

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

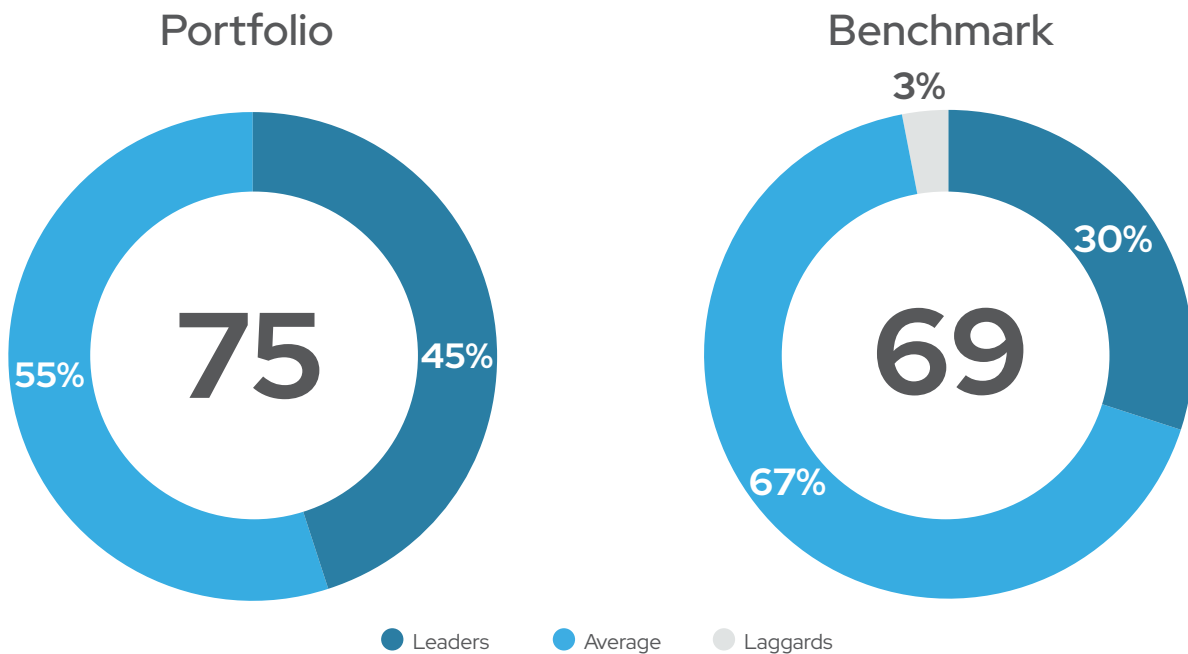
You Support:

-  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

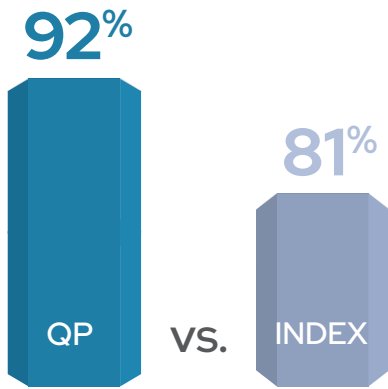
Gender and Diversity Score



Gender and Diversity

Diversity Program

92% of holdings have a strong diversity program.



You support companies who have diverse work forces.

Women on the Board

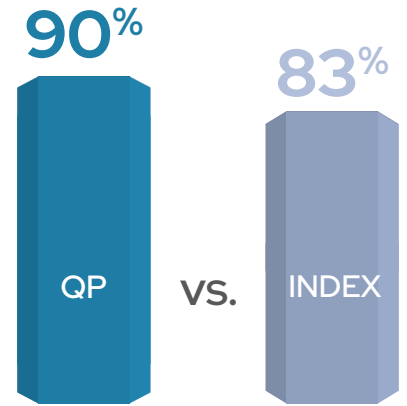
This portfolio has 12% more women on the board compared to the benchmark.



You support companies that have built diverse boards.

Discrimination Policy

90% of holdings have a strong discrimination policy.



You support companies that do not tolerate discrimination.



Company Highlight: Adobe Inc.

Adobe 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 employee affinity groups, diversity councils, and networking groups while also monitoring and auditing their progress on the issue. Networking groups such as AdobeProud or Black Employee Network (BEN) actively engage with surrounding communities by providing career development and volunteering activities. In addition, the company is committed to recruiting and retaining underrepresented employees and making progress on diversity across the industry by joining forces with customers and partners to promote equal rights and opportunity parity. Adobe's Supplier Diversity program supports certified businesses that are majority-owned and operated by women, LGBTQ+ community, and other minorities. The company's serious commitment to gender pay equality is showcased in its disclosure that employees in the same job and location are paid fairly, relative to one another, across all 40 countries where the company operates. As it stands, 33.5% of Adobe's global workforce and 26.1% of Adobe's leadership are women, and 4 out of 11 members on the board of directors are women.

Source: www.adobe.com/diversity/strategy/employees/employee-networks.html

Gender and Diversity

Flexible Work Programs

76% of holdings offer flexible work options.

74%



VS.

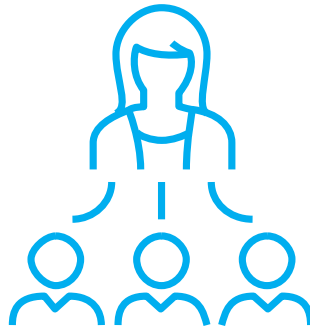
60%



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

Women in Senior Management

This portfolio has 17% 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

16% of holdings have an equal pay strategy.

16%



VS.

12%



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



Company Highlight: Intel Corporation

Intel's diversity programs and anti-discrimination policies illustrate the company's commitment to be an inclusive workplace for all employees. The company's talent development and retention initiatives include employee training and health benefits, and retirement plan options. In terms of recruitment, Intel has developed best practices to reduce unconscious bias in the hiring process, which includes using impartial descriptions of qualifications and having diverse hiring panels. Intel collaborates with 6 Historically Black Colleges and Universities (HBCUs) and has created a pipeline program with the American Indian Science and Engineering Society. The company also launched its Digital Accessibility Overview training course, which focuses on building systems to meet employee needs. The company's voluntary turnover rate was only 5% in FY2019, suggesting a robust human capital program.

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.envestnet.com/ImpactQPs)



Quantitative Research Group

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.

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