Company Engagement                | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Public Policy Advocacy                                      | ✓                                  | ✓   | ✓              | ✓                      | ✓                |
|   | Shareholder Proposal  |                                    |   |                |                        | ✓                |
|   | ESG Proxy Voting  |                                    |   |                |                        | ✓                |

## OUR GLOBAL REACH



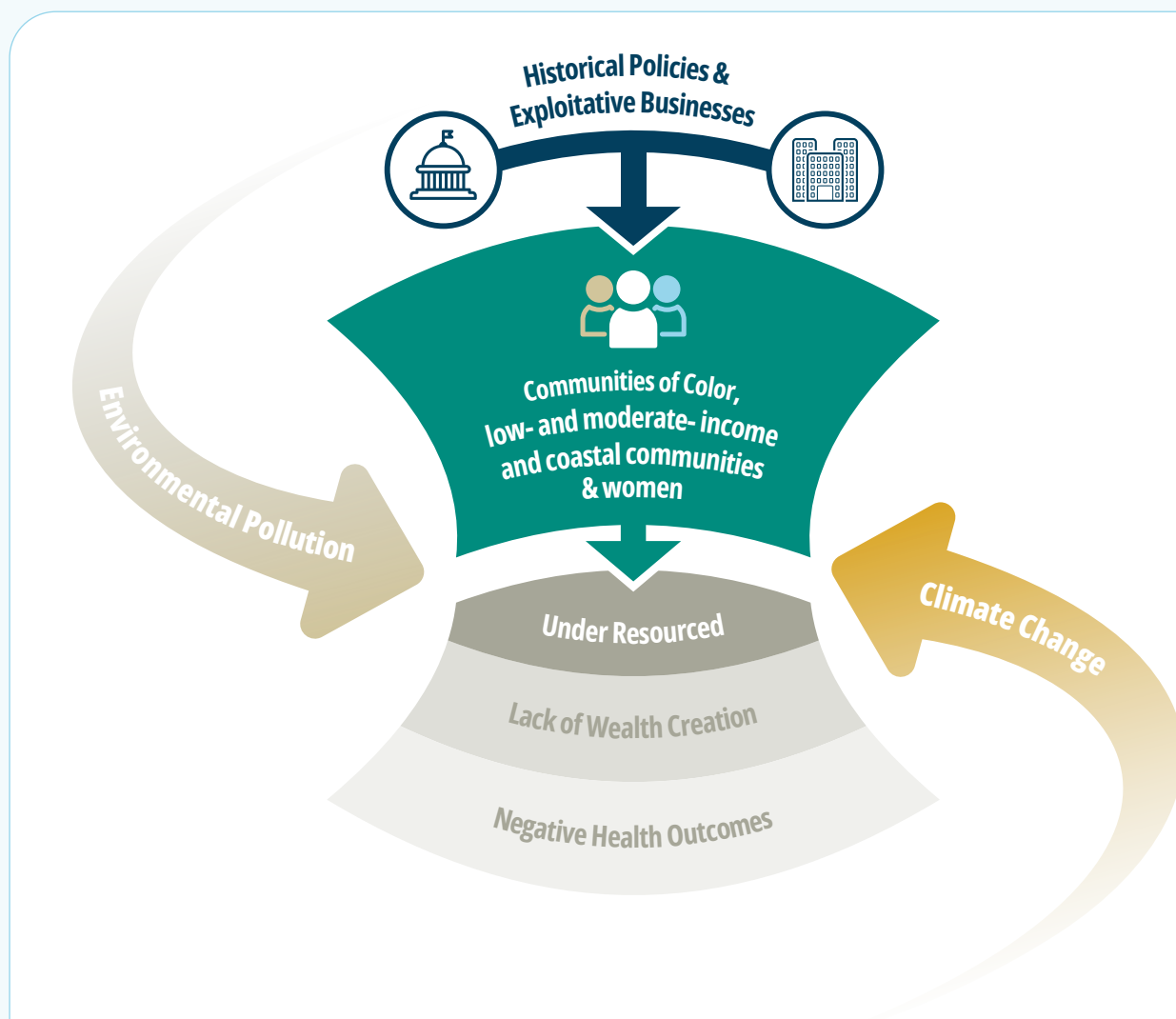


# FOCUS ON CLIMATE AND ENVIRONMENTAL JUSTICE

Disparities in health outcomes and impact of natural disasters show that the worst consequences of centuries of fossil-fuel powered industrial development, including pollution, environmental degradation, and climate change, are disproportionately harming people of color, low-income communities, women, and coastal communities in the United States<sup>10</sup> and globally.<sup>11</sup> In response, a growing number of investors are changing how they invest their assets to support these communities.

While definitionally different, the Climate Justice and Environmental Justice Movements work to address disparities that perpetuate inequality. Members of these movements fight for the under-resourced, low-income, and BIPOC communities that are disproportionately impacted by pollution and climate related dangers including storms and floods, wildfires, severe heat, and lack of access to food and water.<sup>12</sup>

At Veris, we believe that a coalition of catalytic investors, impacted communities, entrepreneurs, and nonprofits like



CDFIs need to come together to create and support intentional investable environmental and climate justice solutions that focus on adaptation and resilience.

However, given the enormous investment required to tackle these challenges, it is our view that sound policy initiatives will be necessary at the local, state, federal, and global level to back these investments.

Most importantly, we believe that the voices of workers and other key members of impacted communities, such as former energy communities and auto workers who need to be reskilled, are heard and considered in investment decision-making and ideally that they participate in the economic upside of these investments.

Veris has leveraged two existing frameworks — A Just Transition and Energy Justice to help translate the work of these movements into an investable framework.



### What is a Just Transition?

A just transition is the idea that as the world moves from an extractive to a low-carbon regenerative economy, the transition must be inclusive and equitable, and it should not create stranded assets, workers, or communities.

A just transition is also one that generates wealth in historically marginalized and under-resourced communities.



## Veris' Just Transition Investment Framework

Veris has outlined the following Just Transition Investment Framework to help tackle environmental and climate injustices. Our aim is to advance actions that benefit the communities that are

most vulnerable to the negative impacts of climate change and environmental pollution. Our firm intends to use this framework to identify investable solutions that:



### **Center Racial and Gender Equity**

Incorporate racial and gender equity approach at all levels of the firm and investments



### **Democratize Decision-Making**

Utilize community-based decision-making practices involving all stakeholders, ensuring the inclusion of workers and BIPOC communities that have been historically marginalized



### **Build Community Wealth**

Seek to ensure wealth creation in communities that are disproportionately impacted



### **Utilize a Blended Finance Structure**

First loss capital plus catalytic capital allocation



### **Support Workers**

Seek to ensure workers are not displaced and are part of the transition plan



### **Provide Resources to Support Self-Empowerment**

Support educational programs, technical assistance, and capacity building within vulnerable and impacted communities



### **Work for Policy Change**

Advocate for policy changes to support a just transition at the local, state, federal, and/or global levels



**Mark Watson**

Co-Founder and President of Potlikker Capital

**CLIMATE JUSTICE INVESTMENT AT WORK**

# Potlikker Capital

In 2022, Veris identified an impact-first investable opportunity that embodies our Just Transition investment framework, Potlikker Capital. Potlikker Capital is a farm community-governed charitable integrated capital fund dedicated to supporting BIPOC farmers at the intersection of racial and climate justice. They provide non-extractive, low-cost capital and technical assistance to help farmers transition to regenerative practices in order to help create a more sustainable and healthier food ecosystem while promoting wealth creation.

**A Conversation with Mark Watson****What are the biggest challenges facing BIPOC farmers today?**

Isolation. Many rural, BIPOC farmers lack access to financial resources, social capital, and market resources. You can kill a plant by withdrawing all the inputs necessary to keep it thriving.

These farmers also often have the worst land, with poor quality soil for farming that is susceptible to flooding. Their farms are also likely to be in industrial areas near factories or surrounded by farms that use chemical sprays.

**What is unique about Potlikker's approach?**

Potlikker is the juice at the bottom of the pot when you make collard greens. You cook all these ingredients together and create a magical seasoning that you can use to add more flavor and depth to other foods. That is a metaphor for our holistic approach.

Potlikker Capital is trying to address these issues by providing more than just money, but also advisory support, advocacy, and opportunities for community knowledge sharing and practice building.

We offer market aggregation opportunities where farmers can get revenue opportunities they couldn't access individually. Ours is a holistic approach to de-isolate these farmers and farming communities. Just giving a tractor loan does not change the context in which BIPOC farmers are farming. In fact, a loan like that might harm a farmer who can't afford the payments.

**How is The Fund working to strengthen the resilience of farmers, communities, and systems?**

We reinforce and replace relationships that have been taken away or were

never built in BIPOC communities — with distributors, processors, equipment manufacturers, advocacy groups.

To offer an example, we started working with the last Black citrus farmer in the state of Florida. Cornelius Caldwell's Orange Bend Harvesting is a sixth-genera-

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**“We reinforce and replace relationships that have been taken away or were never built in BIPOC communities...”**

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tion family-owned farm. Prior to Potlikker, this farm had no knowledge of the impact investment world or other sources of capital. We gave them a \$250,000 working capital line and have subsequently brought in another intermediary to help them with a land purchase because they need to buffer themselves against development pressure. We are introducing them to a national nonprofit that can help them with conservation easements.



Donna Isaacs surveys a field on DeLaTerre Permaculture Farm in Louisiana. [See case study on page 46.](#)

They are also now looking at expanding their business to participate in additional parts of the value chain.

These are all relationships that will help them withstand threats from climate change, hurricanes, developers, and

rising interest rates and costs of operation. Will they have higher revenues in three years? I don't know for certain. Will they have the opportunity to have higher revenues? Yes. 🇺🇸

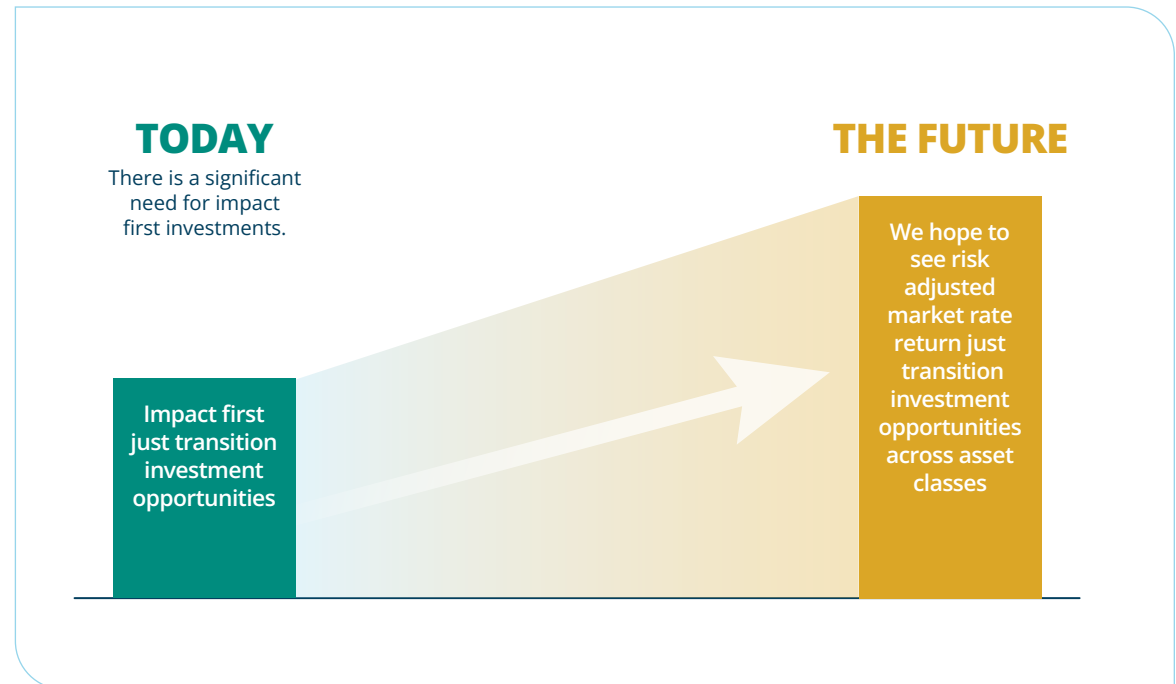
## Firm Considerations as We Seek Just Transition Investable Opportunities

Potlikker is an impact-first investable solution that embodies our Just Transition Investment framework.

Another example is [Sunwealth](#), which provides clean energy to low- and moderate-income communities and communities of color at affordable rates, while collaborating with developers of color to build clean energy projects that touch upon many aspects of our investable framework.

While we expect to see more investable opportunities that provide positive outcomes that support climate justice alongside risk-adjusted market rate returns in the future, there is a significant need for impact-first investments today.

We are hopeful that policy tailwinds, like the Inflation Reduction Act, will lead to more impactful investable opportunities in clean energy and energy efficiency technologies, emission reducing infrastructure, and climate-smart agriculture.



However, we recognize that we, as a firm and an industry, have a lot more work to do to ensure a just transition. We aim to look at the public equities and fixed income markets and believe we must also engage with corporations and municipal bond issuers on how they are tackling environmental and climate injustices in their day-to-day operations.

As a firm, we recognize that we must center the most vulnerable individuals

and families and co-create with them in our Just Transition Investments, if we are to help under-resourced communities move from surviving to thriving and build a more equitable, just and sustainable world. 🇺🇸



# EDI MANAGER DUE DILIGENCE FRAMEWORK

We believe that diversifying who sits at decision-making tables across the financial services industry will be key to building a more equitable economy and society.

Women and People of Color are underrepresented across the financial services industry in the US, especially in leadership roles. In 2020, Women made up only 32% of senior management positions at financial services firms, while Black, Hispanic and Asian Americans only made up 3%, 4%, and 7% respectively.<sup>14</sup> Traditional due diligence and risk-assessment frameworks in the asset management industry have led to a system in which White, male asset managers control ~99% of the **\$82.24 trillion** in assets under management.<sup>15</sup>

The narrow demographic controlling investment decisions contributes to continuation of the racial wealth gap, as in-group biases limit funding for companies run by more diverse management teams.<sup>16</sup> This both perpetuates inequality and mitigates our collective economic output by overlooking ventures

launched by women and people of color. Asset allocators can help diversify who sits at the decision-making table through third-party asset-manager selection that considers equity, diversity, and inclusion (EDI) factors.

Veris' EDI due diligence framework is designed to help our firm identify fund managers that are diverse and inclusive at all levels of the organization, have an EDI lens in their investment process, are focused on intentional investments in under-resourced communities, and are working to dismantle obstacles to racial and gender equity through their policies and practices.

We are very intentional about our EDI due diligence process not being a 'check the box' exercise. Veris collects detailed information about the policies and practices of our managers and their investments. Based on their responses, we classify our managers into five different categories.



## EDI Manager Identification Framework

Based on the responses in our initial and annual due diligence questions:

### EDI WATCHLIST

**Does not meet two or more of these criteria:**

- Diverse team (>30% POC & women)
- Detailed EDI commitment & plan
- EDI is included in the investment process

#### EDI WATCHLIST

Needs improvement

### EDI ASPIRATIONAL

**Meets both criteria:**

- Must have an EDI commitment & plan
- Demonstrate increase in diversity

#### EDI ASPIRATIONAL

Improving annually

### EDI FIRM

**Meets both criteria:**

- Diverse team (>30% POC & women)
- Detailed EDI commitment & plan

### EDI INVESTMENT PROCESS

**Meets these criteria:**

- Explicit EDI lens in investment process
- Portfolio company diversity
- Engagement & Proxy voting (Public)
- Engagement for Private Placements

#### EDI FIRM

Diverse, plus strong EDI policies & implementation

#### EDI INVESTMENT PROCESS

EDI lens in the investment process and engagement with portfolio companies

### EDI MANAGER

**Meets both criteria:**

- EDI Firm
- EDI Investment Process



#### EDI MANAGER

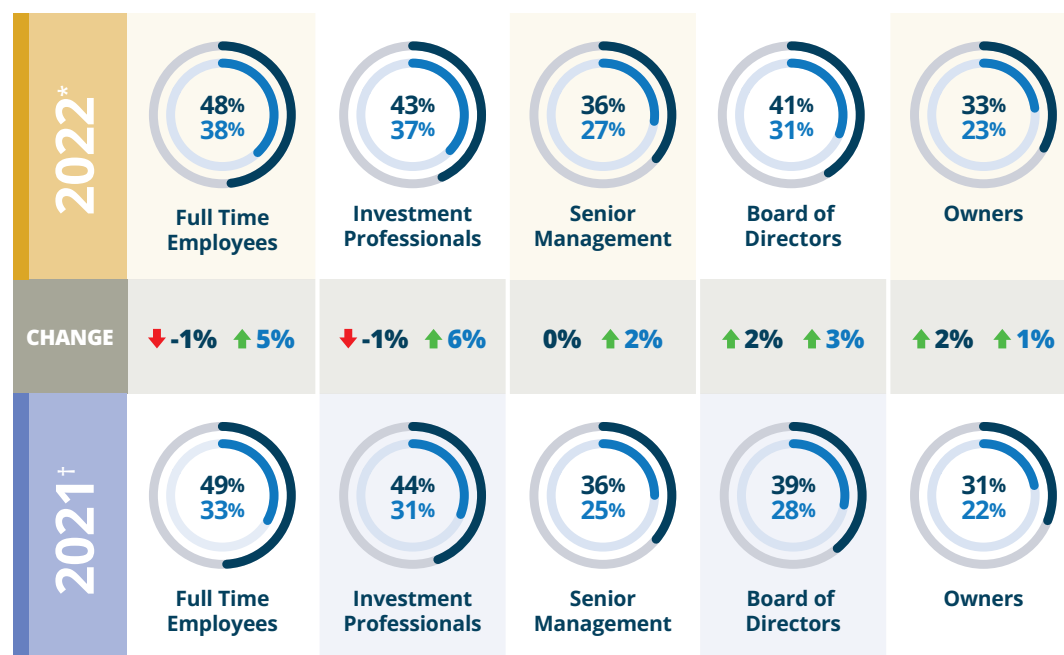
Diverse employees, management, board, ownership; EDI policies and plans to implement them; incorporates an EDI lens in their investment process

## Diversity Across Approved Managers and Classifications

Our engagements with our approved managers have resulted in better EDI-specific data collection and we are seeing improvement in the diversity

metrics and disclosures. We aim to have the majority of our approved managers be classified at the EDI manager or EDI investment process levels, and it is a journey that requires us to be intentional in how we source and approve investments and engage with all approved managers.

However, we are concerned that recent lawsuits and a recent Supreme Court decision might lead to reduction of diverse talent pipeline as peers in the financial services industry engage less on DEIB topics. 🇺🇸

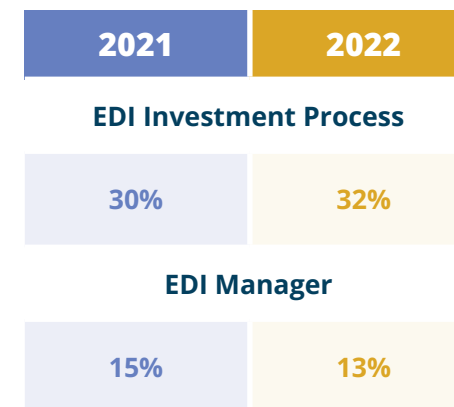


\*Based on 88%-96% of Veris approved managers reporting on gender diversity metrics and 83%-96% of Veris approved managers reporting on racial diversity metrics, depending on the asset class.

†Based on 83%-98% of Veris approved managers reporting on gender diversity metrics and 76%-96% of Veris approved managers reporting on racial diversity metrics, depending on the asset class

● Women  
● People of Color

## Veris Approved Managers Classified as EDI Investment Process & EDI Managers\*



\*Veris does not currently meet the firm's own EDI Manager criteria.



# ACTIVE OWNERSHIP

We believe that shareholders have a powerful opportunity to drive change in the publicly listed companies they are invested in. Veris collaborates with our managers, custodians, and shareholder advocacy groups including As You Sow, The Shareholder Commons, Open MIC, and Rhia Ventures to provide our clients with opportunities to champion their values and vote for positive outcomes.

Our firm's approach to encouraging active ownership includes:



## FUND MANAGERS

Seeking to identify fund managers who actively engage with portfolio companies on ESG topics, file shareholder resolutions and vote proxy in alignment with ESG guidelines.



## CLIENTS

Providing Veris clients with opportunities to be involved in shareholder resolutions as sponsors and endorsers through shareholder advocacy groups.



## PUBLIC POLICY

Advocate for public policy changes we believe will be beneficial.

## 2022 Approved Managers Involvement in Shareholder Resolutions & Engagements

### Engagements by Public Equity Managers

A number of Veris' approved public equity managers actively engage with portfolio companies to encourage meaningful changes on material ESG factors & relevant issues. Many engagements result in company commitments and favorable outcomes, but not all. If engagements are not successful, they may file shareholder resolutions. In 2022, there were 4,428 engagements with holding companies by 10 of our approved public equity managers across the following issues:

| Engagement Topics   | 2021         | 2022         | Change    |
|---|--------------|--------------|-----------|
| Governance / Exec Compensation / Company Business Practices | 944          | 1,166        | 23%       |
| Climate Change & Environment                                | 1,048        | 1,086        | 4%        |
| Workplace Diversity / Racial Justice / Pay Equity           | 812          | 774          | -5%       |
| Human Rights / Worker Rights                                | 744          | 560          | -25%      |
| Sustainability Reporting                                    | 153          | 419          | 174%      |
| Community Relations & Impact                                | 146          | 214          | 47%       |
| Other   | 45           | 104          | 131%      |
| Environmental Justice                                       | N/A*         | 32           | N/A       |
| Political Spending / Lobbying                               | 99           | 32           | -68%      |
| Sustainable Agriculture & Food Systems                      | 174          | 17           | -90%      |
| Privacy / Big Data  | 26           | 17           | -35%      |
| Healthcare / Drug Transparency / COVID-19                   | 34           | 7            | -79%      |
| <b>Total Engagements</b>                                    | <b>4,225</b> | <b>4,428</b> | <b>5%</b> |

\*None of the 2021 engagements were classified under the theme "Environmental Justice".

### Observations About this Data

- There was a 5% increase in the total number of engagements between 2021 and 2022.
- *Climate Change & Environment* remains a key topic of engagements that cover a range of issues, including transition plans to achieve net zero, use of natural resources, biodiversity, and deforestation.
- The 174% growth in *Sustainability Reporting* may be traced to one manager increasing their focus on this topic, and another providing a detailed thematic breakdown of the issues of engagement, which enabled a more granular allocation. Recent regulatory proposals in the US, and EU's Sustainable Finance Disclosure Regulation (SFDR), could have also led to increased engagements on this issue.
- We noted an increased number of engagements addressing *Environmental Justice* and we hope to see more in the future.
- The number of *Diversity / Racial Justice / Pay Equity* engagements (and shareholder resolutions) continue to decline after a peak in 2020 following the murder of George Floyd.

**HIGHLIGHT****Engagement by Trillium Asset Management****Challenge**

The overturning of *Roe v. Wade* left it to states to decide whether to protect or restrict abortion access. As of now, 14 states have banned abortion in most circumstances while others have limited access.<sup>17</sup>

Women who cannot access abortion are 3X more likely to leave the workforce than women who were able to access abortion when needed, and 4X as likely to slip into poverty.<sup>18</sup> State-level abortion restrictions may annually keep more than 500,000 women aged 15 to 44 out of the workforce.<sup>19</sup>

**Engagement**

Clothing retailer TJX Companies (TJX) has operations and employees across the US, including states that have limited access to abortion services and other types of reproductive healthcare.<sup>20</sup> In 2022, Trillium filed a shareholder resolution requesting TJX issue a public report detailing any known and potential

risks and costs to the company caused by enacted or proposed state policies severely restricting reproductive rights and detailing any strategies beyond litigation and legal compliance that the company may deploy to minimize or mitigate these risks.

**Outcome**

The 2022 shareholder resolution filed by Trillium received 30.2% votes in favor, a significant support.<sup>21</sup>

Trillium re-filed the shareholder proposal in 2023, which resulted in a beneficial dialogue with the company's management. Trillium then successfully withdrew the shareholder proposal following the company's adoption of travel benefits for accessing reproductive care and engaged with insurance administrators to provide coverage of emergency contraceptives without prescription.<sup>22</sup>



Photo Credit: By Grk1011 - Own work, CC BY-SA 4.0



## Engagements by Fixed Income Managers

More and more of our approved fixed income managers are using engagement as a tool with bond issuers on a wide range of ESG and impact themes to drive change and assess the credit risk of the portfolio holdings.

### HIGHLIGHT

## Engagement by Breckinridge Capital Advisors



### Challenge

In the US, hospitals rank as the 2nd most energy-intensive type of building<sup>23</sup> and the healthcare sector is responsible for 8.5% of total GHG emissions.<sup>24</sup> A limited number of healthcare systems have committed to a net zero goal.

GHG emissions disproportionately cause negative health impacts in racial and ethnic minority communities.<sup>25</sup> The healthcare industry is increasingly aware of the connection between climate, environment, and the social determinants of health.<sup>26</sup>

### Engagement

Breckinridge engaged with hospital management teams on reducing GHG

emissions, net zero transition plans, & emission data tracking and reporting, and other topics related to climate change adaptation and mitigation.<sup>27</sup>

The team also engaged with the [Health Care Without Harm Alliance \(HCWH\)](#) which consists of 70 health care institutions representing ~14,000 hospitals/health centers in 26 countries.<sup>28</sup>

### Outcome

While none have made formal net zero commitments, the engaged hospitals agreed to take a variety of actions to reduce carbon emissions, such as to set goals to power 100% of operations with renewable energy by 2030, enact policies for new hospital construction to achieve



[LEED Silver](#) status or retrofit existing facilities where possible.

HCWH's net zero guidance is aligned with the gold-standard Science-Based Targets initiative (SBTi). With an aim to reduce the healthcare sector's environmental impact, the alliance agreed to make significant decarbonization progress by 2030, helping industry members to become community anchors for sustainability, and leaders for environmental health and justice.

### Shareholder Resolutions Filed by Public Equity Managers

When engagements do not lead to desired outcomes, our public equity managers may file shareholder resolutions to get support from other equity holders on key ESG topics. In 2022, Veris approved public equity managers filed or co-filed 92 shareholder resolutions across a range of topics including climate change and racial justice. Due to successful engagements and company commitments, our public equity managers withdrew 46 or 51% of these shareholder resolutions.

| Shareholder Resolution Category                             | 2021       | 2022      | Change     |
|---|------------|-----------|------------|
| Climate Change & Environment                                | 44         | 48        | 9%         |
| Human Rights / Worker Rights                                | 6          | 14        | 133%       |
| Workplace Diversity / Racial Justice / Pay Equity           | 36         | 12        | -67%       |
| Sustainability Reporting                                    | 2          | 6         | 200%       |
| Other   | 2          | 5         | 150%       |
| Environmental Justice                                       | 0          | 2         | N/A*       |
| Sustainable Agriculture & Food Systems                      | 3          | 2         | -33%       |
| Healthcare / Drug Transparency / COVID-19                   | 5          | 1         | -80%       |
| Political Spending / Lobbying                               | 13         | 1         | -92%       |
| Privacy / Big Data / Whistleblower Policy                   | 3          | 1         | -67%       |
| Governance / Exec Compensation / Company Business Practices | 6          | 0         | N/A*       |
| <b>Total Shareholder Resolutions</b>                        | <b>120</b> | <b>92</b> | <b>23%</b> |

*Note: Graph and statistics are based on the number of shareholder resolutions filed by Veris approved managers in 2021 and in 2022.*



## 2022 Client Involvement in Shareholder Resolutions

Veris works with [Aperio](#), [As You Sow](#), and other groups to offer our clients opportunities to endorse & vote on shareholder resolutions intended to drive positive change. We are grateful to all who participate in this process.

Climate change remained the top focus area in 2022, and we noted a growing number of resolutions focused on disclosure of diversity data. We also saw more withdrawals due to company commitments. The greater the number of endorsers, the stronger the message to companies.

In 2022, Veris clients sponsored or endorsed **50** unique resolutions, resulting in a total of **1,091** total endorsements across clients. This resulted in **11** votes (**33%** average vote in favor) and **25** total company commitments.

## Veris Shareholder Resolutions 2022 Highlights

| Shareholder Resolution Category | 2021       | 2022         | Change     |
|---------------------------------|------------|--------------|------------|
| Diversity Data Disclosure       | 141        | 226          | 60%        |
| Governance                      | 0          | 189          | N/A*       |
| Climate Change Risks            | 34         | 188          | 453%       |
| Reproductive Health             | 43         | 177          | 312%       |
| Consumer Packaging              | 62         | 93           | 50%        |
| Say On Climate                  | 116        | 89           | -23%       |
| Water Risk                      | 57         | 70           | 23%        |
| Media Content                   | 35         | 22           | -37%       |
| Racial Justice                  | 11         | 22           | 100%       |
| Antibiotics and Factory Farms   | 0          | 13           | N/A*       |
| Pesticides                      | 4          | 2            | -50%       |
| Diversity, Equity, & Inclusion  | 75         | 0            | N/A*       |
| Electronic Waste                | 8          | 0            | N/A*       |
| Farm Justice                    | 10         | 0            | N/A*       |
| Invest Your Values (401k)       | 14         | 0            | N/A*       |
| PFAS                            | 6          | 0            | N/A*       |
| <b>Total Resolutions</b>        | <b>616</b> | <b>1,091</b> | <b>77%</b> |

*\*The number of resolutions classified as addressing DEI, Electronic Waste, Farm Justice, Invest Your Values, and PFAS were zero, as opposed to 2021. This can occur when issues are reclassified using different terminology from a previous year.*

## 2023-2024 Shareholder Resolutions & Engagements Outlook

In the next season, we expect to see continued focus on climate change and more initiatives on diversity data disclosure and reproductive rights. We will keep monitoring and tracking to ensure companies implement the actions they commit to.



**HIGHLIGHT**

## Shareholder Advocacy Case Study: Shareholder Resolution Filed with Chubb

**Challenge**

Humans are warming the Earth's climate by burning fossil fuels.<sup>29</sup> We believe that insurance companies like Chubb can play a leading role in addressing climate change by doing more to measure and reduce greenhouse gas emissions. But so far, Chubb has not placed significant restrictions on oil and gas underwriting and investments.<sup>30</sup>

**Engagement**

Several Veris clients joined in to endorse a resolution drafted by [As You Sow](#) asking Chubb to report on how the company intends to “measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment

with the Paris Agreement’s 1.5 C goal, requiring net zero emissions.”

**Outcome**

Veris clients helped achieve a positive vote of [72.2% in favor](#) of the Chubb resolution, which will lead to better disclosures and decision-making. Despite the positive outcome in 2022, the [conversation continues](#). The shareholder network continues to work with Chubb and other top insurance providers to the oil and gas industries around reporting their GHG emissions. by 2030, helping industry members to become community anchors for sustainability, and leaders for environmental health and justice.

**CHUBB®**





## 2022 Public Policy Actions

In addition to endorsing and sponsoring shareholder resolutions, Veris and our clients are also effecting change in public policy. Veris believes that policy advocacy is a powerful tool we can use to change the regulatory environment in ways that help accelerate and amplify our work to achieve the positive social and environmental outcomes we seek through our investments.

In addition to our participation in [US SIF's Capitol Hill Day event](#), Veris signed numerous letters addressing policy issues in 2022 including several to the Biden Administration and the SEC recommending:

- The creation of a White House Office of Sustainable Finance and Business, advance corporate transparency on ESG issues and protect shareholder rights
- Policy resolutions included in [US SIF's Toward a Just and Sustainable Economy](#) that addressed the coronavirus pandemic, racial injustice, economic equality and climate change
- Prioritization of policies to advance reproductive and maternal health and rights
- Support for SEC proposals in process on Climate and Human Capital Disclosures and the recently adopted Names Rule which requires funds to align the names with ESG integration and impact which should help reduce greenwashing in the industry. 🇺🇸

# IMPACT BY THEME

Veris seeks to express the mission and values of our clients by constructing unique thematic portfolios in alignment with our four impact themes. To illustrate the types of investments found in thematic portfolios, we will highlight one publicly traded company (Public Market Solution) and one privately-held company (Private Market Solution) for each theme.

Since Veris is a manager of managers, we do not directly select these companies, instead, we hire outstanding investment managers who further the financial goals and mission-alignment of our clients and our firm. We use the Impact Measurement Project’s five dimensions of impact (now housed under Impact Frontiers organization)<sup>31</sup> in our impact measurement practice.



**CLIMATE  
SOLUTIONS AND  
THE ENVIRONMENT**



**COMMUNITY  
WEALTH  
BUILDING**



**RACIAL  
AND GENDER  
EQUITY**



**SUSTAINABLE  
AND REGENERATIVE  
AGRICULTURE**



*Any portfolio company examples and results presented herein should not be construed as representative of all investments of the manager or fund in question. Certain information has been provided by the pertinent manager or portfolio company, and Veris has not independently verified such information. For additional important disclosures pertaining to the information contained herein, please see page 3.*





# Climate Solutions and The Environment



Mount Tamalpais in Marin County, California at sunset.

Photo Credit: Shira Bezalel

Veris aims to mitigate and adapt to climate change through investments in renewables (solar and wind power), energy circularity and energy-efficiency, green consumer products, sustainable waste management and the conservation of natural resources. We also apply an environmental and climate justice approach to this theme to serve the communities that are most vulnerable to threats from climate change and pollution.

## Impact Metrics for Private and Public Funds

Aggregate impact reported across our approved alternative strategies:



**56,652,588**

metric tons (MT) of Greenhouse Gas (GHG) avoided or reduced<sup>32</sup>



**15,203,877**

megawatt hours (MWh) of renewable energy generated<sup>33</sup>



**567,827**

tons of waste reduced through recycling, recovery, and substitution programs<sup>34</sup>



**4,133**

acres planted with native tree species<sup>35</sup>

Aggregate impact reported across our approved public equity strategies:



**45.2%**

weighted average reduction in carbon intensity (tCO2e/USD 1mm) of public equity strategies vs. respective benchmarks<sup>36</sup>



**32,169,154**

megawatt hours (MWh) of renewable energy generated<sup>37</sup>



**682,135**

tons of waste reduced through recycling, recovery, and substitution programs<sup>38</sup>

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## Private Investment Example



Photo Credit: Unsplash

Vibrant Planet's cloud-based platform can help reduce the risk of wildfires.

**VERIS APPROVED MANAGER:** Ecosystem Integrity Funds<sup>39</sup>

### CHALLENGE

- Wildfires are becoming more frequent, as hotter, dryer conditions driven by climate change help these fires catch and spread.<sup>40</sup> Wildfire smoke releases large quantities of greenhouse gases that then further exacerbate climate change.<sup>41</sup>
- Wildfire poses an existential threat to over 30mm Americans and people of color are twice as vulnerable to wildfire than other communities.<sup>42</sup> Smoke from wildfires can also spread and cause breathing problems for children, adults, and elderly people who live miles away.<sup>43</sup>

### SOLUTION<sup>44</sup>

- **Vibrant Planet (VP)** provides a cloud-based platform that various stakeholders can use to monitor and improve management and restoration of forests, which can reduce the risk of wildfires.
- VP's tool Land Tender provides near real-time data, at the tree/house level, showcasing natural and built assets at risk in a specific location, and analyzes different scenarios to prioritize and enable effective decision-making at that "landscape" level.

### IMPACT<sup>45</sup>

- VP's solution currently focuses primarily on forest landscapes in California, Oregon, Colorado, and Idaho in partnership with the US Forest Service and local conservation districts. More than 2mm households face extreme wildfire risk in California and recent wildfires (2020 and 2021) accounted for half of the 20 largest fires in that state.<sup>46</sup>
- In 2022, VP monitored the health of 3 landscapes across 5.4mm acres and measured the wildfire risk for 6.5mm structures.

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## Public Investment Example



**Graphic Packaging**  
HOLDING COMPANY



Photo Credit: Graphic Packaging

Graphic Packaging International provides packaging made from renewable and recycled fiber materials.

**VERIS APPROVED MANAGER:** Impax Asset Management

### CHALLENGE

- Paper and cardboard materials are the largest components of municipal waste in the US.<sup>47</sup>
- 86% of the total fossil GHG footprint of cardboard packaging stems from the production of the cardboard itself, mainly due to the combustion of fossil fuels at pulp/paper mills and emissions from grid electricity. Thus, transitioning cardboard plants to renewable energy sources could significantly help reduce the carbon footprint.<sup>48</sup>

### SOLUTION<sup>49</sup>

- Graphic Packaging International (GPI) provides multinational beverage & consumer products companies with a portfolio of packaging solutions made from renewable and recycled fiber materials. GPI aims to further improve fiber circularity by offering recyclable products and using recovered materials to reduce dependence on virgin fiber in its products.
- Additionally, as a firm, GPI incorporates sustainability into each part of its manufacturing process, and has several initiatives and targets focused on GHG reduction, water use efficiency, energy use efficiency, recycling, and plastic use reduction.

### IMPACT<sup>50</sup>

- 95% of GPI's products are fiber-based products made from responsibly sourced, renewable virgin tree fibers or recycled fibers that are recyclable. GPI also eliminated 24,000 truck shipments using data analytics to reduce its logistics footprint.
- Progress on additional climate-related targets included: 14% reduction in operations GHG emissions intensity (metric tons scope 1 & 2 of CO<sub>2</sub>e/\$1,000 net sales), 9% reduction in nonrenewable energy intensity (MWh/\$1,000 net revenue), and sourcing 66% of the company's global energy supply from renewable energy.

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# Community Wealth Building



Apis & Heritage founding partner, Todd Leverette with workers from a 100% employee-owned enterprise. [See page 41.](#)

Photo Credit: Apis & Heritage

Veris seeks to expand access to capital to communities that have been systematically excluded from opportunities to build wealth and better life outcomes, including home and business ownership, high-quality education, and healthcare. We look to invest in companies and funds that aim to eliminate discrimination, and promote human rights, while ensuring sustainable economic growth in under-resourced and marginalized communities.

## Impact Metrics for Private and Public Funds

### Aggregate impact reported across our approved alternative strategies:



**1,026,439**

jobs created or supported<sup>51</sup>



**441,787**

patient visits to health facilities supported or financed<sup>55</sup>



**57,592**

affordable housing units created or preserved<sup>54</sup>



**12,486**

jobs supported or in low-income areas<sup>52</sup>



**1,557,418**

educational opportunities financed for students in need<sup>56</sup>



**3,962,159**

SMEs supported or financed<sup>53</sup>

### Aggregate impact reported across our approved fixed income strategies:



**588,718**

affordable housing units created or preserved<sup>57</sup>



**3,218,973**

affordable mortgages provided<sup>58</sup>

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## Private Investment Example



**Apex Plumbing**  
"the underground guys"



Photo Credit: Apis & Heritage

A&H helped Apex Plumbing become employee-owned.

**VERIS APPROVED MANAGER:** Apis & Heritage

### CHALLENGE

- Disparities in Black and Hispanic vs. White household wealth (savings plus assets) widened during the Great Recession and COVID-19 pandemic.<sup>59</sup>
- In 2019, the median household wealth (assets and savings minus debt) of Black families in America was found to be less than 15% of the median of White households, or \$24,000 for Black families vs. \$188,200 for White families.<sup>60</sup> In 2023, for every \$1 of wealth owned by White families in the US, Black families own ~\$0.24 and Hispanic families own ~\$0.23.<sup>61</sup>

### SOLUTION<sup>62</sup>

- **Apis & Heritage (A&H)** provided acquisition financing to enable **Apex Plumbing**, a wet-utilities company based in Colorado, to transition to a 100% employee-owned company.
- In 2019, researchers found that low- and moderate-income workers in companies with employee ownership had ESOP account values ranging from \$15,000 to \$6,000,000 per worker, with a median value of \$165,000. The median savings of a typical American household is \$17,000.<sup>63</sup>

### IMPACT<sup>64</sup>

- ~45% of Apex Plumbing employees are people of color and 15% are women with 76% coming from low- and median-income communities. Apex created a 401K program with a match and direct deposit of paychecks for all employees and increased the health-care plan participation by 35%.
- A&H and **Democracy at Work Institute** partnered to provide training to Apex Plumbing employees and management to help everyone understand the employee ownership model, and build an "ownership culture" across the company.

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## Public Investment Example



Photo Credit: MHFA

MHFA supports affordable housing and homeownership.

**VERIS APPROVED MANAGER:** Community Capital Management<sup>65</sup>

### CHALLENGE

- The cost of homes in the US has outpaced wage growth. Between 2010 and 2022, home prices rose 74% while the average wage rose 54%.<sup>66</sup> [The Home Ownership Affordability Monitor Index](#) developed by the Federal Reserve Bank of Atlanta, which uses the 30% share of income threshold to measure affordability, declined from 97.4 in 2010 to 74.3 in 2022.<sup>67</sup>
- Minnesota has the 4th-largest homeownership-rate disparity between White (77%) and BIPOC households (44%). Homeownership gaps between White and BIPOC households persist after adjusting for socio-economic and demographic factors.<sup>68</sup>

### SOLUTION<sup>69</sup>

- [The Minnesota Housing Finance Agency \(MHFA\)](#) was established in 1971 to provide access to safe, decent, and affordable housing and to support sustainable homeownership across the state. MHFA also participates in inter-agency governmental initiatives to mitigate displacement, homelessness, and environmental injustice.
- MHFA prioritizes working with families experiencing systemic barriers to homeownership (i.e., racism, low credit scores, criminal records, prior evictions etc.). The agency also serves Indigenous and Tribal Nations and communities with job growth but limited housing supply.

### IMPACT<sup>70</sup>

- MHFA will use the proceeds of the \$100mm 2022 Series E Residential Housing Bonds to purchase single-family mortgage loans for low- and moderate-income homebuyers in Minnesota as part of the agency's Start Up Program, which focuses on first-time homebuyers.
- Additionally, MHFA aims to prioritize homeownership for BIPOC households to ensure equitable access to affordable housing. Under the Start-Up Program, 38% of proceeds in 2020 and 42% of proceeds in 2021 went towards BIPOC households.

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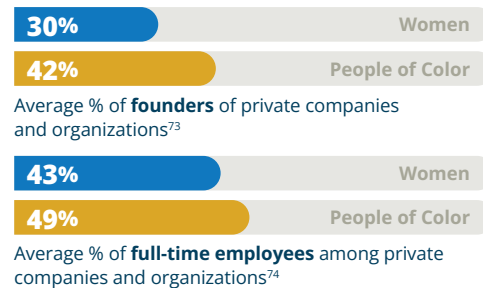
## Racial and Gender Equity



This has been a key theme for Veris since inception. We seek investments that aim to build gender and racial equity, diversity, inclusion at all levels and those that remove obstacles to opportunity. We aim to support historically excluded founders that draw on their own lived experiences to create impactful new products and services. More often than not, racial and gender equity investable opportunities intersect with our other themes.

### Impact Metrics for Private and Public Funds

#### Aggregate impact reported across our approved alternative strategies:



#### Aggregate impact reported across our approved public equity managers:



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## Private Investment Example

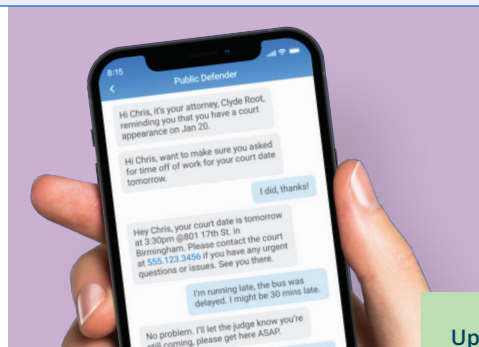


Photo Credit: Uptrust

Uptrust software helps returning citizens navigate their reentry into society

**VERIS APPROVED MANAGER: De-Carceration Fund<sup>77</sup>**

### CHALLENGE

- The US criminal legal system disproportionately impacts people of color and socio-economically disadvantaged communities. 56% of jailed Americans are Black or Latino, but those groups only make up 31% of the general population in the US.<sup>78</sup>
- Over 1 million people are incarcerated annually for failure-to-appear (FTA) and other technical violations, costing local governments over \$10bn per year.<sup>79</sup> The majority of FTA incidents are due to lack of information about scheduled appearances, logistical barriers to appearing, and simple human error.<sup>80</sup> For reasons like these, 15% - 20% of low-income clients miss their court dates.<sup>81</sup>

### SOLUTION

- **Uptrust** is a relationship management tool that connects “returning citizens” (formerly incarcerated people returning to society) with their public defenders and court records, ensuring that they have access to court date reminders and information they need to avoid technical violations — improving their re-entry into normal life while saving significant expenses for taxpayers.
- Uptrust doesn’t charge the client and derives revenue from the public defenders’ or the probation office. Uptrust is 90% less expensive than electronic monitoring and 99% less expensive than incarceration.<sup>82</sup>

### IMPACT<sup>83</sup>

- Uptrust is now working with over 200 counties across 22 states. By reducing failure-to-appear (FTA) rates by over 50%, Uptrust helped prevent 150,000 FTA violations since inception, primarily within communities of color and low-income communities that are disproportionately impacted by technical violations.
- Reductions in the number of bench warrants, arrests, and incarcerations due to Uptrust’s prevention of FTA violations are estimated to save the public approximately \$82mm in tax dollars.

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## Public Investment Example

# HOLOGIC®

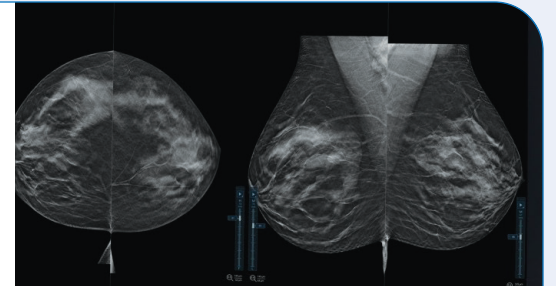


Photo Credit: Hologic

Hologic develops products that help address the healthcare needs for women.

**VERIS APPROVED MANAGER:** Domini Impact Investments<sup>84</sup>

### CHALLENGE

- Women face unique health concerns and disparities in outcomes.<sup>85</sup> For example, detecting breast and cervical cancer early is key to effective treatment,<sup>86</sup> but women are much more likely to experience negative interactions in the healthcare system that can lead to underdiagnosis or misdiagnosis of these and other serious conditions.<sup>87</sup>
- Many drug trials did not include female test subjects, until the requirement to include women and minorities in clinical trials was introduced into law only in 1993.<sup>88</sup>

### SOLUTION

- **Hologic** develops diagnostics products, medical imaging systems, and surgical products dedicated to serve the specific healthcare needs of women, including a suite of products designed to improve breast health.<sup>89</sup> The company also aims to address health inequities for women through strategic partnerships (with the World Economic Forum for example) and policy work.
- Since 2015, Hologic has been actively working to appoint, develop and promote women into leadership roles across the company.<sup>90</sup>

### IMPACT

- Hologic created the Global Women's Health Index, a survey on women's health and wellness, designed to help close the knowledge gap with regards to women's health.<sup>91</sup> As part of its advocacy work, Hologic supported the Protect Access to Lifesaving Screenings (PALS) Act to ensure that as many women as possible have access to mammography screening.<sup>92</sup>
- Hologic provides all gender and racial data regarding hiring, promotions, and termination across the company annually. Their metrics show increasing diversification between 2020 to 2022 – most recently reporting ~30%+ women and ~20% people of color, across all levels of employment.<sup>93</sup>

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## Sustainable & Regenerative Agriculture



Produce growing in a field at DeLaTerre Permaculture Farm. [See page 47.](#)

Photo Credit: Jasime Lewis

Veris seeks out sustainable and regenerative agricultural sector opportunities to preserve biodiversity, increase productivity, build food security, improve the well-being of farmers, and reduce and sequester carbon. We also seek out investable solutions that extend access to capital to under-resourced farmers of color and build healthy food ecosystems.

### Impact Metrics for Private and Public Funds

Aggregate impact reported across our approved alternative strategies:



**3,459,330**

acres of land managed sustainably<sup>94</sup>

Aggregate impact reported across our approved fixed income strategies:



**1,775,052**

acres of land managed sustainably<sup>95</sup>

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## Private Investment Example



Photo Credit: Potlikker Capital

Potlikker Capital's co-founder, Mark Watson, with Donna Isaacs of DeLaTerre Farm.

### VERIS APPROVED MANAGER: Potlikker Capital

#### CHALLENGE

- ~49,000 Black farmers stewarded 4.7mm acres in 1917, compared to 1mm farmers and 15mm acres in 1920. BIPOC farmers operate less than 5% of the nation's declining number of farms and cultivate less than 1% of its farmland<sup>96</sup> even though nearly one-quarter of the US population is BIPOC.<sup>97</sup>
- Lack of access to capital and technical assistance remain major hurdles for BIPOC farmers pursuing regenerative practices. Adopting regenerative cropping practices may result in operating losses in the first few years due to a lack of experience and resources to support successful cover crops and no-till integration.<sup>98</sup>

#### SOLUTION

- **Potlikker Capital** is a farm community governed, charitable-integrated capital fund created to support BIPOC farmers in America. By providing these farmers access to non-extractive capital & technical assistance, the fund works towards both racial and climate justice goals.
- The fund made a \$175,000 loan at a below-market interest rate of 2% to minority-owned **DeLaTerre Permaculture Farm** in Louisiana. This loan enabled the farm to purchase 29 more acres and transition to more organic and regenerative farming practices. Potlikker also provided a \$50,000 grant to fund a farm manager position to help DeLaTerre obtain organic and regenerative certification.

#### IMPACT

- This non-extractive capital enabled DeLaTerre to triple in size and transition to a closed-loop regenerative farming system while continuing to offer healthy, sustainable food.
- Through Potlikker's partnership with **Jubilee Justice**, a nonprofit working to bring climate-resilient farming to BIPOC farmers in the rural South, DeLaTerre will receive technical assistance to implement best-in-class regenerative practices. The farm will also seek to offer new educational outreach programs.

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## Public Investment Example



Photo Credit: Valmont

Valmont's sprinkler systems help make irrigation more sustainable.

**VERIS APPROVED MANAGER:** Trillium Asset Management<sup>99</sup>

### CHALLENGE

- Agriculture is the largest consumer of the Earth's available freshwater – 70% of withdrawals from watercourses and groundwater are for agricultural usage, 3X more than 50 years ago. It is estimated that, by 2050, agricultural water demand for irrigation will increase by 19%.<sup>100</sup>
- Only ~50% of the water used for irrigation is reusable (compared to ~90% for domestic and industrial usage) due to leakage, evaporation, and evapotranspiration.<sup>101</sup>

### SOLUTION<sup>102</sup>

- **Valmont** is a US engineering company with a twin focus on sustainable infrastructure and sustainable agriculture. Overall, the company's flagship center-pivot irrigation systems use 50-75% less water than traditional methods, driven by optimizing flow rates and water application efficiency, enabling food production in areas of greater water scarcity.<sup>103</sup>
- Valmont's sprinkler infrastructure supports cameras, sensors, and other technologies that allow farmers to remotely track crop development and detect pests, weeds, diseases, nutritional deficiencies to improve crop yield.

### IMPACT

- Valmont's sprinkler systems are currently deployed for irrigation across 33mm acres of farmland in over 90 countries and save 4tn gallons of water annually.
- The company's predictive scheduling tool, which makes recommendations based on data including weather conditions, soil moisture, crop type, stage of development, and weather condition, saved a further 280bn gallons of water in 2021.

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## CIO LETTER



**Michael Lent**  
Partner – CIO & CFO

I write this at a time of great turbulence in the world. We are seeing acts of violence and warfare, extreme partisanship and political turmoil, and a barrage of attacks on environmental, social, governance (ESG) investing and Diversity, Equity, and Inclusion (DEI) practices.

It can sometimes be hard to feel hopeful in this period, but I still believe that progress is being made and that impact investors are making meaningful contributions towards solving social and environmental challenges.

Despite the turbulence, the US economy has been doing fairly well,<sup>105</sup> workers have been gaining at the bargaining table, and the energy transition is moving forward<sup>107</sup> (albeit at a slower pace than we would like to see).

### Silver Linings

In my view, the attacks on ESG and DEI present an opportunity for us to determine who in the investment field is authentically committed to these issues and who is not. For example, some mutual funds and ETFs have

stopped marketing themselves as ESG or Sustainable because they were not truly committed to an authentic process and instead were greenwashing.<sup>108</sup>

The SEC recently adopted the Names Rule which requires funds that use ESG in the name invest at least 80% of the value of its assets in alignment with ESG factors.<sup>109</sup> It also appears that some asset managers and investors do not want to stand up to the scrutiny of the Republican AGs and House committees and have stopped using ESG or DEI in fund names even if they continue to offer investment options in this area.

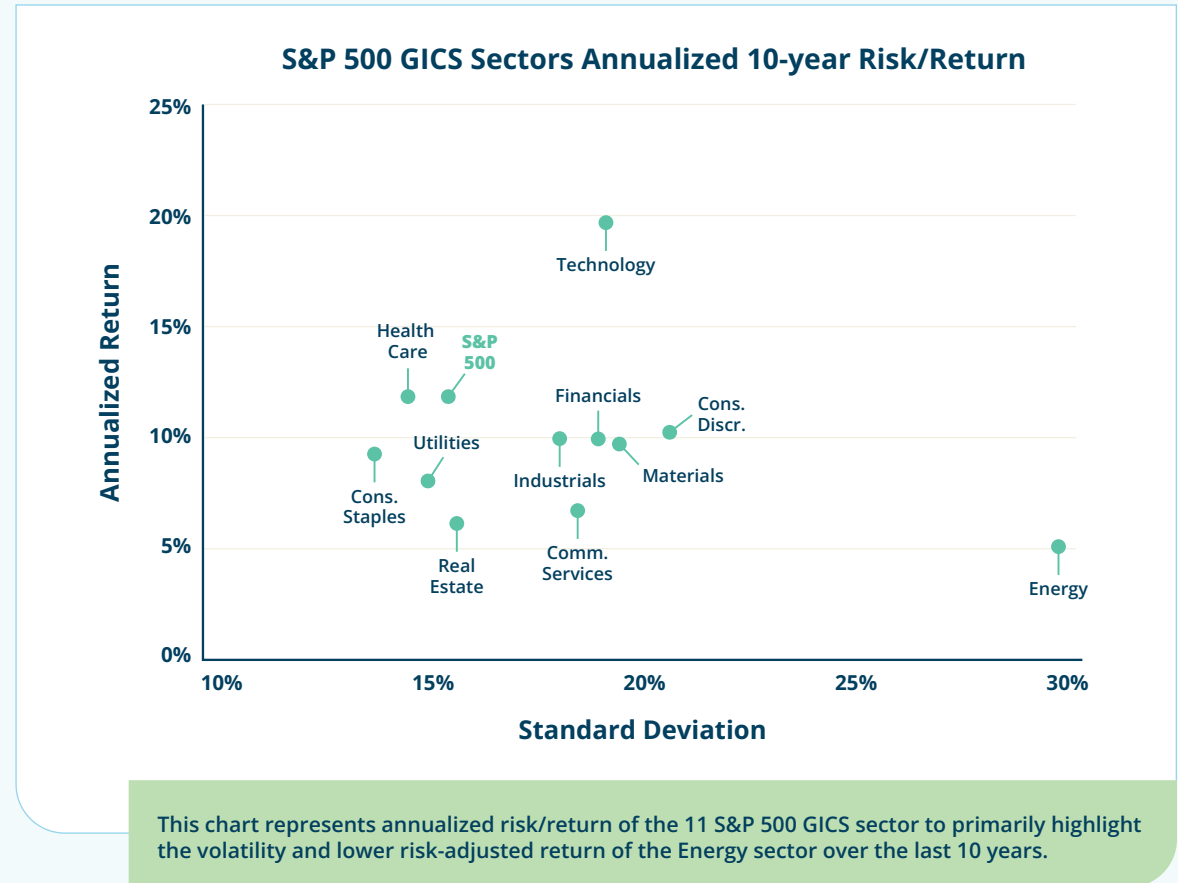
However, those funds and managers that are committed to ESG and DEI are staying the course and continuing to innovate, deepen their analysis, and move our field forward.<sup>110</sup>

### Challenges We Are Facing on the Route to a Decarbonized Economy

It is important to recognize that it has been a difficult market environment for ESG and Impact Investors as well. The traditional energy sector (oil and gas), which is one of the largest contributors to climate change, has been one of the best performing areas of the public equity markets over the past three years due to the Russian invasion of Ukraine, OPEC+ supply constraints coming from Saudi Arabia and Russia, and the emerging Middle East Conflict.<sup>111</sup>

Renewable energy stocks have underperformed during the same time due to their high capital requirements, higher borrowing costs, and increased cost of inputs.<sup>112,113</sup> This has had an impact on portfolios that are fossil fuel free and low carbon. Some environmental thematic equity managers and funds have had some short-term underperformance. However, we see this as a short-term phenomenon. Over the past ten years traditional energy stocks have been the worst performing sector of the market.

The US Inflation Reduction Act, the Chinese commitment to significant investment in solar power and Electric Vehicles, the need for Europe to become



less dependent on natural gas and the innovations in energy efficiency and other low carbon options will likely provide a tailwind over the medium term.

We think the current challenge is bringing together the desire to decarbonize the

economy with a just transition that addresses frontline community needs and the need for POC and labor to participate in the economy of the future. Our report highlights our Just Transition Investment Framework and two investment examples. We are committed to identifying



more options in the next several years as we see this as one of the most important contributions impact investors can make.

### Progress Towards Our Firm's Equity, Diversity, and Inclusion Goals

Veris has made a commitment to continue to bring EDI managers on our platform and work with our current managers to encourage progress in this area. See our firm's report on [Investing in Diversity, Equity, Inclusion, and Belonging](#) for more information about our approach.

Despite the attacks on DEI, we have been able to identify new opportunities for investing with DEI managers: both diverse teams and those using a DEI investing lens.

We have brought on to our platform several excellent EDI managers, some. Several of whom they are first time fund managers. Investing in first time EDI managers is critical to ensure success. As we have outlined in this report our engagements with our approved managers have resulted in better EDI-specific data collection and we are seeing improvement in the diversity of metrics and disclosures. While these improvements are important, we are

committed to making further progress to meet our goals.

### Our Work Continues

Since the very beginning of our firm's history, Veris has had a vision to build a more just, equitable, and sustainable

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**“...the current challenge is bringing together the desire to decarbonize the economy with a just transition that addresses frontline community needs...”**

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world through our investments and our practices. The challenges the world is facing require bold and innovative approaches. We are not daunted by the most recent challenges and see that they create new opportunities.

I thank our Managing Director of Investments, Roraj Pradhananga and his Investments Team for the excellent work they are doing in advancing our impact investing research and continuing to innovate to achieve our vision.



**Michael Lent**  
Veris Wealth Partners, CIO  
[mlent@veriswp.com](mailto:mlent@veriswp.com)

# INDUSTRY COLLABORATIONS

Every year, Veris partners with local and national organizations that are helping further develop and grow the sector of impact and ESG investing. Over the past year we have been proud to support the following organizations through our firm's financial and human capital, as we believe this work

complements ours and strengthens the industry as a whole:

## Let's Work Together

If you are an ESG/Impact membership group or advocacy organization in the field of responsible investing, and your organization is not listed here, please don't hesitate to reach out to Veris through [info@veriswp.com](mailto:info@veriswp.com).



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