



PROGRESSIVE
Asset Management

Communication on Progress

Supporting the United Nations Global Compact

2015-2016

Submitted December 30, 2015



This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.

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I. Statement of Continued Support

Progressive Asset Management is pleased to continue to support the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption and to share that support throughout our organization. We have integrated the Global Compact and its principles into our daily operations and continue to work with others in the field to advance the broader acceptance of the goals of the United Nations.

From a variety of environmental executive actions by President Obama, huge “Green bond” issues by mainstream American companies, and even an environmental encyclical by Pope Francis, 2015 could very well be the year history records that Climate Change action went global. As we have since 1987, PAM continues to be a leader in socially and environmentally responsible investing, including the latest emphasis on fossil-fuel divestment in personal and institutional portfolios offered by our network of advisors.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company’s efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within two years of joining the Global Compact, and every year thereafter according to the Global Compact COP policy.



Catherine Cartier President

II. Profile of Progressive Asset Management, Inc.

Progressive Asset Management, Inc. (PAM) is a registered broker/dealer in the United States specializing in socially responsible investing. PAM provides advisory services to its network of investment advisors including comprehensive social screening and reporting, proxy voting opinions and separate index tracking equity portfolios.

Founded in 1987, PAM formed a strategic alliance in 1999 with Financial West Group, a leading California broker-dealer, and formed the socially responsible division of Financial West Group. In 2015, PAM left Financial West Group to join Securities America, one of the nation's largest independent broker-dealers with more than 2,000 independent advisors, whose commitment to partnering with PAM to reach a broader range of values based investors strongly aligns with PAM's strategic goals. Today, PAM's groundbreaking social research, product development and advisory services are offered through members of the PAM network.

PAM is a national network of Financial Advisors who provide investors with a way to invest for competitive financial return and social and environmental progress at the same time. Through our broker-dealer/advisory relationship with Securities America and Securities America Advisors, Inc., and our custodial and clearing relationships with National Financial Services (a division of Fidelity Investments) and Charles Schwab and Co., we offer a complete range of investment services for individuals, organizations, families and institutions.

A. A Leader in Social & Environmental Investing

At PAM, we believe that corporations that combine strong financial and social performance make the best long-term investments. We believe that companies that do not follow socially responsible practices tend to have greater potential liabilities. Those liabilities may lead to sub-par financial performance.

PAM employs a personalized investment process designed to bring one's financial investments in line with their social values. Because we feel that one's investments should be governed by one's definition of social responsibility, individualized standards and strategies can be developed according to specific needs. Since our founding in 1987, PAM has been at the forefront of providing the PAM network of Financial Advisors and their clients a broad range of socially and environmentally responsible financial products and services, including positive impact community development investments.

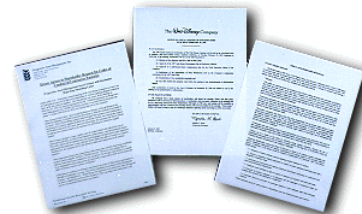
B. Our ESG Screening Service

We maintain relationships with several providers of social research to give our clients a comprehensive social and environmental perspective on their current and potential financial investments. Looking at multiple quantitative and qualitative measures, we provide individualized screening based on clients' ESG requirements.

We incorporate the ten principles of the United Nations Global Compact (UNGC) into our social screening process in order to facilitate greater awareness and support of the UNGC and its work.

C. Client Centered Shareholder Advocacy

Not many investment advisors have their work enshrined at the **Smithsonian Institution**. In 1997, Progressive Asset Management filed shareholder resolutions challenging the **Walt Disney Company** to improve their suppliers' labor practices. After the publicity surrounding these resolutions, and the 39 million shares voting in support for the resolutions, Disney posted a contractor code of conduct and pledged to authorize audits and inspections of all their disparate contracted suppliers. Our effort was recognized as a major step forward in the Smithsonian's permanent exhibit, "Sweatshops in America".



Since then, PAM has helped like-minded organizations and clients file and co-file resolutions on a wide range of social issues. Shareholder advocacy is a key tool investors use to influence corporate decision making at the highest levels. PAM is committed to supporting our shareholder advocacy efforts.

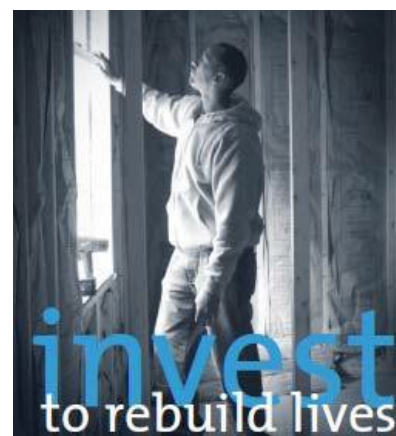
D. Proxy Alert Service

Based on the **PAM Proxy Voting Guidelines**, our social research and advocacy department provides opinion by way of **PAM Proxy Alerts!** for both management and shareholder proposals up for proxy vote on our clients' top 200 holdings, carefully considering the ESG impact of each proposal on the ballot. Through this service, investors are better empowered to vote their proxy ballots to reflect their values.

E. Positive Impact Investing

We provide our clients with a number of opportunities to invest in positive-impact social investments supporting low-income housing, better nutrition and education, clean energy resources and micro-lending enterprises for disadvantaged people and their communities.

Previously PAM teamed up with the **Calvert Foundation** to create **PAM Community Investment Notes**. PAM Community Investments Notes provided a powerful social investment program, professionally managed by the Calvert Foundation, a pioneer in the field of community investing. PAM worked with **Enterprise Community Partners** to offer investors a way to support greater positive impact in communities around the country in the areas of health care, low-income housing, education and career support.



Also, from time to time, the PAM advisors have raised private equity for high social impact ventures. Offerings (through FWG) have been in the areas of wind energy, organic foods and gardening, fair trade commerce, and SRI mutual funds.

F. Proprietary Offerings

Since endorsing the UNGC, PAM and our network of advisors have spearheaded many programs that directly pertain to the principles of the Global Compact. Among them:

ProgressiveTrack™ Investments Portfolios

ProgressiveTrack Investments (PTI), a proprietary suite of four equity portfolios, US and International, benchmarked to well-known market indices, became the first such program specifically screened for UN Global Compact issue concerns.

Screening out over half of the market capitalization of their respective benchmarks, PTI employs robust ESG standards and provides socially concerned investors the benefit of passive index portfolios performing comparably to associated benchmarks. In late 2013 we divested the Portfolios of the top 200 public coal, oil and gas companies based on their potential climate impact as provided by FossilFreeIndexes.com (The Carbon Underground).

PAM/RBC Water Resource Direct Investment Notes Series

Teaming up with RBC Capital Markets, in November 2009, PAM created the world's first Direct Investment Note based on an equity basket of companies determined by PAM research not only to be engaging in meaningful efforts to stem the global water crisis, but also screened to pass stringent ESG standards and the principles of the Global Compact.

Subsequent Notes in the Water themed series were launched in January 2011 and April 2012. The latter two notes were constructed to adhere to the 2010 UN declaration of access to water and sanitation as a fundamental human right. Accordingly, this program became the first water-themed investment series to screen out all private investor owned water utilities and other companies deriving their profits from the direct ownership of water resources. PAM raised over \$12.2 million invested in the notes highlighting the growing demand for stringently screened proactive investments addressing global priorities.

G. Strategic Partnerships Program

PAM partners with several SRI organizations and coalitions including **US Social Investment Forum (USSIF)**, **The Interfaith Center for Corporate Responsibility (ICCR)**, the **Green America Green Business Network**, the **Apollo Alliance** (now affiliated with the Blue/Green Alliance) and the **Ceres Coalition**. Through these partnerships we join other investors, businesses, labor unions and community groups to form a powerful voice for change in Washington, on Wall Street, in boardrooms and throughout the world.

III. Annual Progress 2015 The Ten Principles

Progressive Asset Management, Inc. 2015 Initiative Participation and Advocacy

PAM has joined with other investors, advisors, businesses, labor unions and like-minded SRI organizations to effect change in Washington and on Wall Street in support of the UNCG Ten Principles of Corporate Conduct, including:

Urged the World Bank to Strengthen Its Draft ESSF Regarding Human Rights

PAM joined major investors representing over \$125 billion in assets under management, including Boston Common Asset Management and Calvert Investments, in writing in a response to the World Bank's request for comments on proposed amendments to the draft Environmental and Social Safeguards Framework (ESSF). We urged the World Bank to revise its draft ESSF in order to make it more consistent with international human rights law and, in particular, the United Nations Declaration on the Rights of Indigenous Peoples and the Guiding Principles on Business and Human Rights. We are concerned that the proposed draft does not explicitly reference the respect and protection of human rights as a core expectation.

Demanded that Corporations Disclose Their Efforts to Safeguard Bangladesh Workers

PAM joined a coalition of global investors representing \$2.5 trillion in assets in sending letters to corporate members of the Bangladesh Accord for Fire and Building Safety and the Alliance for Bangladesh Worker Safety requesting that they disclose their efforts to safeguard the lives of workers in Bangladesh garment factories. The collapse of the Rana Plaza building in the outskirts of Dhaka in April 2104 where over 1,100 garment workers lost their lives is considered one of the worst workplace disasters in history. In addition, investors sent letters to companies calling on them to contribute to the Rana Plaza Donors Trust Fund to support the victims and their families.

Required company-wide Goals for Reducing Greenhouse Gas Emissions

PAM, together with the Tri- Together with the Tri-State Coalition for Responsible Investment and institutional investors representing \$440 billion in assets under management -- including state pension funds from Massachusetts, Connecticut and Vermont -- supported shareholder proposals at both the Exxon and Chevron annual meetings requesting the Board of Directors to adopt long-term, quantitative, company-wide goals for reducing total greenhouse gas emissions from the companies' products and operations.

Supported Pay for Performance SEC regulation

PAM joined with As You Sow to file a letter to the Securities and Exchange Commission applauding the proposed Pay for Performance rules. While not perfect, the rules go a long way

in helping shareholders and citizens to evaluate whether executive pay and bonuses are truly justified based on a corporation's financial performance. PAM believes the new rules would help level the playing field for both companies and investors, and allow shareholders to be better informed when they vote to elect directors and approve executive compensation.

Demanded Corporate Reporting of Water Usage throughout Food and Beverage Sector

PAM joined with Ceres, the Investor Network on Climate Risk, the Interfaith Center on Corporate Responsibility (ICCR) and United Nations-supported Principles for Responsible Investment (PRI) to direct letters to leading companies within the food and beverage sector aimed at improving water disclosure practices by encouraging corporate reporting to the 2016 CDP Water Questionnaire. The global food sector uses 70% of the world's freshwater and therefore assumes both significant risk and responsibility in the increasing global water availability crisis.

IV. Internal Operations

We know that it's very important for companies reporting on progress to the United Nations Global Compact to be able to show not only what they advocate in the public sphere, but also to show how the actual operations, production and conduct of the enterprise itself is managed so as to be congruent with the Principles.

A. PAM's Environmental Footprint

PAM's environmental footprint is negligible. Employees of PAM and PAM network Advisors are encouraged to minimize their carbon footprint substantially.

Members of the PAM network are independent contractors empowered to telecommute from home at their sole discretion.

We strive to conduct all PAM, Inc. management meetings via teleconference.

All PAM, Inc. paper-marketing materials are produced using recycled paper and soy based inks (as available).

B. PAM's Labor, Human Rights & Social Justice Issues Footprint

PAM, Inc. has employee policies in place prohibiting discrimination by race, religion, ethnicity and sexual orientation.

Members of the PAM network are encouraged to provide guidance and feedback to PAM, Inc. on programs and delivery of services.

PAM, Inc. has had no employee related nor customer related complaints filed with any regulatory body since 1999. Our complete regulatory record can be found at www.finra.org.

V. PAM Goals for 2016

Progressive Asset Management seeks to continue leadership in the SRI community through continuation of social screening, shareholder advocacy and community investing activities. Along with Green Century, ICCR, Boston Common and others PAM strives to lend its support in the form of assets under management to urge change in all aspects relating to the UNGC principles.

As we continue to strive for improvement within our company and to support the UNGC Principles, we are determined to make meaningful progress annually. Moving ahead in the coming year, we outline the following goals to further our commitment to the Principles:

A. Broadening SRI reach among values based investors

PAM is pleased to have teamed up with Securities America, a firm that recognized the value of the Progressive Asset Management history and that supported our goal to build out the PAM brand in a rapidly growing marketplace. PAM intends to utilize leading edge technology provided by Securities America to make PAM's unique services available to a broad range of advisors and their clients.

B. Accommodate Greater Investments in Socially Screened Equity Portfolios

PAM is working to offer access to the ProgressiveTrack Investment portfolios across multiple investment platforms, expanding its reach and impact in the SRI space.

C. Expand our Network of Financial Advisors

At PAM, we feel that the principles of the United Nations Global Compact form a universal declaration and definition of socially responsible investing. As the first full service broker/dealer in the United States founded and dedicated to socially responsible investing, and as one of the premier networks of independent Financial Advisors specializing in socially responsible investing, adherence to and promotion of the United Nations Global Compact Principles is central to our mission. By expanding the PAM network of advisors, the UNGC Principles will continue to grow in influence and acceptance in the financial community.



PROGRESSIVE
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Corporate Office
Progressive Asset Management, Inc.
1814 Franklin St. #503
Oakland, CA
94612
800.786.2998

www.progressiveassetmanagement.com

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