

Impact Report

Quantitative Portfolio: Gender and Diversity

The **Quantitative Portfolio: Impact Large Cap Core - Gender and Diversity** is designed to track the CRSP US Large Cap Index by maintaining similar risk characteristics relative to the index. The portfolio invests in companies that are fostering gender and diversity inclusion, by focusing on those with strong leadership diversity, anti-discrimination policies, and programs aimed at increasing opportunities for women and minorities. These companies are more likely to create opportunities for women and minority groups to participate fully in business and society as leaders and stakeholders.




Invest in Equality – Invest with Impact

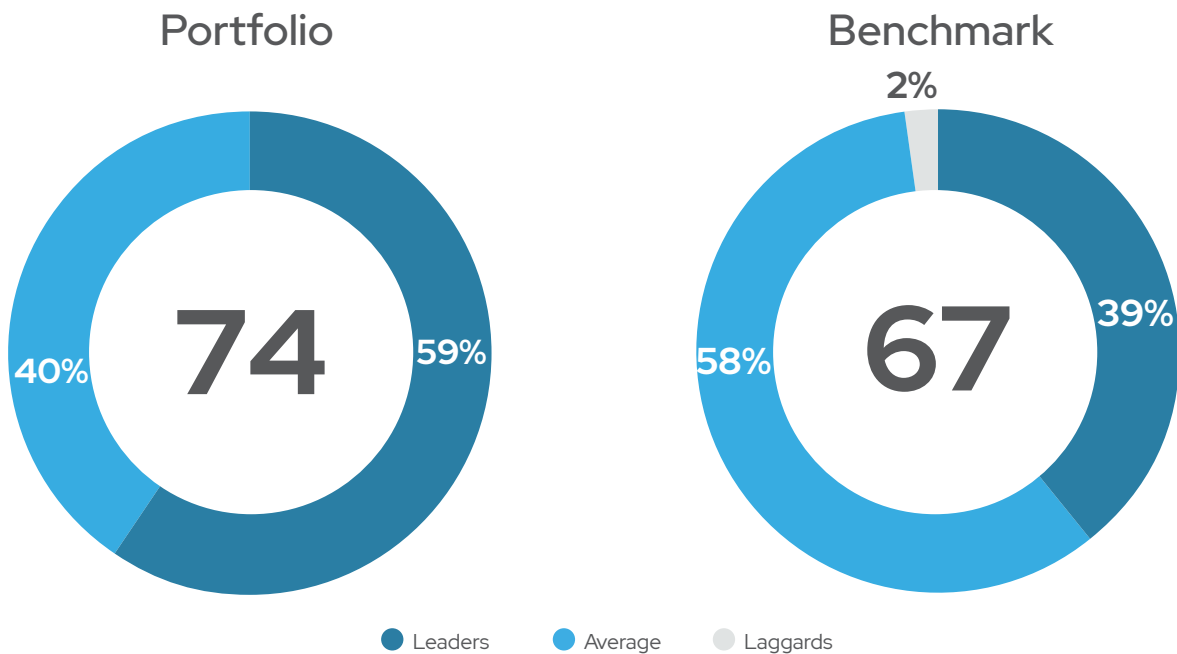
You Support:

-  Equal opportunity for women and minorities across the workforce
-  Inclusionary hiring and career development practices
-  Encouraging cultural understanding and sensitivity in the workplace
-  Respectful and safe work environments for women and minorities

You Avoid:

-  The adult entertainment industry, which has historically exploited women
-  Companies with controversial events related to severe sexual harassments cases

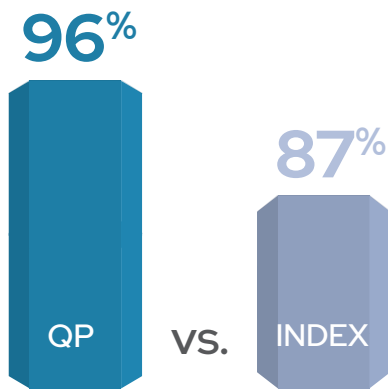
Gender and Diversity Score



Gender and Diversity

Diversity Program

96% of holdings have a strong diversity program.



You support companies who have diverse work forces.

Women on the Board

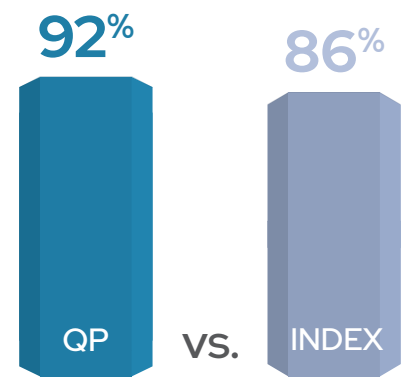
This portfolio has 4% more women on the board compared to the benchmark.



You support companies that have built diverse boards.

Discrimination Policy

92% of holdings have a strong discrimination policy.



You support companies that do not tolerate discrimination.



Company Highlight: Salesforce

Salesforce is a leader in diversity and inclusion efforts with robust pay equality programs. The initiatives strive to create an inclusive workplace through a multifaceted approach that offers targeted recruitment, mentorship programs, training and guidance regarding diversity, employee affinity groups, diversity councils, or networking groups, diversity monitoring or audits, and board level responsibility for diversity initiatives. In 2019, the company introduced a goal of reaching 50% of its U.S. workforce to be made up of underrepresented groups (Women, Black, Latinx, Indigenous, Multiracial, LGBTQ+ employees, People with Disabilities, and Veterans) by 2023. They have moved closer to the goal of 50% of the U.S. workforce being from underrepresented groups - now at 47.4% up from 43.9% in 2019. And representation of Women has grown - now at 36.1% in the U.S. and 33.6% globally. Today, nearly 11K more women work at Salesforce than did 5 years ago. Globally, Women in leadership increased significantly from 23.7% in 2019 to 25.5% today. This year, they added two additional goals as part of its company-wide Racial Equality and Justice efforts: 1) to double the U.S. representation of Black leaders (VP+) and also increase U.S. representation of Underrepresented Minority or URM (Black, Indigenous, and Latinx) leaders by 50% by 2023 and 2) to increase U.S. representation of URM employees by 50% by 2023. Salesforce has a strong gender pay equality program. In 2020, the company spent \$2.1 million to address any unexplained differences in pay, totaling more than \$12 million spent to date to ensure the global workforce is paid fairly. Senior leaders receive monthly scorecards, detailing headcount, hiring, attrition and promotion data by Gender (Global) and Race (U.S.), and have an Equality Board made up of their Recruiting, Employee Success, Equality partners and senior leaders to drive prescriptive actions based on data.^[1]

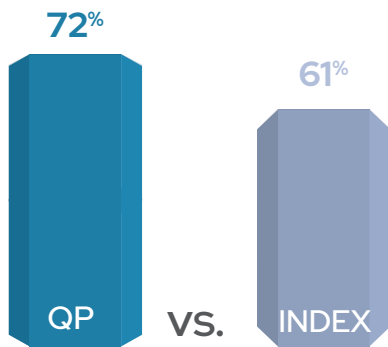
Source: ^[1] Sustainalytics; Equileap



Gender and Diversity

Flexible Work Programs

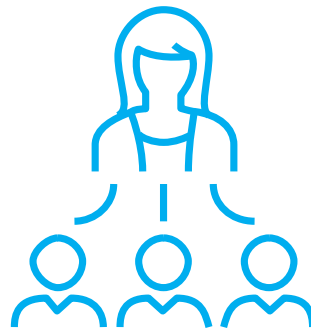
72% of holdings offer flexible work options.



You support companies who give their employees flexibility in their work schedules and locations.

Women in Senior Management

This portfolio has 4% more women in senior management compared to the benchmark.



You support companies that have more women in prominent roles and positions within the business.

Equal Pay Strategy

17% of holdings have an equal pay strategy.



You support companies that have transparency and a commitment to providing equal pay for equal work.



Company Highlight: SAP SE

SAP SE discloses a target to increase the percentage of women in management positions to 30% by 2022. In FY2019, the company reports a ratio of women in management positions of 26.4%. SAP (UK) Limited, a subsidiary of SAP SE, publishes an annual gender pay gap report which includes data on the mean and median pay disparity and the proportion of women in each pay quarter. The company had a strong gender pay equality program with monitoring and measurement parameters, quantitative targets and deadlines, and a global pay gap audit. SAP partners with Historically Black Colleges and Universities (HBCUs), where SAP teaches its software to undergraduate and MBA students, and the company also offers an Autism at Work Program to hire for autism inclusion.

Source: Sustainalytics; Equileap

Sustainalytics Definitions

Gender & Diversity Leaders

Percentage of companies in the portfolio that are assessed as leaders on diversity, according to Sustainalytics data. The Gender & Diversity Score is calculated as a simple average of three Sustainalytics metrics: Diversity Program, Discrimination Policy, and Board Diversity. These metrics are individually assessed on a 0-100 scale, with 100 being the best, and 0 being the worst. A leader is a company that scores above a 70 on the aggregated metric.

Gender & Diversity Laggards

Percentage of companies in the portfolio that are assessed as laggards on diversity, according to Sustainalytics data. The Gender & Diversity Score is calculated as a simple average of three Sustainalytics metrics: Diversity Program, Discrimination Policy, and Board Diversity. These metrics are individually assessed on a 0-100 scale, with 100 being the best, and 0 being the worst. A laggard is a company that scores below a 25 on the aggregated metric.

Discrimination Policy

The percentage of companies in the portfolio with a score >50 on this metric according to Sustainalytics. >50 is assessed as above average. Sustainalytics assesses each metric on a 0-100 scale, with 100 being the best, i.e. the company has a strong discrimination policy, and 0 being the worst, i.e. the company does not have a discrimination policy or does not disclose one.

The International Labour Organization (ILO) is the set of standards used for this measure. The policy needs to make a clear reference to the relevant ILO convention but does not need to specify the number of the convention. The policy needs to apply to at least 50% of the company's operations and follow the Sustainalytics criteria for a formal policy.

Diversity Programs

The percentage of companies in the portfolio with a score >50 on this metric according to Sustainalytics. >50 is assessed as above average. Sustainalytics assesses each metric on a 0-100 scale, with 100 being the best, i.e. the company has a strong diversity program, and 0 being the worst, i.e. the company does not have a diversity program or does not disclose one.

This measure provides an assessment of the quality of a company's program to increase workforce diversity. An effective and comprehensive workforce diversity program must include measures to attract, hire, retain, and develop a diverse workforce. Initiatives must be targeted at certain groups that may otherwise face barriers entering the workforce or advancing in the corporate ladder (e.g. women, visible minorities, religious minorities, indigenous people and people with disabilities). These "designated groups" vary depending on the local context. General statements on human capital at large are not considered.

Equileap Definitions

Percentage of Women on the Board

This metric is calculated as the average percentage of women on boards for the companies held in the portfolio and the benchmark.

Flexible Work Programs

This metric is calculated as the percentage of companies in the portfolio and the benchmark that offer flexible work programs, according to Equileap data. Flexible work is defined as the option for employees to control and/or vary the start and end times of the work day and/or vary the location from which employees work.

Percentage of Women in Senior Management

This metric is calculated as the average percentage of women in senior management for the companies held in the portfolio and the benchmark.

Equal Pay Strategy

This metric is calculated as the percentage of companies in the portfolio and the benchmark that have an equal pay strategy, according to Equileap data. Equal pay strategy is defined by Equileap as transparency and commitment to provide comparable wages for comparable work.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. The SDGs are part of Resolution 70/1 of the United Nations General Assembly, the 2030 Agenda. At the heart of the goals is an urgent call for action by all countries – developed and developing – in a global partnership. The SDGs recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Learn more about Impact Quantitative Portfolios at [Investnet.com/ImpactQPs](https://www.impactinvesting.com/Investment/ImpactQPs)

Overview

Index performance is presented for illustrative purposes only and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.

CRSP US Large Cap Index includes U.S. companies that comprise the top 85% of investable market capitalization. It includes both Mid and Mega capitalization.

Disclosure

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