

## IMPACT OBJECTIVE

*Overall goal of the portfolio*

*Manage climate change risks, as well as protect and conserve natural resources.*

## SDG ALIGNMENT

*Alignment with the United Nations' Sustainable Development Goals*



## ASSET CLASS

*Types of underlying assets*

Public Equity, Fixed Income

## Strategy

*Impact strategies utilized by the portfolio*

A diversified public equity and fixed income portfolio, that collectively:



Provides funding to companies **developing solutions** to climate change challenges



Invests in companies that have **reduced** greenhouse gas emissions and overall resource consumption



**Screens out** companies and municipalities with poor environmental practices

## ESG Integration

All funds employ some element of ESG Data Integration.



### MORE EXPOSURE TO CLIMATE CHANGE SOLUTIONS

**62% greater** than benchmark in clean energy companies<sup>1</sup>

**19% greater** than benchmark in climate voting support<sup>2</sup>



### LESS EXPOSURE TO CLIMATE RISKS

**37% less** than benchmark in deforestation producers exposure<sup>3</sup>

**42% less** than benchmark in scope 1+2+3 GHG emissions<sup>4</sup>

**50% less** than benchmark in industrial GHG emissions<sup>5</sup>

## Holdings

Select investments supporting impact:<sup>6</sup>

### EQUITY



As of 2022, 213 of **Apple's** suppliers — representing the majority of its direct supplier spend committed to using 100 percent renewable energy for their Apple business. In the last year, Apple more than doubled the amount of clean energy used to manufacture Apple products.<sup>7</sup>



**John Deere** reduced its greenhouse gas emissions by 29% and increased its renewable energy use to 58.9% in 2022, relative to its goal of reducing GHG emissions to 15% through increasing renewable energy supply to 50% and excellence in energy efficiency.<sup>8</sup>



**Microsoft Corp** announced a partnership with Planet Labs PBC and The Nature Conservancy to launch the Global Renewables Watch (GRW), a first-of-its-kind living atlas to map and measure all utility-scale solar and wind installations on Earth using artificial intelligence (AI) and satellite imagery, allowing users to evaluate clean energy transition progress and track trends over time.<sup>9</sup>

### FIXED INCOME



In late 2022, **Calvert Green Bond Fund** acquired a position in a U.S. company that is a leading global producer of technology devices and is committed to achieving carbon neutrality by 2030. The company is using the proceeds of the bonds mostly to design low-carbon products and expand the use of renewable energy in its facilities.<sup>10</sup>

## Taking Action

Shareholder engagement and proxy voting

Notable funds in portfolio using this strategy:

- **Brown Advisory Sustainable Growth Fund**
- **Trillium ESG Global Equity Fund**
- **Parnassus Core Equity Fund**



**Parnassus** holds sizeable positions in one of the country's largest waste disposal companies, WM (formerly Waste Management). Through its ongoing engagement with the fund manager in developing a long-term environmental justice strategy, WM formed an advisory council to oversee environmental justice topics, and they became the first commercial services company to publish an interactive tool that maps clean technology, pollution, and community demographic data at the facility level.<sup>11</sup>



**Trillium** withdrew its shareholder proposals at Darling Ingredients and BJ's Wholesale Club only after the companies' committed to submitting greenhouse gas emissions reduction targets by 2024 and 2025, respectively. The targets will be submitted to the Science Based Targets Initiative and are aligned with the goal of limiting warming to 1.5 degrees Celsius.<sup>12</sup>



## Advancing Impact Outcomes

*Strategic investments in impact outcomes*

Notable funds in portfolio using this strategy:

- Calvert Green Bond Fund
- CCM Community Impact Bond Fund
- iShares Global Clean Energy ETF
- KBI Global Investors Aquarius Fund



This past year, **Calvert Green Bond** I invested in the green bond of a major U.S. telecommunications provider, supporting its goal of procuring 50% of its energy from renewable sources by 2025. These goals also include reaching scope 1&2 carbon neutrality in its facilities, vehicles, and energy purchases by 2035.<sup>13</sup>



KBI Global Investors, manager of the **KBI Global Investors Aquarius Fund**, instituted a Revenue Alignment SDG Score for all of their strategies, which attempts to measure the impact of each fund on UN SDGs through portfolio company revenue. KBI determined that 74% of company revenues in the Aquarius Fund directly support UN SDGs while 41% of company revenues in the Fund directly support UN SDG 6, Clean Water & Sanitation.<sup>14</sup>

## Important Information and Disclosures

### FOOTNOTES

<sup>1</sup> Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. YourStake is a provider of ESG data from 200+ underlying sources to help investors align their investments with their values. CapShift uses YourStake to track and report on impact metrics of clients' public portfolios. The Portfolio Specific Benchmark is created by weighting each underlying funds' benchmark in accordance with that fund's weighting in the portfolio. Top 200 companies by clean energy economy revenue, including energy efficiency and finance of low-carbon solutions, and companies with business models and revenue sources fully in support of the clean energy economy.

<sup>2</sup> Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. The average level of voting support for shareholder proposals calling for companies to plan for a net zero greenhouse gas emissions future. Climate related shareholder proposals are important in planning for a net zero greenhouse gas emission future.

<sup>3</sup> Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. Companies involved in producing and trading palm oil, paper/pulp, rubber, timber, cattle, and soy, and having a past record or a significant risk of contributing to deforestation, land grabbing, and human rights abuses.

<sup>4</sup> Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. Greenhouse gas emissions, in Carbon Dioxide Equivalents, total of scope 1, 2, and 3 emissions. These are total emissions as reported by the company. Some companies report "scope 3" as only part of their scope 3 emissions, and may not report all scopes of emissions.

<sup>5</sup> Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. Greenhouse gas emissions, in Carbon Dioxide Equivalents, from facilities as reported to North American and E.U. Pollutant Release and Transfer Registers. Facilities that emit at least 25,000 metric tons of GHG emissions are required to report in the USA, and facilities that emit at least 100,000 metric tons of CO<sub>2</sub> or at least 100 metric tons of Methane are required to report in the E.U.

<sup>6</sup> Select top holdings are stories of impact selected from the top 10 equity companies or fixed income investments comprising the largest share of the portfolio that align with the portfolio's intended strategy.

<sup>7</sup> Source: "Apple Environmental Progress Report 2022," Pg. 3. [https://www.apple.com/environment/pdf/Apple\\_Environmental\\_Progress\\_Report\\_2022.pdf](https://www.apple.com/environment/pdf/Apple_Environmental_Progress_Report_2022.pdf)

<sup>8</sup> Source: "John Deere Sustainability Report 2022," Pg 5. <https://www.deere.com/assets/pdfs/common/our-company/sustainability/sustainability-report-2022.pdf>

<sup>9</sup> Source: "Microsoft, Planet and The Nature Conservancy launch the Global Renewables Watch," <https://news.microsoft.com/2022/09/22/microsoft-planet-and-the-nature-conservancy-launch-the-global-renewables-watch/>

<sup>10</sup> Source: "Calvert Green Bond Fund Commentary Q4 2022," Pg 2. <https://www.calvert.com/media/23935.pdf>

<sup>11</sup> Source: "Parnassus 2022 Stewardship Report," Pg 2. [https://assets-us-01.kc-usercontent.com/094ee837-48bb-001c-6959-053670061ebf/581c3d46-5ce8-4e8f-af2b-62ea812a80b3/Parnassus%20Investments\\_2022%20Stewardship%20Report.pdf](https://assets-us-01.kc-usercontent.com/094ee837-48bb-001c-6959-053670061ebf/581c3d46-5ce8-4e8f-af2b-62ea812a80b3/Parnassus%20Investments_2022%20Stewardship%20Report.pdf)

<sup>12</sup> Source: "Trillium 2022 Advocacy Report," Pg. 5. <https://www.trilliuminvest.com/leadership-corporate-engagement/trilliums-q1-q2-2022-advocacy-impact-report>

<sup>13</sup> Source: "Calvert Impact Blog: Trends Behind the Growth in Sustainable Bonds," [https://www.calvert.com/impact.php?filter=impact%3Bequities%3Bresponsible\\_investing%3Bcalvert\\_bond%3Boutlook&investment=calvert&since=2022-01-13&until=2023-01-13#trends-behind-the-growth-in-sustainable-bonds](https://www.calvert.com/impact.php?filter=impact%3Bequities%3Bresponsible_investing%3Bcalvert_bond%3Boutlook&investment=calvert&since=2022-01-13&until=2023-01-13#trends-behind-the-growth-in-sustainable-bonds)

<sup>14</sup> Source: "Measuring contribution to Sustainable Development Goals," Pg 3. <https://esginvesting-cdn-1.s3.eu-west-2.amazonaws.com/wp-content/uploads/2022/08/08092503/KBIGI-Revenue-Impact-research-report-2022.pdf>

## Important Information and Disclosures

**Note on YourStake Sources:** YourStake gathers data from publicly available sources and cites every data point to ensure verifiability. YourStake looks for data that meet the following criteria:

- Hosted by government, SEC, academic, or trusted NGO sources.\*
- Applies to a broad set of companies, either across a sector, geographical region, or the whole economy.
- Contains quantitative, comparable measures.
- Updated frequently to reflect the current state of the world.

In general, YourStake chooses not to gather data from voluntary company reporting because companies often use different methodologies to report similar metrics, leading to the inability to compare, or worse, misleading comparisons that are not apples-to-apples. Instead, by using third-party and standardized data sources, YourStake can ensure fair comparability. YourStake frequently updates and improves its list of data sources. YourStake has also put together a proprietary database of shareholder engagement actions. This database draws from company reporting, including fund manager impact reports, websites, press releases, blog posts, and the general news media.

\* YourStake determines that an NGO source is a trusted source if it:

- Has a detailed and transparent methodology.
- Is updated frequently,
- Is already used by government regulators or the investor community to analyze, evaluate, or engage with companies.

### **Note on ESG and Impact Definitions:**

**ESG data integration:** Refers to funds that systematically and explicitly include material ESG factors into investment analysis and investment decisions, including exclusion of certain sectors or overindexing towards positive social or environmental focused sectors

**Advocacy & engagement:** Refers to funds who reported on taking actions such as shareholder engagement or proxy voting with underlying holdings in the past year at either the fund or firm level

**Impact outcomes:** Refers to funds who produce reports showing progress against explicit impact goals and targeted metrics in the past year at the fund level

## About CapShift

CapShift partners with National Philanthropic Trust to help donors align their donor advised funds' investments with their values to create meaningful impact from the moment capital is donated until it reaches their preferred nonprofit. Learn more about CapShift's partnership with National Philanthropic Trust by visiting [this page](#) or by reaching out to us at [hello@capshift.com](mailto:hello@capshift.com).

## DISCLOSURES

The above information does not constitute an offer to sell or a solicitation of an offer to purchase any security. All investments entail a high degree of risk and no assurance can be given that the investment objective will be achieved or that investors will receive a return of their capital. Any investment opportunities highlighted in this document are presented for illustrative purposes only. Additionally, investments may not achieve stated social, environmental, or similar objectives. Opportunities may not be suitable for all investors and past financial or social returns are not indicative of future results.

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