



Communication on Progress

Supporting the United Nations Global Compact

Submitted November 2022



Statement of Continued Support

To our stakeholders:

I am pleased to confirm that SharePower Responsible Investing reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Richard W. Torgerson
Registered Principal



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

We welcome feedback on its contents.

CONTENTS

Statement of Continued Support	2
Our Company	4
SharePower Responsible Investing®	4
Cambridge	4
Responsible Investing	5
SRI Versus ESG	5
It Matters How You Invest.	5
Equities (Stocks)	5
Fixed Income (Bonds, Notes and CDs)	6
Cash equivalents (FDIC Insured or money markets)	6
You Define What Is Socially Responsible.	6
Research & Screening	6
Shareowner Advocacy	6
Community Investing	6
Philanthropic Planning	7
Public Advocacy	7
How Is Socially Responsible Defined In a Portfolio?	7
Social Justice and Environmental Stewardship	7
The United Nations Global Compact	8
The Principles	8
Human Rights	8
Labor	8
Environment	9
Anti-Corruption	9
The Sustainable Development Goals	9
Can An Individual Investor have Real World Impact?	10
Responsible Investing	11
Actions in Support of the Principles	12
Human Rights	12
Labor	15
Environment	18
Anti-Corruption	23
Company Wide Goals and Measurement of Outcomes	25
Access to Financial Services and Management	25
Continue Refining Our Operations in Congruence with the UN Global Compact	26
Communicating Socially Responsible Investing to a Wider Audience	26
The Licensed Professionals of SharePower Responsible Investing®	27
Disclosures and Contact Info	28

Our Company

SharePower Responsible Investing®

As a coast-to-coast coalition of financial advisors that specialize in socially responsible investing, we've brought leadership to the SRI movement for 36 years. Our mission is to provide the highest level of integrated responsible investment programs to individuals, families, business and non-profits that care about integrating their values into their financial goals. We are dedicated to accomplishing our mission with excellence in professional standards of experience, integrity, ethics and service. Our belief is that responsible investing does not treat financial and values-based goals as separate concepts, but rather recognizes and integrates them into a client centered, sound investment program that we call simply responsible investing. Responsible investing integrates ESG (Environment, Social, Governance) metrics, financial fundamentals, individual values, societal values, corporate values and performance to produce an investment program that meets the needs of each client, contributes to a just society, and promotes a healthy planet. We believe accomplishing our mission matters to all of us.

Cambridge

Cambridge is an independent financial solutions firm focused on serving independent financial professionals and their investing clients. Cambridge's national reach includes: Cambridge Investment Research Advisors, Inc. – a large corporate RIA; and Cambridge Investment Research, Inc. – an independent broker-dealer,

member FINRA/SIPC, that is among the largest privately controlled independent broker-dealers in the country. With over 890 home office employees serving over 3,800 financial advisors in all 50 states, Cambridge services over \$137 billion of assets under advisement (as of 6/30/2022). SharePower advisors choose Cambridge as our broker/dealer¹ because we evaluate our vendors, service providers and supply chain on social, environmental and governance concerns the same way we ask the companies we invest in to do. A remarkably clean and exemplary regulatory record shows us that Cambridge lives and breathes their stated corporate goals: Commitment, Integrity, Flexibility, and Kindness. No other financial firm we know of strives for kindness as a corporate mission, and Cambridge's record and conduct shows the talk is walked every day. Cambridge was voted by our peers as the best broker/dealer in the US for several years running.²



It's a **baker's dozen!**

Cambridge is a 13-time *Investment Advisor* magazine Broker-Dealer of the Year – the most honored firm in the history of the award.

See why our financial professionals continue to recognize us. [Click Here](#)

Investment Advisor magazine, 2020-2012, 2010, 2008, 2007 Division IV; 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995, 1994, 1993, 1992, 1991, 1990 Division III

¹ SharePower Responsible Investing® and Cambridge Investment Research are unaffiliated.

² Investment Advisor magazine, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2010, 2008, 2007, Division IV; 2003, Division III. A broker-dealer becomes eligible for this honor only after a minimum of 10% of its producing financial professionals cast valid ballots. The ballots rate the broker-dealer in 15 different categories defined by Investment Advisor as relevant challenges and concerns. Broker-dealers receiving the highest marks in each of four divisions are declared Broker-Dealer of the Year. Results are based on experiences and perceptions of participants surveyed in June of each of the years listed. Experience may vary. This recognition is not representative of investment performance or returns of financial professionals. Visit thinkadvisor.com.

Responsible Investing

Peter Kinder, one of the founders of the Domini 400 Index, offered this definition thirty years ago of what was then called social investing: Social Investing is the “incorporation of ethical considerations in the investment decision-making process”³. Responsible investing is acting on the recognition that it matters how and in what you invest. Money is power. An investment in any business endeavor has a real impact in the world. Therefore, our investment decisions have consequences. And, as such, our investment decisions carry the same moral and ethical considerations that guide us daily in all other parts of our lives. Responsible investors choose not to participate in morally or socially irresponsible activities and choose to emphasize morally and socially responsible endeavors.

SRI Versus ESG

In contrast, the now-popular “ESG Investing” (ESG) implemented by Wall Street firms can turn socially responsible investing (SRI) on its head. Wall Street generally adheres to a worldview of shareholder capitalism, as expressed by economist Milton Friedman when he famously declared “there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits”.⁴ Equating profits with social responsibility, the only importance of environmental, social or governance concerns is their direct impact to corporate profits. If socially concerned responsible investors are concerned with how our investments impact the world, ESG investing is concerned with “whether the world might mess with the bottom line”.⁵

In just one example cited by a recent Bloomberg article, the fact that fast food companies have enormous carbon emission footprints matters literally nothing to the environmental ratings generated by the leading ESG research house. (This firm’s ratings informs the investments of some 60% of the “ESG” labeled investment products out there.) The reason is that no emissions regulator will enforce any actions on fast food companies, so there is no perceived risk to fast food companies on this issue. No consideration is given to the risk imposed on the world by fast food industrial emissions.⁶

It Matters How You Invest.

Every investment has real impact, not just ones marketed as “impact investments”.

Equities (Stocks)

When an investor buys an equity security (stock) in an enterprise, that investor becomes a part owner of that enterprise. As such the shareowner assumes a responsibility for the actions of the enterprise and their considerable effects that enterprise has on all stakeholders of that enterprise – customers, employees, suppliers, affected communities and the shareowners. The price paid for a stock is typically determined by the balance of trades in the open market, and prices can go down or up. The decision to buy or sell a stock can affect the price of that stock.

Even a small change in stock price has a magnified impact on that company’s overall value, its ability to transact business, borrow money, and acquire other companies. A small change in stock price can add millions to executive compensation and influence the CEO’s job security.

³ Kinder, Peter D. “Socially Responsible Investing and Portfolio Performance.” City of Baltimore Development Commission, Divestment Subcommittee. Hearings on Divestment of Nuclear Weapons Contractors in re City Ordinance #12, 1992, 12 Oct. 1992, Baltimore, Maryland.

⁴ Friedman, Milton. “A Friedman Doctrine-- The Social Responsibility Of Business Is to Increase Its Profits.” The New York Times, The New York Times, 13 Sept. 1970, www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html.

⁵ Simpson, C., Rathi, A., Kishan, S. (2021, December 10). The ESG Mirage. Bloomberg.com. Retrieved December 30, 2021, from <https://www.bloomberg.com/graphics/2021-what-is-esg-investing-msci-ratings-focus-on-corporate-bottom-line/>

⁶ Ibid.

Fixed Income (Bonds, Notes and CDs)

When an investor buys a fixed income security, the investor becomes a lender of cash to the enterprise. Often that cash is critical to the enterprise's ability to conduct their business and fulfill their mission. The lender assumes a responsibility for how that cash is put to use.

Cash equivalents (FDIC Insured or money markets)

Cash equivalents are investments securities that have high credit quality and are highly liquid. The default cash equivalent option we use is the Insured Bank Deposit Program. This program provides FDIC protection by sweeping available cash in a brokerage account with up to 10 banks. We conduct social screening on banks in the program, excluding those that fail social screens on predatory lending, risky practices leading up to the 2008 financial collapse and the range of issues outlined by the United Nations Global Compact. (Consult the Cambridge Disclosure Document for more info, available on request.) We believe this may be the only explicitly screened FDIC insured cash option for brokerage accounts in the US.

You Define What Is Socially Responsible.

SharePower advisors take the position that your views should be paramount in deciding what is socially responsible in your portfolio. We employ a comprehensive social issues questionnaire to help you define your social and ethical instructions. SharePower advisors utilize the United Nations Global Compact and the Sustainable Development Goals to help us implement those instructions.

Research & Screening

Our research seeks to analyze the corporation's actions and their impact on the stakeholders of that enterprise – customers, employees, suppliers, affected communities, shareowners, lenders and the planet itself. Screening seeks to emphasize those companies with a positive impact and exclude companies with a negative impact in your investment portfolio. Since all investments have impact, this research and screening process is applied to all asset classes in your portfolio: stocks, bonds, and cash.

Shareowner Advocacy

Shareowner advocacy leverages ownership in companies to influence the behavior of those companies either through (1) direct dialogues with companies, (2) filing of proxy resolutions to appear on companies' annual shareowner meeting ballots, and most often, (3) through informed exercising of shareowner voting rights in annual meetings.

SharePower advisors have evaluated over 5,000 proxy statements on behalf of clients. At a client's request, we can evaluate the questions on a company's proxy ballot to help make an informed decision exercising the shareowner's right to a voice. Proxy questions on the annual shareowner's meeting ballot include questions pertaining to important social, environmental, and corporate governance issues. Our research informs clients on executive compensation issues, independent audit issues and gender and race issues in board membership. SharePower advisors are licensed as Registered Representatives and cannot by rule solicit proxy votes on any issue. Instead we seek to empower clients to exercise their power of the share.

Community Investing

Community investing is a subset of portfolio decision making that involves directing investment towards community, non-profit or charitable programs to help disadvantaged communities that lack access to traditional financial markets grow and thrive. A percentage of the portfolio is directed to securities issued by non-profit organizations, community development financial institutions or investment companies that invest in fixed income securities that qualify under the definitions of the US Community Reinvestment Act. In addition to our review, all securities chosen in the primary markets are reviewed and approved through Cambridge Investment Research due diligence.

Philanthropic Planning

Owning an investment portfolio offers many advantageous ways to accomplish your charitable giving beyond just donating money. Donating highly appreciated securities and/or donating directly from your IRA through Qualified Charitable Distributions may offer distinct tax advantages. (We recommend discussing the tax consequences of your charitable giving plans with your tax advisor.) Through the Cambridge Charitable Gift Fund, you can establish your own Donor-Advised Fund to manage larger or multiple donations of your choice. The custodians we work with also can establish Charitable Remainder Trust accounts for even larger or more complex philanthropic programs. (We recommend discussing the advisability of a Charitable Remainder Trust, or any type of trust, with your estate attorney.)

Public Advocacy

Investors often have an amplified voice in public affairs, especially when coalitions of like minded investors band together to advocate social progress. SharePower often takes part in important campaigns that affect social and financial progress. We summarize those efforts in our latest United Nations Global Compact Communication On Progress Report.

How Is Socially Responsible Defined in a Portfolio?

The term socially responsible begs the question: *If socially responsible investing is the act of integrating social and ethical considerations in investment decisions, whose social and ethical considerations?* SharePower advisors take the position that the investor's views should be paramount in deciding what is socially responsible in their portfolio. We employ a comprehensive social issues questionnaire to help investors define their social and ethical considerations. Clients look to us for guidance and ask us to help craft the most responsible and proactive portfolios possible.

Social Justice and Environmental Stewardship

A recent NASA funded study conducted by researchers at the Universities of Maryland and Minnesota⁷ surveyed the collapse of all known societies in history and created a predictive mathematical model showing how societies do collapse. Natural resources, wealth and inequality of wealth were the variables found to be relevant. Egalitarian societies tended to prosper. Unequal societies collapsed because of (1) misuse and/or depletion of natural resources and /or (2) violence between economic classes (rich versus poor). The conclusion from this breakthrough research is that to be *socially responsible*, social justice and environmental stewardship are equally important.

Still, no one has the right to dictate what social responsibility means for everyone. Fortunately, we have a blueprint forged by virtually all of the cultures of the world in the United Nations Global Compact and Sustainable Development Goals. Both of these documents are declarations of goals common to mankind that offer a baseline for a universal definition of social responsibility.

⁷ Human and Nature Dynamics (HANDY): Modeling Inequality and Use of Resources in the Collapse or Sustainability of Societies Safa Motesharrei School of Public Policy and Department of Mathematics University of Maryland and National Socio-Environmental Synthesis Center (SESYNC); Jorge Rivas Department of Political Science University of Minnesota and Institute of Global Environment and Society (IGES); Eugenia Kalnay Department of Atmospheric and Oceanic Sciences University of Maryland March 19, 2014

The United Nations Global Compact

In 1999, United Nations Secretary General Kofi Annan challenged the global private sector to adhere to 10 principles of human rights, labor rights, environmental protection and anti-corruption. Since then, over 20,700 companies in 179 countries, including SharePower, have pledged to support the Compact and guide their operations by the ten principles.

In 2008, the world was in the midst of a devastating financial crisis. Nobel Laureate Muhammed Yunus said of that crisis *"What we see as a financial crisis is a part of many more crises, which are going on simultaneously..."*⁸, identifying global environmental, energy, food and financial crises as emergencies that require immediate action. That year, Stephen Lewis, co-founder of AIDS-free World, former Canadian Ambassador to the UN, and UN special envoy for HIV/AIDS in Africa, spoke at a socially responsible investing conference in Vancouver, Canada. He brought the importance of social and environmental justice home in stark clarity and human scale, issuing a call to action to foster...

*"a much greater regard and affection for the vulnerability of the human condition. How does it all come together here? It comes together because just as with the Global Compact for corporations and the United Nations: when you believe in human rights, when you believe in labor rights, when you believe in environmental rights, when you believe in decent governance, then you are beginning to fashion a society where social justice rises to the top where you have a more civilized and decent international community."*⁹

Each of the financial professionals who would later become the founding members of SharePower Responsible Investing were part of a predecessor firm known as Progressive Asset Management. Heeding Ambassador Lewis' call to action, Progressive Asset Management became the first US retail brokerage firm to commit to and support the United Nations Global Compact. Today, SharePower Responsible Investing continues that commitment on behalf of our clients and stakeholders.



The Principles

Human Rights

Principle One: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle Two: make sure that they are not complicit in human rights abuses

Labor

Principle Three: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle Four: the elimination of all forms of forced and compulsory labor;

Principle Five: the effective abolition of child labor; and

Principle Six: the elimination of discrimination in respect to employment and discrimination.

⁸Agence France-Presse (AFP). (2008, December 3). Financial crisis a distraction. The Daily Star. Retrieved November 9, 2022, from <https://www.thedailystar.net/news-detail-66103>

⁹ Lewis, S. (2008, October). Plenary Session. SRI in the Rockies. Vancouver; British Columbia.

Environment

Principle Seven: Businesses should support a precautionary approach to environmental challenges;

Principle Eight: undertake initiatives to promote greater environmental responsibility; and

Principle Nine: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle Ten: Businesses should work against corruption in all its forms including extortion and bribery.

SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals

Seventeen sustainable development goals (SDGs) were adopted by all 193 member states of the United Nations in September 2015, and endorsed as a natural expression of the Global Compact by the UNGC. A blueprint for social progress, the SDGs cover issues including poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanization, environment and social justice. The SDGs are:

Goal 1: End poverty in all its forms everywhere

Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5: Achieve gender equality and empower all women and girls

Goal 6: Ensure availability and sustainable management of water and sanitation for all

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10: Reduce inequality within and among countries

Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12: Ensure sustainable consumption and production patterns

Goal 13: Take urgent action to combat climate change and its impacts

Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Investors and investment advisors can play a crucial role in supporting the SDGs based upon how they invest and how they engage with their investments.

Can An Individual Investor have Real World Impact?

Many in the financial sector differentiate socially responsible investing from impact investing, saying the former merely excludes companies from investment while the latter actually directs investment towards enterprises that have a societal or environmental impact. This is a misleading argument, as *all* investment decisions have real world impact.

The Law of Supply of Demand in economics says that the price of a good goes up when demand rises or supply falls. The price falls when demand falls or supply rises. When an investor decides to buy a stock, demand for that stock rises. Similarly, when an investor decides to sell, supply of that stock available to buy rises, reducing price. This is not just theory. Today's professional traders have instant access to any number of "Market Impact Models", algorithms to predict the effect a particular trade might have on stock price. What's more, institutional money managers try very hard to enter and exit stock positions with the least price impact possible, using off floor block trades or off exchange trades in dark pools etc. This means the much smaller market orders placed by individual investors have, dollar for dollar, a much greater impact on stock price than larger institutional orders.

Even a small change in stock price has magnified impact on a publicly traded company's finances. In one typical example, a one penny increase in one major oil company's stock price increased the company's executive compensation plan by \$2.1 million, the CEO's net worth by \$60,000, the market capitalization of the company by \$18.1 million and the value of

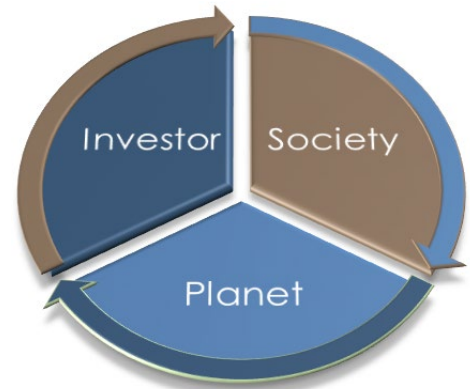
the stock the company could issue to fund acquisitions, exploration projects or any number of financial uses by almost \$50 million¹⁰. Just from a penny increase. Individual investors truly have the power to change the world!

Responsible Investing

Social justice and environmental stewardship are two of the three objects of focus for SRI. The third comprises the needs and objectives of the investor. Just as employees, customers, suppliers, society and the earth itself are important stakeholders affected by corporate behavior, so too are the shareowners and bondholders of the enterprise.

Many faith traditions speak of these three worlds – the individual, the society and the planetary environment. For example, some branches of Buddhism speak of *Ichinen Sanzen*, a concept encompassing all of the various perspectives of reality from the standpoint of the individual self, the society of humankind and the natural environment or planet itself. In this formulation, wisdom is not complete if any perspective is left out.

That makes a good model for how we look at investments. If an investment in a security or enterprise is beneficial to society, healthy for the planet, and contributes to the financial needs and objectives of the investor, then it can be considered a responsible investment. However, a financially promising investment beneficial to society but harmful to the environment falls short. So does an inappropriately risky investment despite promising social or environmental benefits. In our view, compromise in any of the three areas cannot be considered responsible. SharePower's® position is that combining socially responsible investing with a laser focus on the investor's own financial needs and objectives is the responsible thing to do. We define what we do simply as Responsible Investing.



¹⁰ SharePower Responsible Investing®. (2015). Fossil Fuel Divestment: Why Divest From Fossil Fuels? [Brochure]. Westminster, MD: Available upon request.

Actions in Support of the Principles

Human Rights



PRINCIPLE ONE: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS; AND

PRINCIPLE TWO: MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Policies, Operations and Implementation

SharePower Responsible Investing has policies in place that address sexual harassment in the workplace.

SharePower conducts social screening research and analysis to evaluate the record of companies in the area of human rights. Investments in companies found to have problematic behaviors in human rights issues are divested or avoided, while investments in companies with exemplary human rights records are emphasized. The following human rights issues are evaluated:

- Access To Medicine
- Access To Nutrition
- Antibiotics Accountability
- Data Privacy Violations
- Digital Rights Freedom of Expression
- Migrant Detention Involvement
- Mortgage Abuse Violations
- Tobacco Producer Exposure
- Alcohol Exposure
- Gambling Exposure
- Complicity in Violence
- Dangerous or Exploitative Community Impact
- Firearms Manufacture and/or Distribution
- Freedom of Expression & Censorship
- Weapons & Military Contracting

To obtain a fully rounded picture of companies' behavior on human rights issues, SharePower employs social research from professional research vendors, primary research sources such as government databases, and company filings with the SEC. Most importantly and wherever possible, we incorporate street level reports from activist, community, and labor organizations.

SharePower participated in the following initiatives to address human rights issues in this reporting period:

- We co-signed public comments to the **Federal Deposit Insurance Corporation, the Comptroller of the Currency and the Board of Governors of the Federal Reserve** in favor of stronger regulations that would better ensure that **communities most impacted by redlining and environmental injustice** receive the intended benefits of the

Community Reinvestment Act. This campaign was spearheaded by **Americans for Financial Reform Education Fund, The Greenlining Institute, and Public Citizen.**

- We joined with **Rhia Ventures** in February 2022, sending letters to legislators in **10 states to discourage them from supporting bills that would restrict access to abortion.** At that point in time, several states were considering copycat bills of Texas's 6-week ban that effectively ban nearly all abortions and prevent anyone from helping people seek care. Other states were preparing abortion bans in anticipation of the forthcoming Supreme Court action to overturn *Roe v. Wade*.
- As a member of **Racial Justice Investing**, we added our voice to letters sent to **Wells Fargo** and **Raymond James** seeking **accountability** for their underwriting Alabama bonds that would **finance new private prisons** in the state. Both companies had previously made diversity, equity and inclusion (DEI) commitments that are contradicted by this private prison support.
- In July 2022, we joined **Change Finance** in an ongoing letter writing campaign to hundreds of companies asking for a commitment to ensure that all employees and their dependents can **access abortion care**, even when they are located in states that have banned it. The letter further urges companies to be **transparent about political contributions** and to cease making such contributions to candidates who are damaging our democracy.
- As a member of the **Investor Alliance for Human Rights**, we joined the Alliance in endorsing the **Investor Case for Mandatory Human Rights Due Diligence.** The statement asserts that all business actors have a responsibility to respect human rights and that the process of continuously conducting human rights due diligence is a core requirement for companies in fulfilling that responsibility. We also believe that governments have a duty to protect against human rights abuse by business through effective regulatory measures, particularly where voluntary corporate measures continue to leave significant gaps in human rights protections.
- We joined 94 institutions representing over \$6.3 trillion in assets under management in endorsing the **Investor Statement in Support of Mandated Human Rights and Environmental Due Diligence** in the European Union. This statement was released in anticipation of the successful legislative proposal from the **European Commission on Sustainable Corporate Governance**, to support mandated human rights and environmental due diligence.

SharePower participated in the following initiatives to address human rights issues previous to this reporting period:

- In the wake of continuing police brutality against Black people and widespread protests in support of the **Black Lives Matter Movement**, a group of investors including SharePower from the **Racial Justice Investing (RJI) Coalition** developed and circulated the **Investor Statement of Solidarity and Call to Action to Address Systemic Racism.**
- We signed the **Global Appeal for a Nuclear-Weapon-Free World** spearheaded by **UNFOLD Zero.**
- SharePower joined an initiative of the **Investor Alliance for Human Rights** to pressure 95 global corporations that scored lowest on the **Corporate Human Rights Benchmark (CHRB)** to improve their scores with meaningful action. The CHRB is part of the World Benchmarking Alliance and ranks the largest publicly traded companies in the world on a set of human rights indicators with the goal of improving corporate human rights performance.
- We signed the **Investor Statement on Corporate Accountability for Digital Rights.** This statement affirms the human rights of users of digital platforms, urges transparency and user control over how their data is collected and used, and calls for an accounting of harms that stem from algorithms and targeted advertising. This statement was signed by 77 institutions and sent to the 26 largest and most influential digital platform companies worldwide.
- Working through the **Investor Alliance for Human Rights**, we urged Congress to **pass the For The People voting rights act** in a letter designed to counteract the US Chamber of Commerce's active lobbying against voting rights.
- We endorsed the **International Campaign for the Rohingya's** call to **Chevron Corporation** to end its financial and political support of the military junta now ruling Myanmar.

- We joined the campaign spearheaded by the **Racial Justice Investing** initiative to urge Barclay's Bank, Stifel, and KeyBanc from underwriting a bond offering that fund the construction of **two private prisons in Alabama**, and to urge all colleagues and investors to refuse to purchase these securities.
- We joined with the **American Sustainable Business Council's** campaign to urge Congress to pass both the **Bipartisan Infrastructure Framework and the \$3.5 trillion Budget Reconciliation Bill**. Funding paid leave, climate initiatives, agriculture, health care access, and progressive wage replacement are only addressed with both bills in tandem.
- We co-signed a letter spearheaded by the Interfaith Center on Corporate Responsibility to the Department of Homeland Security's **U.S. Citizenship and Immigration Services (USCIS)** protesting the use of a proposed form to collect information from the general public regarding purported immigration fraud. The publication of this form signaled another dangerous shift in USCIS's transformation from an agency serving immigrants and adjudicating their applications into an enforcement agency carrying out the **Trump administration's anti-immigrant policies**.
- After eight major banks announced they would no longer finance private prison corporations due to documented human rights abuses, including medical neglect, sexual and physical assault against detainees, understaffing, and overcrowding, we joined the Interfaith Center for Corporate Responsibility (ICCR) in a letter campaign **challenging the other five regional banks known to be financing private prisons** to engage in dialogue towards ending that financing.
- We endorsed a statement by the Investors' Alliance for Human Rights, to advance **mandatory human rights due diligence requirements** for companies. The statement calls on all governments to develop, implement, and enforce mandatory human rights due diligence (mHRDD) requirements for all companies operating within their own jurisdictions. Publicly available due diligence reporting as set out in the **UN Guiding Principles on Business and Human Rights** and the **OECD Due Diligence Guidelines for Multinational Enterprises** can help investors monitor and account for investment risks caused by human rights violations by multinational companies.
- SharePower joined 33 other organizations and the International Campaign for the Rohingya in an open letter to **Western Union** CEO Hikmet Ersek calling on the company to **end its business relationship with Burma's military**. The Burmese military has been accused by United Nations investigators of being responsible for genocide, war crimes, and crimes against humanity. In January, Western Union did in fact sever its relationship with Myawaddy Bank, a Burmese military owned bank, announcing the decision in an email to campaign organizers.
- SharePower joined an initiative of the Investor Alliance for Human Rights to **pressure 95 global corporations that scored lowest on the Corporate Human Rights Benchmark (CHRB) to improve their scores** with meaningful action. The CHRB is part of the World Benchmarking Alliance and ranks the largest publicly traded companies in the world on a set of human rights indicators with the goal of improving corporate human rights performance.
- We joined investors representing \$3.75 trillion in assets submitting SEC comments urging continued support for Section 1502 of the **Dodd-Frank Wall Street Reform Act** and the **SEC's Conflict Minerals Rule**. This rule addresses material risks in companies' supply chain in sourcing minerals obtained in conflict areas of Africa, notably the Democratic Republic of the Congo. By shining a light on how mining activities provide revenue for militia groups, this rule has already served to reduce that revenue.
- We joined OpenMIC in submitting comments to the Federal Communications Commission urging the **continuation of net neutrality protections** threatened by FCC proposed rules.
- We joined other institutional investors in a letter urging **Chevron Corporation** to pressure the government of Burma/Myanmar to **stop the violence against the Rohingya** or else cease operations in that country.
- Following the **Stoneman-Douglas High School** shootings, we joined the Interfaith Center for Corporate Responsibility's **Investor Statement on Gun Violence**, a comprehensive statement calling on gun makers and

distributors to halt manufacture and sale of assault-style weapons, and calling on financial institutions to stop financing them.

- Joining with Domini Investments and Green Century Capital Management and 100 other institutional investors, we sent a challenge to the **Roundtable on Sustainable Palm Oil (RSPO)**, concerning its inadequate response to **serious labor rights violations** within the operations of RSPO member companies, such as forced and bonded labor, child labor, and systemic gender discrimination.
- We're a signatory to a letter sent to all members of Congress by the **Interfaith Center for Corporate Responsibility** urging them to **support the Dream Act of 2017** to establish comprehensive and just immigration reform.
- We joined ICCR in a letter to Congressional leaders urging the **renewal of Temporary Protected Status (TPS)** for El Salvador, Haiti, Nicaragua, Syria, Nepal, Honduras and other countries for at least 18 months.

Goals and Measurement of Outcomes

For the coming year, our measurable goals in the area of human rights are:

1. Communicate the importance of human rights issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire. (For 2020-2021, 79% of new clients guided their investments via our social issues questionnaire.)
2. Appoint a working group of advisors and staff to review the UN Guiding Principles on Business and Human Rights in regards to our internal operations, delivery of service to clients, and our purchasing of materials and supplies for our business operations. This working group will report progress to the full group on the implementation of each point in the Principles.

Labor



PRINCIPLE THREE: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING;

PRINCIPLE FOUR: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR;

PRINCIPLE FIVE: THE EFFECTIVE ABOLITION OF CHILD LABOR; AND

PRINCIPLE SIX: THE ELIMINATION OF DISCRIMINATION IN RESPECT TO EMPLOYMENT AND DISCRIMINATION.

Policies, Operations and Implementation

SharePower Responsible Investing® has policies in place that address discrimination in the workplace due to race, religion, ethnicity, age, sexual orientation or identity.

Our purchasing policies include a prohibition against sourcing materials from companies with known labor rights issues, and to seek union made products wherever possible.

SharePower advisors and employees are 1099 independent contractors and therefore prohibited by U.S. law from joining a union.

SharePower conducts social screening research and analysis to evaluate the record of companies in the area of labor rights. Investments in companies found to have problematic behaviors in labor rights issues are divested or avoided, while

investments in companies with exemplary labor rights records are emphasized. The following labor rights issues are evaluated:

- Discriminatory Treatment by Age, Elderly Issues
- Discriminatory Treatment of Racial, Ethnic or Religious Minorities
- Discriminatory Treatment of the Disabled
- Discriminatory Treatment of Women
- Ethical Recruitment
- Exploitative Labor Practices
- Hostility to Collective Bargaining and Workers' Rights
- Involvement in Child and/or Forced Labor
- Labor Relations Violations
- Lack of Family Friendly Employment Policies
- LGBTQ Discrimination
- Median Worker Pay
- Strong Diversity Commitments
- Wage and Hour Violations
- Women on Boards
- Workplace Health and Safety Violations

Workplace Safety To obtain a fully rounded picture of companies' behavior on labor rights issues, SharePower employs social research from professional research vendors, primary research sources such as government databases, and company filings with the SEC. Most importantly and wherever possible, we incorporate street level reports from activist, community, and labor organizations.

SharePower participated in the following initiatives to address labor and workers' rights issues in this reporting period:

- In September 2021, we signed a letter from financial institutions, state treasurers and advocacy organizations to US Senate and House leadership to call on the United States Congress to pass a **comprehensive and permanent Federal paid family and medical leave program**.
- In February 2022, we joined Phase II of the **FAIRR Initiative's** engagement with seven major meat producers, **BRF, Cranswick, JBS USA, Marfrig, Tyson Foods, Sanderson Farms and WH Group**, to address the fundamental and structural human capital risks in the animal farming industry that led to the disastrous response to the pandemic. Phase II of this engagement campaign reinforces the need to **empower workers to support risk mitigation in three key areas: Health & Safety, Fair Working Conditions and Worker Representation**.
- Also in February 2022, we joined a campaign spearheaded by **Adasina Social Capital** to urge major corporations to **increase the diversity of their Boards of Directors, increase transparency on racial and ethnic data, and beef up diversity, equity and inclusion policies** within their firms. Letters were sent out to S&P100 companies.
- On November 18, 2021 we co-signed a comment letter to the **Securities & Exchange Commission** along with institutional investors representing over \$956 billion in assets under management, urging the SEC to require companies to **publicly disclose their EEO-1 reports documenting the gender, race, and ethnicity of employees across job categories**.

SharePower participated in the following initiatives to address labor and workers' rights issues previous to this reporting period:

- We've joined **Business for a Fair Minimum Wage's** initiative to support **raising the federal minimum wage** gradually to \$15 by 2024. Raising the minimum wage puts money in the pockets of people who most need to spend it—increasing sales, boosting the economy (and markets), and reducing strain on our public safety net.

- We've added our voice to the **As You Sow Foundation's** campaign to increase **corporate disclosures related to gender equity**. Currently, investors have a paucity of gender and workplace equity data. Data is lacking across 19 gender equality criteria, including the gender balance of the workforce and executive team, equal pay, parental leave, non-discriminatory hiring and promotion, and supply chain safety.
- In the light of reported **anti-union practices at Amazon.com's Bessemer facility** in Alabama, SharePower co-signed a letter to Amazon to ask for concrete measures to implement its stated commitment to **ILO Core Conventions, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights**.
- With the **International Campaign for the Rohingya**, we called upon apparel brands sourcing from Myanmar to **support their suppliers' workers participating in the Civil Disobedience Movement** against the military coup and to reaffirm their basic human rights, right to association and right to join trade union activities.
- We joined with the **American Sustainable Business Council's** campaign to urge Congress to pass both the **Bipartisan Infrastructure Framework and the \$3.5 trillion Budget Reconciliation Bill**. Funding paid leave, climate initiatives, agriculture, health care access, and progressive wage replacement are only addressed with both bills in tandem.
- In the wake of continuing police brutality against Black people and widespread protests in support of the Black Lives Matter Movement, a group of investors including SharePower from the **Racial Justice Investing (RJI) Coalition** developed and circulated the **Investor Statement of Solidarity and Call to Action to Address Systemic Racism**. The RJI Coalition comprises a group of investors who have used their collective leverage as fiduciaries and shareowners to advance racial justice issues since December of 2017. The statement is our commitment to combat systemic racism in our own financial services industry, including integrating racial justice into investment decision making and shareowner advocacy, embed a racial equity and justice lens in the conduct of our own company, commit to reinvesting in disadvantaged communities, and use our collective voice to advance anti-racist public policy. The full statement can be accessed here: <https://www.racialjusticeinvesting.org/our-statement>.
- We've joined **Business for a Fair Minimum Wage's** initiative to **support raising the federal minimum wage** gradually to \$15 by 2024. Raising the minimum wage puts money in the pockets of people who most need to spend it—increasing sales, boosting the economy (and markets), and reducing strain on our public safety net.
- We've added our voice to the **As You Sow Foundation's** campaign to **increase corporate disclosures related to gender equity**. Currently, investors have a paucity of gender and workplace equity data. Data is lacking across 19 gender equality criteria, including the gender balance of the workforce and executive team, equal pay, parental leave, non-discriminatory hiring and promotion, and supply chain safety.
- We joined **Rhia Ventures** in an engagement campaign challenging 41 US companies to discuss and improve their policies **protecting reproductive rights** in the areas of insurance coverage, benefits, public policy and political spending.
- SharePower Responsible Investing became a signatory to the **Women's Empowerment Principles**. The Women's Empowerment Principles (WEPs) are a set of Principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. We supported an associated initiative by French asset management firm **Mirova** in conjunction with **UN Women** and the **UN Global Compact** to pressure corporations to act on the WEP with strong action and measurable results.
- This year, we added our collective voice to the **Investor Statement on Coronavirus Response**, a nationwide challenge supported by institutions including ours collectively managing close to \$5 trillion in investor assets. The Statement calls on companies to support workers and communities during this crisis. The recommendations laid out include: **providing paid leave, putting additional health and safety measures in place, maintaining**

employment, maintaining supplier and customer relationships, and exercising fiscal prudence, which means limiting stock buybacks and executive compensation.

- We joined 118 institutions managing over \$2.3 trillion of investor assets to call for **responsible protections for meat packing plant workers** pressured back to work by the Trump Administration and meat packer employers. The statement called for companies to enforce adequate social distancing, reduce production line speeds to allow for social distancing, increase wages and sick leave benefits to workers, provide adequate personal protective equipment, sanitizing each plant, ensure that testing is available to all workers, and be transparent in reporting cases to local authorities.
- We submitted comments to the **Securities & Exchange Commission** in support of **retaining the requirement for companies to report on the ratio of CEO pay** to the median pay of employees. We also co-signed a letter from the **AFL-CIO** on the same subject. Shining a light on excessive executive compensation is a key tool to slow and reverse the growing power and wealth of elites.
- Joining an investor coalition with \$169 billion in assets, letters were sent to dozens of S&P500 companies challenging them to **endorse and implement effective paid family leave policies** throughout their workforces.

Goals and Measurement of Outcomes

For the coming year, our measurable goals in the area of labor rights are:

3. Communicate the importance of labor rights issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire.
4. Appoint a working group of advisors and staff to review the Labor principles of the United Nations Global Compact in regards to our internal operations, delivery of service to clients, and our purchasing of materials and supplies for our business operations. This working group will report progress to the full group on the implementation of each point in the Principles.

Environment



PRINCIPLE SEVEN: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES;

PRINCIPLE EIGHT: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY; AND

PRINCIPLE NINE: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.

Policies, Operations and Implementation

SharePower's® environmental footprint is negligible. Employees and advisors of SharePower are encouraged to minimize their carbon footprint substantially:

- 100% of all SharePower advisors are empowered to telecommute from home at their sole discretion.
- As of this date, no employee of SharePower commutes to a separate job site as a result of their SharePower employment.
- All SharePower management meetings are conducted via teleconference.
- SharePower paper marketing materials are produced using recycled paper and soy based inks to the maximum extent possible.

- Over 90% of all furnishings, carpeting etc. in SharePower's® Baltimore headquarters are made from recycled and/or repurposed materials. Low VOC paints and fluorescent or LED lighting are employed throughout.

SharePower conducts social screening research and analysis to evaluate the record of companies in the area of environmental responsibility. Investments in companies found to have problematic behaviors in environmental issues are divested or avoided, while investments in companies with exemplary environmental impacts and records are emphasized. The following environmental issues are evaluated:

- Air Pollution Minority Communities
- Air Pollution Poor Communities
- Animal Exploitation
- Clean Energy Companies
- Deforestation Producers Exposure
- Destructive Biodiversity & Land Use Practices
- Environmental Violations
- Fossil Fuel Companies Owning and Extracting Reserves - All
- Fossil Fuel Companies Targeted by Fossil Fuel Divestment Campaign
- Industrial GHG Emissions
- Loans to Fossil Fuel Companies
- Major Greenhouse Gas (GHG) Emissions or Impact
- Major Water Use & Management Impacts
- Nuclear Power
- SIN Chemicals
- Strong Climate Commitments
- Toxic Air Pollution
- Toxic Chemical Safety
- Toxic Water Pollution

Use of Genetically Modified Organisms (GMO) products To obtain a fully rounded picture of companies' behavior on environmental issues, SharePower employs social research from professional research vendors, primary research sources such as government databases, and company filings with the SEC. Most importantly and wherever possible, we incorporate street level reports from activist, community, and labor organizations.

SharePower participated in the following initiatives to address environmental issues in this reporting period:

- In November, 2022 we joined a global investor coalition of 603 institutional investors with \$42 trillion in assets under management to support the **2022 Global Investor Statement to Governments on the Climate Crisis**. This statement was delivered to the **27th United Nations Climate Change Conference of the Parties (COP27)** to urge the participating governments to:
 - Ensure that the 2030 targets in their Nationally Determined Contributions align with the goal of **limiting global temperature rise to 1.5°C**.
 - **Take early action to ensure these targets are met** by implementing domestic policies across the real economy, including carbon pricing mechanisms, a deadline to phase out subsidies for fossil fuels and thermal coal power, and targets to peak and then phase out the use of other fossil fuels, while developing transparent just transition plans and guaranteeing long-term resilience and energy security.
 - Contribute to the **reduction in non-carbon dioxide greenhouse gas emissions** and support the effective implementation of the **Global Methane Pledge** to reduce emissions by at least 30 percent from 2020 levels by 2030.

- **Enable climate finance** from the public and the private sector for mitigation, adaptation, and resilience, with a particular focus on the needs of developing countries.
 - **Strengthen climate disclosures** across the financial system, including transition plans.
- On August 4th, 2022, we co-signed a comment letter spearheaded by **Americans for Financial Reform Education Fund, The Greenlining Institute, and Public Citizen** to the Comptroller of the Currency, the Federal Reserve Board, and the Federal Deposit Insurance Corporation. This letter supported the proposed rules change to **strengthen regulations governing the Community Reinvestment Act** to better ensure that “communities most impacted by **redlining and environmental injustice** receive the intended benefits of the CRA. Communities of color should explicitly be prioritized for investment, alongside low- and moderate-income (LMI) communities. Additionally, the final rule should further define activities eligible for CRA credit and properly incentivize banks to reduce their contributions to climate risk.”
- In February 2022, we joined Phase II of the **FAIRR Initiative’s** engagement with eight of the world’s largest salmon producers, **Grieg Seafood, Leroy Seafood, SalMar, Bakkafrøst, Mowi, Salmones Camanchaca, Multi X and Tassal**, to establish a science-based strategy to develop and scale alternatives to marine and soy feed ingredients. Phase II focuses on further developing a research-led, comprehensive strategy to reduce dependency on feed sources, such as fishmeal and fish oil (FMFO) and soy, as fundamental to **protecting biodiversity, reducing ESG risks, and ensuring future resiliency of the sector.**
- In September 2022, we joined a business and investor coalition led by the **American Sustainable Business Network, Friends of the Earth, Mercy Investment Services and Trillium Asset Management** in a letter sent to Senators and Representatives to support the **Protect America’s Children from Toxic Pesticides Act** (PACTPA S.3283). “Substantial scientific evidence indicates that the incidence rate of childhood cancers is increasing, farmworkers and their families are suffering from higher rates of injuries and illnesses, and pollinator species are at increasing risk of extinction, all due in part to the use of harmful pesticides. PACTPA would significantly strengthen current regulations, create incentives to **transition away from toxic pesticide use, protect the health of communities, and reduce public health care costs.**”
- In March, 2022, we joined an investor coalition representing \$5.5 trillion assets under management and led by the **As You Sow Foundation** calling on all United Nations member states to lay the groundwork for a global treaty to **eradicate plastic pollution** at the upcoming UN Environment Assembly meeting in February-March 2022 and to establish an Intergovernmental Negotiating Committee at UNEA 5.2 to develop **an ambitious, global, legally binding treaty on plastic pollution.**
- In November, 2021 we joined a global investor coalition of 587 institutional investors with \$46 trillion in assets under management to support the **2021 Global Investor Statement to Governments on the Climate Crisis**. This statement was delivered to the **26th United Nations Climate Change Conference of the Parties (COP26)** to urge the participating governments to **strengthen their commitments to reach net-zero emissions by 2050.**
- We joined 94 institutions representing over \$6.3 trillion in assets under management in endorsing **the Investor Statement in Support of Mandated Human Rights and Environmental Due Diligence** in the European Union. This statement was released in anticipation of the successful legislative proposal from the **European Commission on Sustainable Corporate Governance**, to support mandated human rights and environmental due diligence.



SharePower participated in the following initiatives to address environmental issues previous to this reporting period:

- We joined the 2020 **We Are Still In** statement from government leaders, universities, businesses, investors, faith groups, cultural institutions, and health care organizations, to reaffirm our commitment to the **Paris Agreement on climate change**.
- We joined an investor coalition spearheaded by **CERES** in a campaign challenging 47 of the largest US corporations to ensure their **corporate lobbying activities** and those of organizations that represent them are consistent with their stated support for the **Paris Climate Agreement**.
- In July, the US Environmental Protection Agency issued new proposed rules rolling back regulating methane emissions by the oil and gas industry. We participated in a letter campaign **to thirty five oil and gas companies to urge them to publicly support continued methane regulation** before the US EPA. Since then, six major oil production and midstream companies have endorsed continued methane regulation and several others have responded, stating their commitment to abide by the existing 2016 regulations even in the face of a rollback.
- SharePower joined over 631 investor groups to present the governments in attendance at the **25th UN Climate Change Conference of the Parties (COP25)** in Madrid the Global Investor Statement to Governments on Climate Change. The statement reiterated full support for the **Paris Agreement** and strongly urged all governments to implement the actions needed to achieve the goals of the Agreement.
- SharePower is supporting **Green Century's** call to Congress to extend the **Clean Energy Tax Credit Program** to the year 2030 to enable clean energy companies to plan long term investments in renewable energy.
- We've co-signed a letter supporting the policy proposals included in **US SIF's Toward a Just and Sustainable Economy**. These recommendations to the incoming Biden-Harris Administration will help achieve a more just and sustainable economy, take action on climate change and address income and wealth inequality.
- We endorsed **Trillium Asset Management's** call to the EPA and Congress to establish permanent protections **against large-scale mining for Alaska's Bristol Bay** and the Bristol Bay wild salmon fishery.
- We joined with the **American Sustainable Business Council's** campaign to urge Congress to pass both the **Bipartisan Infrastructure Framework and the \$3.5 trillion Budget Reconciliation Bill**. Funding paid leave, climate initiatives, agriculture, health care access, and progressive wage replacement are only addressed with both bills in tandem.
- SharePower has endorsed the **United Nation's CEO Water Mandate**.
- We joined an investor coalition spearheaded by CERES in a campaign challenging 47 of the largest US corporations to ensure their **corporate lobbying activities** and those of organizations that represent them are **consistent with their stated support for the Paris Climate Agreement**. This campaign challenges the practice of declaring support for the Paris Climate Agreement while also supporting lobbying efforts against the accord and climate change action in general by the US Chamber of Commerce, the National Association of Manufacturers and other national lobbying groups.
- In July, the US Environmental Protection Agency issued new proposed rules **rolling back regulating methane emissions** by the oil and gas industry. We are participating in a letter campaign to thirty five oil and gas companies to urge them to publicly support continued methane regulation before the US EPA. Since then, six major oil production and midstream companies have endorsed continued methane regulation and several others have responded, stating their commitment to abide by the existing 2016 regulations even in the face of a rollback.
- SharePower Responsible Investing joined **FAIRR, an international investor collaborative focused on animal protein supply chain issues**. FAIRR believes that intensive animal production poses material risks to the global financial system and hinders sustainable development. FAIRR helps investors to exercise their influence as responsible stewards of capital to engage and safeguard the long-term value of their investment portfolios.

- SharePower joined over 631 investor groups to present the governments in attendance at the 25th UN Climate Change Conference of the Parties (COP25) in Madrid the **Global Investor Statement to Governments on Climate Change**. The statement reiterated full support for the Paris Agreement and strongly urged all governments to implement the actions needed to achieve the goals of the Agreement.
- This January we joined an effort in support of California Assembly Member Ash Kalra's introduction of the **California Deforestation-Free Procurement Act**. The Act's mandate for No Deforestation, No Peat, and No Exploitation ("NDPE") policies, certification and public disclosure from state contractors helps to provide investors with necessary information on material financial and climate-related risks on companies potentially linked to global deforestation.
- We're a signatory to the Low Carbon USA letter to President Trump urging the incoming administration to **support the Paris Climate Agreement** and programs to invest in the a low-carbon economy.
- We joined institutional investors representing \$180 billion in assets to urge Congress to **oppose using the Congressional Review Act (CRA) to repeal common sense environmental regulations**, including the Bureau of Land Management's (BLM) methane waste prevention rules. Congress is using the CRA to gut decades of environmental, consumer protection and worker safety regulations in bold partisan fashion.
- We endorsed a campaign by Green Century Funds mobilizing investors representing more than \$617 billion calling on food and agricultural companies **reaffirm and extend zero deforestation commitments** in Latin America.
- We're a signatory to separate letters from 390 institutions representing \$22 trillion in assets to the heads of the G7 and the G20 nations urging **support and full implementation of the Paris Climate Agreement**.
- When the Trump Administration signaled its intention to pull out of the **Paris Climate Agreement**, we joined the Low Carbon USA campaign of businesses, organizations, state and local governments to proclaim to the world that **"We Are Still In!"**
- We added our voice to a campaign by the **As You Sow Foundation** to challenge major carpet manufacturers to work with the entire industry to redesign carpet to make most of it recyclable, to **develop aggressive and enforceable national recycling goals**, and to help develop end markets for discarded carpet.
- We joined other USSIF members in a letter to Interior Secretary Ryan Zinke opposing that departments proposed new rules greatly expanding **offshore oil drilling in US coastal waters**.

Goals and Measurement of Outcomes

For the coming year, our measurable goals in the area of the environment are:

5. Communicate the importance of environmental issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire. (For 2020-21, 79% of new clients guided their investments via our social issues questionnaire.)
6. Appoint a working group of advisors and staff to review and report on the six components of the United Nation's CEO Water Mandate. Our next UNGC COP will include a communication on progress in implementing the six Water Mandate areas.

Anti-Corruption



PRINCIPLE TEN: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS INCLUDING EXTORTION AND BRIBERY.

Policies, Operations and Implementation

SharePower has endorsed the UN Global Compact's Call to Action: Anti-Corruption and the Global Development Agenda.

SharePower Responsible Investing supports and adheres to Cambridge Investment Research Advisors' Code of Ethics.

All SharePower advisors and support staff take annual continuing education courses on anti-money laundering efforts within our business and industry.

Neither SharePower nor our advisors have any reportable employment related, investment customer related or investment related regulatory actions or complaints filed with any relevant regulatory body.

Among the reasons Cambridge Investment Research was chosen by SharePower advisors to be our broker/dealer is that Cambridge has an exemplary and remarkably clean regulatory record.

SharePower conducts social screening research and analysis to evaluate the record of companies in the area of anti-corruption, which in this case encompass issues of corporate governance, bribery, extortion and money laundering. Investments in companies found to have problematic behaviors in corporate governance issues are divested or avoided, while investments in companies with exemplary corporate governance records are emphasized. The following corporate governance issues are evaluated:

- Anticompetitive Practices
- Arbitration for Sexual Harassment
- Board Structure, Transparency, & Conflicts of Interest
- Bribery, Corruption, and Fraud Violations
- Conflict Mineral Accountability
- Destructive Political Involvement
- Excessive Executive Compensation
- Exploitative and/or False Advertising & Marketing
- Financial Crimes
- Medical and Healthcare Violations
- Political Spending Disclosure
- Political Transparency Voting Support
- Predatory Practices Against Consumers and/or Communities
- Prison Industry Exposure
- Product Safety Violations
- Repressive Regimes Involvement and Support
- Whistleblower Retribution Violations

To obtain a fully rounded picture of companies' behavior on anti-corruption issues, SharePower employs social research from professional research vendors, primary research sources such as government databases, and company filings with the SEC. Most importantly and wherever possible, we incorporate street level reports from activist, community, and labor organizations.

SharePower participated in the following initiatives to address anti-corruption issues in this reporting period:

- In February 2022, we joined a campaign spearheaded by **Adasina Social Capital** to urge major corporations to **increase the diversity of their Boards of Directors, increase transparency on racial and ethnic data and beef up diversity, equity and inclusion policies within their firms**. Letters were sent out to S&P100 companies.
- In January, 2022 we joined a coalition of investors representing \$8.7 trillion under management in support of the **Investor Alliance for Human Rights' Investor Statement in Support of Digital Rights Regulations**. "Investors are concerned with the weak governance and the lack of transparency and accountability affecting people's rights to privacy and freedom of expression, including a lack of users' control over their own information and how it is used online ... Governments have a duty to protect through effective regulatory measures, particularly where voluntary corporate measures continue to leave significant gaps in digital rights protections."
- In September 2021, we co-signed a letter from **Racial Justice Investing** urging the Biden Administration to **explicitly prohibit any state, including Alabama, from using CARES Act, American Rescue Plan (ARP), infrastructure funds or any other federal dollars for prison construction projects**. This was in response to Alabama's expressed intention to use COVID relief funds for private prison construction projects.
- As a member of **Racial Justice Investing**, we added our voice to letters sent to **Wells Fargo** and **Raymond James** seeking accountability for their **underwriting Alabama bonds that would finance new private prisons** in the state. Both companies had previously made diversity, equity and inclusion (DEI) commitments that are contradicted by this private prison support.
- On December 8th, 2021, SharePower joined other leading responsible investors of the **Investor Alliance of Human Rights** to **call for the full restoration of the democratic transition in Sudan** with respect for the rule of law, accountable governance and civic freedoms. On Monday, October 25, 2021 the Sudanese military disbanded the transitional government and placed the prime minister under house arrest. Following those events, civil society in Sudan has organized mass demonstrations which have been met with excessive force by the military and resulted in at least 40 people killed and hundreds injured.

SharePower participated in the following initiatives to address anti-corruption issues previous to this reporting period:

- On January 15, SharePower Responsible Investing® joined with a coalition of religious, pension fund and institutional investors representing almost \$400 billion in assets under management urging **Alphabet (Google), Facebook and Twitter** leadership to take immediate action to reduce the amplification of **false and divisive information used to incite violence** on their respective platforms.
- We joined **USSIF** and institutional investors managing \$525 billion assets to **oppose the US Securities and Exchange Commission's proposed rule changes** making it more difficult to file and re-submit shareowner proposals to companies in environmental, social or governance issues.
- We've signed onto the **Interfaith Center for Corporate Responsibility's Statement on Corporate Political Spending**, asking corporations to stop political spending on candidates and PACs.
- We joined **USSIF** and institutional investors managing \$525 billion assets to **oppose the US Securities and Exchange Commission's proposed rule changes** making it more difficult to file and re-submit shareowner proposals to companies in environmental, social or governance issues.
- This year, we added our collective voice to the **Investor Statement on Coronavirus Response**, a nationwide challenge supported by institutions including ours collectively managing close to \$5 trillion in investor assets. The Statement calls on companies to support workers and communities during this crisis. The recommendations laid out include: providing paid leave, putting additional health and safety measures in place, maintaining employment, maintaining supplier and customer relationships, and exercising fiscal prudence, which means **limiting stock buybacks and executive compensation**.

- We joined with USSIF and other financial firms to urge US Labor Secretary Tom Perez to **rescind new Department of Labor regulatory language** (DOL Interpretive Bulletin Relating to Exercise of Shareowner Rights (29 CFR 2509.08-2) ("Shareowner Rights Bulletin" or IB 08-02)) that would **severely curtail shareowner rights** and fiduciaries' ability to act on their judgment to mitigate long-term risk through shareowner engagement with companies they own. These rules would remove an important force in checking socially irresponsible corporate behavior of publicly owned and traded corporations.
- We joined with Americans for Financial Reform and 32 other NGO's and financial firms to urge Federal regulators to **strengthen the proposed implementation of Wall Street incentive compensation rules** under Dodd-Frank Sec. 956. Strengthening the rules would serve to reduce the incentives for inappropriate short-term risk-taking that could create disastrous long term consequences for society.
- We signed a letter with the American Sustainable Business Council and the Interfaith Center for Corporate Responsibility urging President Trump and Congress to **support the Consumer Financial Protection Bureau** and its Director Richard Cordray. A strong CFPB is crucial to ensure a fair and transparent financial marketplace.
- We submitted comments to the Securities & Exchange Commission in support of retaining the requirement for companies to **report on the ratio of CEO pay to the median pay of employees**. We also co-signed a letter from the AFL-CIO on the same subject. **Shining a light on excessive executive compensation** is a key tool to slow and reverse the growing power and wealth of elites.

Goals and Measurement of Outcomes

For the coming year, our measurable goals in the area of anti-corruption are:

7. Communicate the importance of corporate governance issues in the investments we seek in the performance of our financial services to all of our clients. Beyond active collaboration, we will accomplish this by delivering and implementing our social issues questionnaire to current and prospective clients. We will measure the number and percentage of clients and prospective clients that review our social issues questionnaire. (For 2020-21, 79% of new clients guided their investments via our social issues questionnaire.)
8. Continue working with USSIF, the Financial Services Institute and other industry organizations to promote more responsible political and regulatory behaviors by financial institutions in the US.

Company Wide Goals and Measurement of Outcomes

In addition to the eight issue specific goals outlined above, SharePower Responsible Investing commits to the following goals for the coming year:

Access to Financial Services and Management

The United States investor class is shrinking. With a national Gini wealth coefficient of 0.80 and rising, the US has the most unequal distribution of wealth of any developed country in the world¹¹. Yet many financial services firms are refusing full service advisory or brokerage services to any with less than 7 figure portfolios. Yet the "bottom 99%" of Americans needs professional financial guidance now more than ever. SharePower believes that the increasing concentration of wealth and income is the financial industry's critical social issue. To address this issue we will:

- Seek ways to reduce the minimum investment of our products and services to the lowest amount feasible to make them accessible to more investors.

¹¹ Brandmeir, Kathrin, Michaela Grimm, Michael Heise, and Arne Holzhausen. Allianz Global Wealth Report 2015. Munich: Allianz SE Economic Research, 2015. Allianz SE Economic Research, Aug. 2015. Web. 21 Aug. 2016.

- SharePower undertook major initiatives to reduce the minimum investment of our services. Cambridge's WealthPort Wrap Program allows portfolio management for taxable accounts of \$25,000 or more, and \$5,000 on IRA or other retirement accounts.
 - The Cambridge CAAP's low asset program allows investment with a minimum of as low as \$5,000.
- Encourage our SharePower advisors to reduce or eliminate investment minimums in their own practices.
 - Many SharePower advisors utilize Orion Portfolio Solutions, an investment management platform that has very low investment minimums to start investing.
 - We've pioneered the CapitalStart pilot program to encourage first time investors to save and ultimately invest for their first investment programs.
- Encourage our SharePower advisors to provide pro bono social investment education seminars in public venues in our respective service areas. SharePower advisors conducted 37 pro bono educational seminars since 2017, including one recorded by the Real News Network and broadcast on YouTube.
- Make available to SharePower advisors mechanisms to access commission-based, asset fee-based, planning fee-based and/or hourly fee-based strategies to insure that our products and services are available in the most cost effective way to all people in all situations.
 - All SharePower advisors have access to all of the above payment mechanisms.
 - Cambridge's WealthPort program eliminates custodial fees, ticket charges and IRA annual fees for all accounts within the program.
- To seek out, evaluate and/or develop financial products and services appropriate not only for high net worth investors but to middle class investors as well. Through our FDIC Cash screening program, and our availability of high impact community investment notes with minimums of \$1,000, SharePower makes available low cost socially responsible investments appropriate for most middle income families.

Continue Refining Our Operations in Congruence with the UN Global Compact

We will continue employ the framework of the six steps in the UN Global Compact Management Model: Commit, Assess, Define, Implement, Measure, and Communicate. Our progress will be reported in next years' Communication On Progress Report.

Communicating Socially Responsible Investing to a Wider Audience

SharePower will bring socially responsible investing, the UN Global Compact and the Sustainable Development Goals to a wider audience by:

- Working with Cambridge Investment Research to promote SRI to the wider group of over 3,800 Cambridge advisors. In 2019, SharePower leadership co-founded Cambridge's ESG Advisor Council to assist and educate Cambridge reps on the issues and methodology of SRI. Since then, the ESG Advisor's Council evaluated 69 different ESG investment products and programs on behalf of the Cambridge financial professional force.
- Continuing our ongoing training and educating of advisors in responsible investing.
- Creating and giving educational seminars covering SRI, the Fossil Fuel Free Movement, the UN Global Compact and the Sustainable Development Goals.

The Licensed Professionals of SharePower Responsible Investing®



ALINE A. AUTENRIETH
RESEARCH ASSOCIATE
SALEM, OREGON
301.588.5399
AAUTENRIETH@EMAILSRI.COM



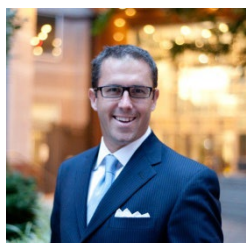
KEVIN IHRKE, CFP®
FINANCIAL ADVISOR
FAIRFIELD, IOWA
641.469.4000
KEVIN.IHRKE@EMAILSRI.COM



HAL MASOVER, CRPC®
CHARTERED RETIREMENT
PLANNING COUNSELOR
FAIRFIELD, IOWA
641.469.4000
HAL.MASOVER@EMAILSRI.COM



JOAN MASOVER
REGISTERED ASSISTANT
FAIRFIELD, IOWA
641.469.4000
JOAN.MASOVER@EMAILSRI.COM



JEREMY A. PEARCE
FINANCIAL ADVISOR
LOS ANGELES, CALIFORNIA
479.595.3030
JEREMYAPEARCE@EMAILSRI.COM



**RUSSELL A. RYBICKI, AIF®,
CRC®, CSRIC®**
FINANCIAL ADVISOR
URBANA, ILLINOIS
217.239.2399
RUSSRYBICKI@EMAILSRI.COM



WILLIAM N. STANT
INVESTMENT ADVISOR
REPRESENTATIVE
NASHVILLE, INDIANA
812.988.6793
BILLSTANT@EMAILSRI.COM



**RICHARD W. TORGERSON,
AIF®**
REGISTERED PRINCIPAL
BALTIMORE, MARYLAND
443.974.3742
RTORGERSON@EMAILSRI.COM

Disclosures and Contact Info



National Office: The Redwood Exchange
233 East Redwood Street Suite 400G
Baltimore, MD 21202
Phone: (443) 974-3742
Toll-Free: (866) 610-8752

During the COVID-19 pandemic, contact our office at (443) 974-3742

Offices in Baltimore, MD; Champaign-Urbana, IL; Fairfield, IA; Los Angeles, CA; Nashville, IN; and Salem, OR

Investing involves risk including loss of principal. Different types of investments carry varying degrees of risk and clients and prospective clients should be prepared to bear investment and original principal loss. Investing, including socially responsible investing, does not guarantee any amount of success. Nothing in this document should be construed as a recommendation to buy or sell any security. Nor is the information contained herein sufficient to make an informed investment to buy or sell any security. SharePower Responsible Investing® does not believe this report meets the definitions of a research report under FINRA Rule 2241(a). The information in this report is believed to come from reliable sources. However, its accuracy or completeness cannot be guaranteed. Opinions expressed are solely those of SharePower Responsible Investing® and no other entity. Securities offered through registered representatives of Cambridge Investment Research, Inc., member FINRA/SIPC. Advisory Services through Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and SharePower Responsible Investing® are not affiliated. Except as otherwise attributed © 2022 Richard W. Torgerson

Cover Photo by Greg Rosenke on Unsplash
