

An aerial photograph of a lush green field divided by a stone wall. A single white wind turbine stands in the middle of the field. The sky is not visible, and the bottom-left corner of the image is cut off by a white diagonal line.

2017 Global Core Sustainability Report



Hamilton Point

Investment Advisors, LLC

100 Timberhill Place, Suite 120
Chapel Hill, NC 27514

(877) 636-3765
www.hamiltonpoint.com



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Introduction

In 2008, Hamilton Point released its first Sustainability Report to assess and document the environmental impacts of the companies recommended in our [Global Core Equity Strategy](#). For 2017, the report has been updated and expanded in order to provide a clearer picture of the environmental impact. At Hamilton Point, we believe that financial markets play an important role in shaping the economic, social and environmental landscape of tomorrow. As investment advisors, we must thoroughly consider these effects as we make responsible investment decisions. It should be made clear that Hamilton Point is not specifically oriented towards environmentally conscious investing. Our first and foremost priority is to serve the fiduciary needs of our clients; therefore, equity recommendations are made with the goal of maximizing returns while minimizing risk. Nevertheless, we feel that a company's willingness to evaluate, innovate and streamline its operations in order to become more environmentally conscientious is a powerful indicator of its capacity to adapt and grow as a business, respond proactively to challenges and succeed in a competitive atmosphere.

It was not so long ago that corporate efforts to promote sustainability were viewed as primarily philanthropic in nature, and associated costs were often bemoaned by businesses as cutting into their bottom line. Today, it is our belief that this philosophy has been turned on its head. With an ever-growing demand for organically produced products, volatile energy prices and an increasingly environmentally

conscientious consumer, sustainability is now seen, in our opinion, as a key to creating an efficient, profitable and responsible organization.

In order to create a report that is user friendly as well as informative, the information about each company found in this analysis will be largely anecdotal in nature; that is to say, we have not provided a myriad of tables, spreadsheets or raw data. We have instead processed and synthesized the information so that it can be displayed graphically in our [Sustainability Matrix](#), which serves as our evaluation of a company's sustainability performance in comparison to other companies within its industry and the direction in which a company is progressing. As a supplement to the graphical representation of the companies' environmental performance, we have provided a snapshot containing quantitative and qualitative data of the innovative ways each company is aligning its business interests with those of the environment. We hope that you are as pleased as we are to learn about the innovative ways these businesses are learning to do more with less, as well as to know how we believe these companies are helping build a better future for you and for the planet as a whole.



Guide to the Hamilton Point Sustainability Matrix

Hamilton Point Sustainability Matrix

Industry	Good	Yellow	Light Green	Light Green
	Neutral	Red	Yellow	Light Green
	Poor	Red	Red	Yellow
		Poor	Neutral	Good
		Company		

Businesses in different industries have inherently different environmental impacts. Colgate-Palmolive, a maker of toothpaste, soaps and household products, will undoubtedly have a lower impact on the environment than Phillips 66, which is by nature involved in a “dirtier” industry. Both household products like soap and toothpaste as well as hydrocarbons like gasoline and propane are crucial to the modern lifestyle of billions of people around the world, and exposure to both of

these industries is, in our opinion, necessary for creating a balanced investment portfolio.

Additionally, there is a net benefit argument for many companies that we believe is difficult to quantify. For example, Alphabet, Google’s parent company, consumes large amounts of electricity in powering its operations. However, Alphabet invests heavily in green energy, and in 2017, one hundred percent of Google’s energy will come from renewable resources. In addition, Alphabet also contributes to enhanced efficiencies and technological innovations that lead to less consumption of fossil fuels and other resources, on a net basis.

Hamilton Point created the Sustainability Matrix to confront the challenges of evaluating companies in vastly different sectors of the economy who face inherently different levels of difficulty in lowering the environmental footprint of their business. Our matrix accounts for the nature of the industry that each company is a part of on the vertical axis by rating it on a spectrum from poor to good. Industries like oil exploration and production which face higher potential environmental risks and whose products also create pollution are given a poor rating, while most consumer product related industries with much less environmentally damaging activities are given ratings of

good. This axis alone cannot inform us as to how each business is confronting the sustainability challenges it faces compared to other companies in its specific industry. Thus, the horizontal axis is devoted to our evaluation of each company’s efforts to decrease its environmental footprint as best it can, relative to other companies that share similar challenges. For companies like Schlumberger and Phillips 66, this means spill prevention, cleaner fossil fuel research and R&D devoted to finding renewable energy sources. For Colgate-Palmolive or Nike, this means finding ways to create less waste during manufacturing, using less electricity in their facilities and striving to create organic or low impact product lines to fulfill the needs of consumers.

We feel our two-dimensional matrix thus allows for a more holistic and informative assessment of the effort each company devotes to creating a sustainable business in ways that a standard one-dimensional rating system — such as a one-to-five star score — could not. Alongside each Hamilton Point Company Sustainability Matrix you will see further company furnished data, such as the Company Snapshot, Key Statistics and Sustainability Accomplishments and Initiatives. These pieces of information serve as tools to analyze each of our represented companies and evaluate their environmental standing and progress. On page 4, you will find the Hamilton Point Sustainability Matrix displaying all companies in the Global Core Equity Strategy as of June 30, 2017, in aggregate.

In general, we are very pleased to see how much time and manpower many of these companies spend to make themselves more sustainable. Although there are a few businesses that could use improvement, we are proud to say that our sustainability analysis of our Global Core Equity Strategy strongly reflects the philosophies of value-added, growth-oriented and responsible business practices that Hamilton Point strives for in all its investments.



Individual Company Highlights

In this report, Hamilton Point has compiled one page reviews of each Global Core Equity Strategy company as of June 30, 2017. Each review includes Company Snapshot, Key Statistics and Sustainability Accomplishments and Initiatives sections compiled from various publicly disclosed informational sources. Additional information was collected from company-published materials, primarily annual reports, corporate sustainability reports and information found on investor relations websites.

The Sustainability Matrix and Progress & Evaluation sections reflect Hamilton Point's assessment of a company's initiatives based on publicly disclosed information. For further questions, see the full disclosure at the end of this report.

Non-Reporting Companies

There were a few companies in the Global Core Equity Strategy that disclosed little to no information regarding their approaches to promote sustainability or their waste and pollution emissions levels. Some of these companies, such as Check Point and Priceline, operate in industries with relatively little impact on the environment. Others, such as Fortive, are relatively new, and therefore have only just begun to release sustainability information to the public. Lastly, Littelfuse is one company that operates in a less environmentally friendly industry and which still fails to set regular sustainability goals and provide data that quantifies its environmental impact.

Although the lack of disclosure is a concern for Hamilton Point from an environmentally conscious perspective, we are no less confident in these companies as quality investments based on other merits. These companies have been included in the report and have been given industry ratings that we feel most accurately represent their environmental impact. However, without significant disclosure from the companies, an individual rating of their envi-

ronmental performance is difficult to ascertain. Our evaluation of these companies was created to the best of our ability based on the information available about the industry and the company.

Newsweek Scoring

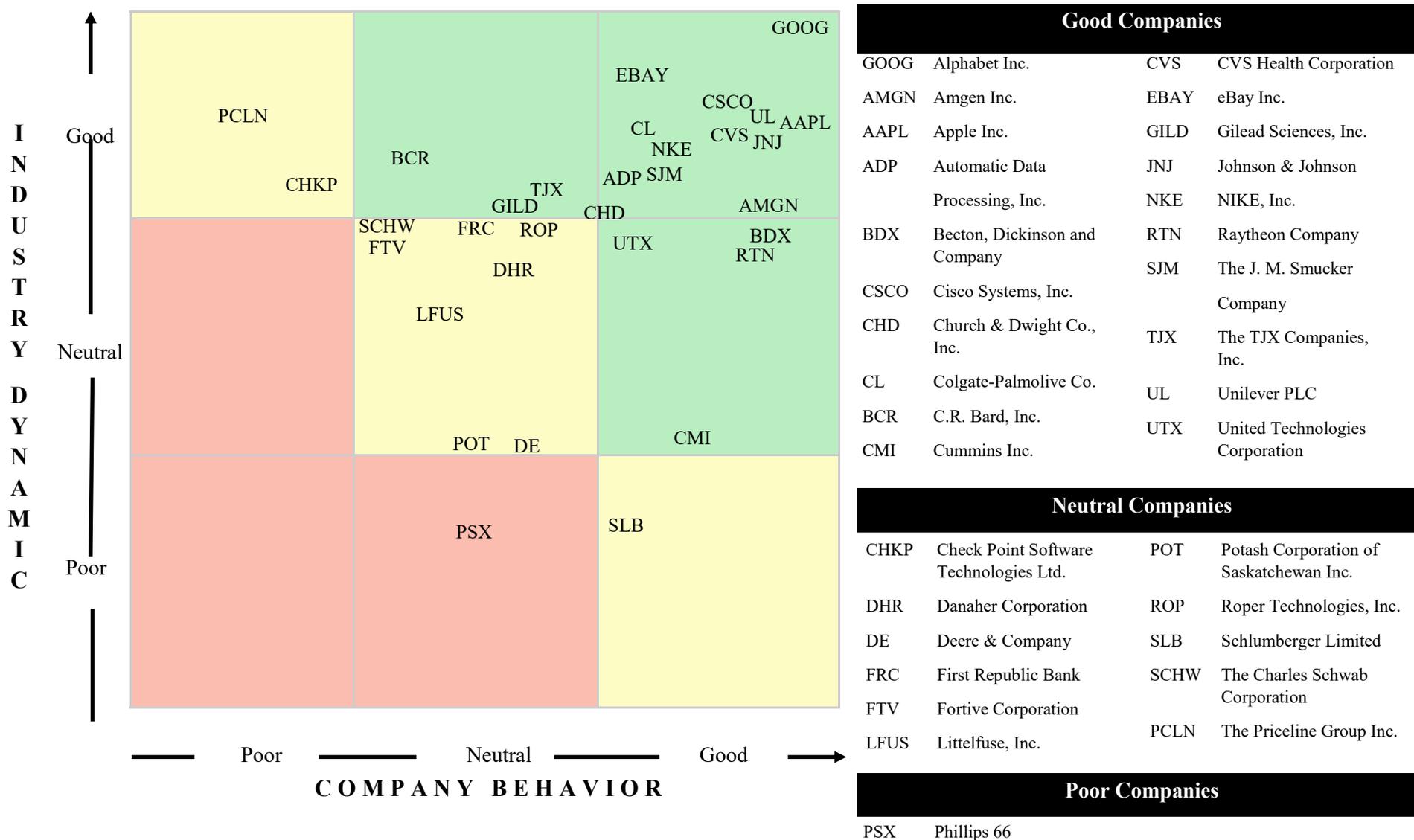
Hamilton Point includes environmental, social and governance (ESG) scores and rankings provided by *Newsweek* to offer a comparison to the Hamilton Point Sustainability Matrix. This report uses the *Newsweek 2016 Green Rankings*, which are the most updated rankings available as the 2017 rankings have yet to be released.

Newsweek partners with Corporate Knights Capital and HIP Investor to rank companies based on their Newsweek Green Score, which is calculated using eight specific indicators: Combined Energy Productivity (15%); Combined Greenhouse Gas (GHG) Productivity (15%); Combined Water Productivity (15%); Combined Waste Productivity (15%); Green Revenue Score (20%); Sustainability Pay Link (10%); Sustainability Board Committee (5%); and Audited Environmental Metrics (5%).



The Hamilton Point Sustainability Matrix

This chart is a graphic representation of all companies in our Global Core Equity Strategy as of June 30, 2017. The upper right box depicts what we believe to be the highest-rated companies, while the companies with Poor ratings are located to the bottom left.



This is not a recommendation to buy or sell a particular security. For additional disclosures see page 40.



Glossary

Carbon Dioxide (CO₂) - the most prominent greenhouse gas produced by human activity, especially the combustion of fossil fuels.

Carbon Disclosure Project (CDP) - an organization based in the United Kingdom which runs a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impact. The CDP releases an annual climate change, water, forests and supply chain questionnaire that companies can respond to as a way to release metrics of their environmental impact to the public.

Climate Change - any long-term significant change in average weather conditions, or in the distribution of weather around average conditions. Average weather may include temperature, precipitation, wind patterns and other factors. These changes can be caused by dynamic processes on Earth, external forces including variations in sunlight intensity and more recently, human activities.

Dow Jones Sustainability Indices (DJSI) - the first global indices to track the financial performance of the leading sustainability-driven companies worldwide. The DJSI US tracks the leading companies in the United States, while the DJSI Europe, Asia and North America tracks leading companies on those continents. The DJSI World index tracks the top 250 companies in the world based upon economic, environmental and social criteria.

Environmental Footprint - the measure of a human, a company or an activity's impact on the Earth's ecosystem. It compares human demand for natural resources with the Earth's ecological capacity to regenerate these resources by representing the biologically productive land and sea that are needed to regenerate those resources.

E-Waste - consumer and business electronic equipment that is near or at the end of its useful life, of which certain components contain materials that render them hazardous, depending on their condition and density. Common contaminants include lead, cadmium, beryllium or brominated flame retardants.

Green Grid - a global collaboration of IT companies and professionals seeking to improve energy efficiency in data centers and business computing systems around the globe. The organization seeks to unite global industry efforts to standardize a set of metrics, processes, methods and new technologies to further its common goals.

Greenhouse Effect/Greenhouse Gasses (GHGs) - a reference to a traditional greenhouse's ability to trap heat from sunlight, where heat energy radiated from the Earth is absorbed by atmospheric gasses such as Carbon Dioxide, Methane and Ozone rather than escaping into space. Scope 1 GHG emissions, or Direct GHG emissions, are emissions from sources that are owned or controlled by an organization or individual. Scope 2 GHG emissions, or Energy Indirect GHG emissions, are emissions generated from the organization's consumption of purchased electricity, steam or other sources of energy. Lastly, Scope 3 GHG emissions, or Other Indirect GHG emissions, are emissions that are the result of the operations of an organization, but which are not directly owned or controlled by the organization.

Green Roof - a roof that is partially covered with vegetation and soil or some other growing medium. This technique helps to reduce the *urban heat island effect* which is caused by buildings absorbing a higher percentage of heat radiation from the sun than soil or vegetation.

Hazardous Air Pollutants (HAPs) - are pollutants that are known or suspected to cause cancer or other serious health effects, such as adverse environmental effects, reproductive effects or birth defects.

ISO-14001 - a certification for small to large organizations that specifies the requirements of an environmental management system (EMS), which provides a systematic approach for handling environmental issues.

Leadership in Energy and Environmental Design (LEED) - is a green building rating system developed by the U.S. Green Building Council. This system provides standards for environmentally friendly construction in order to minimize electricity and water usage and to decrease waste and pollution. LEED certified buildings save companies in the U.S. billions of dollars each year and decrease overall power consumption by millions of kilowatt hours annually.

Sustainability - in ecology, sustainability describes how biological systems remain diverse and productive over time. For humans, sustainability is the potential for long-term prosperity, which depends greatly on our ability to live in equilibrium with the natural world around us and to use resources to our benefit without depleting them at the expense of future generations.

The United States Environmental Protection Agency (U.S. EPA) - is a federal government agency created in 1970 by President Richard

Nixon with the purpose of protecting human health and the environment. The U.S. EPA sponsors several programs, such as ENERGY STAR and the Green Power Partnership, which enable businesses and individuals to become more environmentally friendly.

Volatile Organic Compounds (VOCs) - a large group of carbon-based chemicals that easily evaporate at room temperature and may have adverse short- and long-term health effects. VOCs are emitted as gases from a variety of solids or liquids including paints, cleaning supplies, pesticides, building materials, office equipment, glues, permanent markers and photographic solutions.

Hamilton Point Company Analyses





Alphabet Inc.

Alphabet

Alphabet Inc. (GOOG), based in Mountain View, California, is an American multinational conglomerate founded in 2015 as the parent company of **Google** and companies previously owned by Google. Google was founded in 1998 by Larry Page and Sergey Brin, who created the world's most effective search engine and improved the accessibility of the internet by downloading and indexing the entire web. Google later grew to include many recognizable brands, including YouTube, Gmail and Android. Alphabet segments itself into industries such as technology, life sciences, investment capital and research. Several of its subsidiaries include **Google, Calico, GV, CapitalG, X, Waymo** and **Google Fiber**.

Key Statistics

As of FY ended 12/31/16
2016 Revenue: \$90.3B
Net Income: \$19.5B
Business Segments:
Google: \$89.5B (99.1%)
Other Bets: \$809M (0.9%)

Sustainability Accomplishments and Initiatives

Accomplishments

- U.S. EPA Direct Project Engagement Award (2016) and U.S. EPA Green Power Partner of the Year Award (2011, 2014)
- First Place on Greenpeace Cool IT Leaderboard (2012-2013)
- Carbon Neutral since 2007
- Over 9.2 million square feet of Google offices have received LEED certification
- Largest corporate renewable energy purchaser in the world
- Invested \$76 million in a 300MW wind farm in Beaver County, OK (2015)

New Initiatives

- Google will reach 100% renewable energy for its global operations in 2017 while using 50% less energy than the average data center
- Google committed to fund \$2.5 billion in clean energy projects that will generate over 3.7GW
- Pledged support for the Paris climate agreement with other industry leaders and local governments after U.S. officials made motions to leave the agreement (2017)

Continuing Initiatives

- Google is preventing 100% of the electronic equipment that leaves six of its data centers from entering a landfill
- Creating and promoting cloud-based products and technologies that allow users to monitor tropical rainforests, detect pipeline leaks, map tens of millions of solar rooftops and reduce GHG emissions
- Google's employee shuttle program and corporate electric vehicles have taken the equivalent of 5,700 cars off the road, or about 87 million vehicle miles

Progress & Evaluation

Not only is Alphabet a global leader in technology and innovation, but also in environmental sustainability and corporate responsibility. Like many technology companies, electricity used by Alphabet's data centers is the company's main consumable. Even though massive amounts of electricity are required to power these data centers, Alphabet's energy consumption is not a defining factor in its environmental impact. Instead, by leveraging renewable energy and efficient electricity usage, Alphabet is now the greatest consumer of clean energy on the planet.

Extending beyond the boundaries of its own corporate umbrella, Alphabet has taken steps toward not only becoming carbon neutral, but also helping to reduce the environmental footprint of other projects around the world. As a result of Alphabet's detailed environmental report outlining its commitment to renewable energy, its sustainable and energy-efficient workplaces and its net zero carbon footprint, Hamilton Point assigns Alphabet Inc. a Sustainability Matrix classification of **Good**.

Hamilton Point Sustainability Matrix

			●
Industry			
	Company		

Comparable ESG Scoring

46.4%



Amgen Inc.



Amgen Inc. (AMGN), based in Thousand Oaks, California, is a multinational biopharmaceutical company that uses biology to discover, develop, manufacture and deliver innovative and advanced human therapeutics for patients suffering from serious illnesses. The Amgen approach is deeply rooted in research and focuses on areas of high unmet medical needs and limited treatment options. Amgen leverages its biologics-manufacturing expertise to strive for healthcare solutions that dramatically improve lives. A biotechnology pioneer since 1980,

Amgen has grown to be one of the world's leading independent biotechnology companies, has reached millions of patients around the world and is developing a pipeline of medicines with breakthrough potential. Amgen has a strong history of corporate and environmental responsibility, and the company operates in a single business segment: **Human Therapeutics**.

Sustainability Accomplishments and Initiatives

Accomplishments

- Winner of the U.S. EPA's Presidential Green Chemistry Challenge (2017)
- *Corporate Responsibility Magazine's* 100 Best Corporate Citizens (2016-2017)
- DJSI World Index (2014-2016) and Dow Jones North American Index (2013-2016)
- Recognized by the Association of Energy Engineers with the Corporate Energy Management Award (2014) and the Region 1 Energy Project of the Year
- Earned LEED Platinum status at the Thousand Oaks drug-product development site
- Awarded the Cool Planet Award by Southern California Edison and The Climate Registry (2014)
- Puerto Rico Manufacturers Association recognized recycling, waste minimization, water reuse and energy conservation performance (2014-2015)

New Initiatives

- 2016 waste reduction and recycling projects resulted in an additional 162 metric tons (MT) of waste reduction and recycling, achieving overall goal of 850 MT of waste reduced since 2013
- 2016 carbon reduction projects resulted in an additional 6,700 metric tons (MT) of annual carbon emission reductions, achieving overall goal of 20,200 MT in reductions since 2013
- 2016 water conservation projects resulted in an additional 61,000 cubic meters (CM) of annual water reduction to achieve a total of 203,000 CM in reductions since 2013
- 2016 energy conservation projects resulted in an additional 69,000 gigajoules (GJ) of annual energy reductions in order to achieve an overall goal of 244,000 GJ in reductions since 2013

Continuing Initiatives

- Releases detailed sustainability reports annually with sustainability measurements that are reviewed by high-level executives
- Amgen's 2020 environmental plan aims to reduce facility carbon by 10%, fleet carbon by 20%, waste disposed in landfills by 35% and water use by 10%
- Taking action to become more selective of suppliers and to educate and empower staff to be more environmentally responsible
- Acknowledged for promoting environmentally-friendly commuter options, supporting local volunteer efforts and meeting environmental regulatory requirements in several regional offices (2014)

Progress & Evaluation

The biotechnology industry in which Amgen conducts business is relatively sustainable in nature. Many of the largest environmentally sensitive portions of the business revolve around energy consumption and toxic waste disposal. Hamilton Point assigns Amgen Inc. a Sustainability Matrix classification of **Good** due to their strong environmental awareness and history of consistently creating energy efficiency programs and practices. The company has a commitment to better the environment and provides clear outlines of its plan and goals in detailed annual sustainability reports.

Hamilton Point's commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 12/31/16

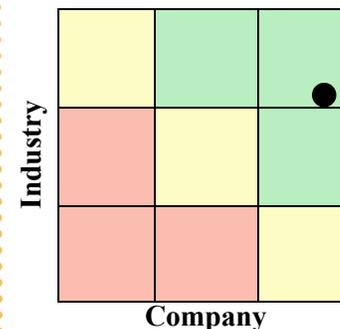
2016 Revenue: \$23B

Net Income: \$7.7B

Business Segments:

Human Therapeutics: \$23 (100%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring



Apple Inc.



Apple Inc. (AAPL), a multinational technology company based in Cupertino, California, designs, manufactures and markets mobile communication and media devices, personal computers and portable digital music players. Apple also sells a variety of related software, services and third-party digital content and applications. Products and services include the iPhone, iPad, iPod, Mac, Apple Watch, Apple TV, a portfolio of consumer and professional software applications, the iOS and OS X operating systems, iCloud and a variety of accessory, service and support offerings. Founded in 1976 by Steve Jobs, Steve Wozniak and Ronald Wayne, Apple’s products continue to be unique because of their integrated software and hardware, user-friendly nature and simple design.

Key Statistics

As of FY ended 9/24/16

2016 Revenue: \$215.6B

Net Income: \$45.7B

Business Segments:

iPhone: \$136.7B (63.4%)

Services: \$24.3B(11.3%)

Macintosh: \$22.8B (10.6%)

iPad: \$20.6B (9.6%)

Other Products: \$11.1B (5.2%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Carbon emissions per product have decreased every year since 2011
- 63% of iPhones ever sold remain in use as of 2017
- U.S. EPA Green Power Leadership Award (2014-2016)
- Acknowledged by Greenpeace as the greenest tech company in the world (2014-2016)
- Apple’s VP of Environmental Initiatives served as the former head of the U.S. EPA
- 100% renewable in 24 countries and at every Apple data center
- 8 billion gallons of water saved since the Clean Water Program started in 2013

New Initiatives

- In 2017, Apple invested \$921M in a renewable energy powered data center in Denmark
- In 2016, Apple diverted more than 28 million pounds of waste from landfills and 96% of energy used in Apple facilities came from renewable sources, reducing carbon emissions by nearly 585,000 metric tons
- Apple is now offering a program known as Apple Renew, which moves towards a closed-loop supply chain by allowing customers to responsibly recycle e-waste
- Apple has installed 485 MW of wind and solar projects in China to date
- Apple is offering a \$1B bond to fund clean tech and environmental investment projects in response to the U.S. government’s decision to leave the Paris climate agreement

Continuing Initiatives

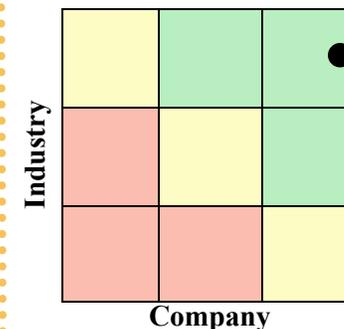
- Every Apple product surpasses the ENERGY STAR efficiency guidelines, achieves EPEAT Gold Standard (the highest score possible) and has an individual environmental report
- Apple has a strong history of improving energy efficiency and voluntarily avoiding popular, yet potentially harmful, electronic components with new product models
- Apple is partnering with suppliers to switch to more renewable energy at every stage in the production cycle, generating more than 4 GW of clean power worldwide by 2020
- Apple’s Full Material Disclosure program shows the chemical composition of every material in individual product components
- Apple powers its Singapore facilities with a 32 MW solar project on more than 800 rooftops

Progress & Evaluation

For years, Apple has maintained a very strong reputation of self-imposed high standards for energy efficiency, product recycling and transparency. Apple is committed to rigorous self-evaluations and uses a three-pronged approach for sustainability, which comprises of displacement, additionality and accountability. Programs derived from this approach have seen thousands of employees participate and show great promise. Apple’s commitment to sustainable production practices, workplaces and products extends into their culture as well. For example, Apple attempts to offset its carbon footprint resulting from shipping products around the world by encouraging virtual teleconferences and hybrid transportation for traveling employees.

Hamilton Point assigns Apple Inc. a Sustainability Matrix classification of **Good** for its continued efforts in environmental stewardship. Apple promotes transparency and responsibility by releasing thorough environmental impact reports and by continually improving their facilities.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Automatic Data Processing, Inc.



Automatic Data Processing, Inc. (ADP), based in Roseland, New Jersey, is one of the world's largest providers of business process outsourcing products and services, serving 650,000 clients around the world. ADP offers a wide range of technology-enabled Human Capital Management (HCM) services including human resources, payroll, insurance, retirement, tax and compliance and benefits administration solutions. ADP was a leading provider of integrated computing solutions to auto, truck, motorcycle, marine, recreational vehicle and heavy equipment retailers and manufacturers until it spun off this business in 2014. The company's reportable segments are: **Employer Services, Professional Employer Organization (PEO) Services and Other.**

Sustainability Accomplishments and Initiatives

Accomplishments

- Augusta, GA office received Gold LEED certification, a rank which only one of 1,144 buildings in the US have achieved
- Georgia and South Dakota data centers earned ENERGY STAR certification
- ADP decreased their kilowatt usage by half to save \$3 million in electricity costs per year
- Florham Park, NJ and Jacksonville, FL offices have green roofs covered with plants, reducing storm water run-off and lowering cooling costs while improving air quality and reducing the Urban Heat Island Effect

New Initiatives

- ADP consolidated their data centers to 2 from 20, reducing 24k tons of carbon dioxide emissions annually
- ADP is reducing their carbon footprint and lowering fuel demands in their sales fleet by testing hybrids and fuel efficient vehicles

Continuing Initiatives

- ADP promotes recycling drives for batteries, e-waste, eyeglasses, books, clothing and more within their offices
- ADP is an active member of the Green Grid, a group dedicated to developing and promoting energy efficient data centers
- ADP offers preferred parking for associates with hybrid cars as well as formal ridesharing programs for employees in American or Brazilian offices
- The company has a strong history of philanthropy and volunteerism, committing both time and money to disaster relief and humanitarian efforts

Progress & Evaluation

As an industry leader, ADP is obligated to follow through when they say that they're taking the necessary steps to demonstrate their commitment to energy and environmental sustainability. Each year, ADP initiates or continues environmentally conscious programs that have resonating effects for both their clients as well as their own business. Through data center consolidation, energy efficiency and active environmental awareness promotion, ADP has successfully made efforts to improve our world while saving millions of dollars each year.

Hamilton Point assigns Automatic Data Processing, Inc. a Sustainability Matrix classification of **Good** due to their strong paper conservation and energy efficiency programs and their continued commitment to developing sustainable workplace practices. ADP has succeeded in keeping up with current initiatives, but has yet to continue to create new ways to become more environmentally friendly. While their web page on corporate environmental responsibility lacks quantitative measurement and specific forward-looking goals, ADP continues to set a good example in the field of sustainability.

Key Statistics

As of FY ended 6/30/16

2016 Revenue: \$11.7B

Net Income: \$1.5B

Business Segments:

Employer Services: \$9.2B (79%)

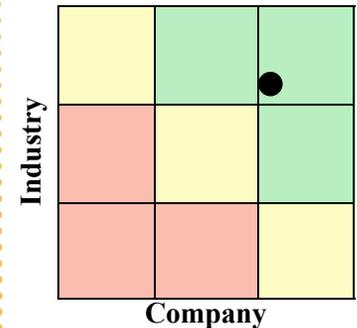
PEO Services: \$3.1B (26.3%)

Other: \$2M (0%)

Client Fund Interest:

(\$619)M (-5.3%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Becton, Dickinson and Company



Becton, Dickinson and Company (BDX), headquartered in Franklin Lakes, New Jersey, is a global medical technology company committed to advancing the world of health through the development, manufacture and sale of laboratory equipment, diagnostic products and medical supplies and devices. These products are used by healthcare institutions, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. Although over half of the company's sales are generated in the U.S., BD has a global presence with over 40,000 people employed in 50 countries around the world. The company leads the industry in patient and healthcare worker safety and values quality, innovation, integrity and accountability. BD consists of two major business segments: **Medical Segments** and **Life Sciences**.

Key Statistics

As of FY ended 9/30/16

2016 Revenue: \$12.5B

Net Income: \$976M

Business Segments:

Medical: \$8.7B (69.3%)

Life Sciences: \$3.8B (30.7%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Ranked #17 on the U.S. EPA's list of the largest green power users within the Green Power Partnership (2017)
- FORTUNE "Change the World" List (2015-2016)
- Champion for Change Award— Practice Greenhealth (2016)
- U.S. EPA Green Power Leadership Award (2015) and U.S. EPA SmartWay Transport Partner (2015)
- 23 BD sites participate in U.S. EPA's ENERGY STAR Challenge for Industry, with 14 of those sites improving energy efficiency by 10% or more within 5 years or less
- WindMade Label— Pioneer Company (2012)
- DJSI North America Index (since 2005) and FTSE4Good Index (since 2003)

New Initiatives

- BD exceeded their 2020 GHG emissions goal in 2016 by achieving a 58% reduction in GHG levels while also reducing VOCs and HAPs emissions by 48% and ozone depleting substance emissions by 40%
- In 2016, 43% of total energy came from renewable sources and energy consumption was reduced by 26%
- BD reduced total waste by 24%, increased the recycling rate to 68% and reduced hazardous waste by 51% in 2016
- In 2016, BD increased the landfill diversion rate to 79% and reduced water consumption by 34%
- 26 BD sites have ISO 14001-certified environmental management systems with 7 more pursuing certification through a pilot project

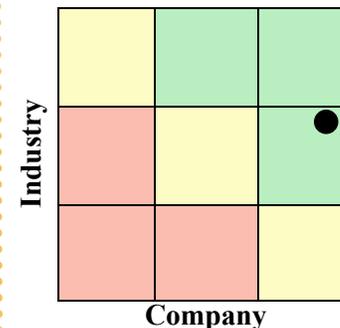
Continuing Initiatives

- BD's sustainability strategy and 2020 goals include reducing GHG emissions, eliminating priority materials of concern and improving life cycle impacts on current and future products
- BD reduces their environmental footprint in manufacturing by sourcing more renewable energy as a part of their 2020 goals
- Requires suppliers to comply with BD's *Expectations for Suppliers*, which details BD's social and environmental standards
- BD is a member of the Healthcare Plastics Recycling Council, the Coalition for Sustainable Pharmaceuticals and Medical Devices and the U.S. Department of Energy's Better Plants Program (2016)
- BD utilizes a sustainability capital fund for stand-alone sustainability projects and deployed \$5M from the fund in 2016 alone

Progress & Evaluation

Becton Dickinson continues to conduct its business in a highly sustainable and environmentally-friendly manner and has a history of setting ambitious, self-imposed goals that they complete on time or ahead of schedule. BD displays this commitment to the environment in many ways, such as through pursuing LEED Certification for new construction projects, despite the already high building cost. BD has reduced waste, energy usage and fossil fuel consumption while maintaining their bottom line in a way that few others within the industry have been able to replicate. For these reasons, Hamilton Point assigns Becton, Dickinson and Company a Sustainability Matrix classification of **Good**.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Cisco Systems, Inc.



Based in San Jose, California, **Cisco Systems, Inc. (CSCO)** has grown to be one of the world's largest information technology companies. Cisco designs, manufactures and sells Internet Protocol based networking products and services related to the communications and information technology industry. Cisco conducts its business in many areas of the globe, and the company's business segments include **Products** and **Services**. The main company product offering areas are Switching, Next-Generation Network Routing, Collaboration, Data Center, Wireless, Service Provider Video, Security and Other. Since 1984, Cisco has been transforming the way that people connect, communicate and collaborate worldwide.

Key Statistics

As of FY ended 7/30/16
2016 Revenue: \$49.2B
Net Income: \$10.7B
Business Segments:
Products: \$37.2B (75.6%)
Service: \$12B (24.4%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Ranked 3rd on Corporate Knight's Global 100 Most Sustainable Companies (2017), 3rd on Forbes' list of the World's Most Sustainable Companies (2017) and 8th on Fortune's Change the World List (2016)
- Awarded U.S. EPA Climate Leadership for Supply Chain (2016) and Green Power Partner of the Year (2008, 2013, 2016)
- Reported to the Carbon Disclosure Project for the 12th year and earned a spot on their "Climate A List" for the 6th time (2016)
- Garter Supply Chain Top 25 Award (2016-2017) and Duke Energy Power Partner of the Year (2015)
- Recognized by Ethisphere on the World's Most Ethical Companies List (2009-2017)
- Research Triangle Park Center awarded LEED Gold Certification

New Initiatives

- Set 2020 goal of avoiding 1M metric tons of supply chain operations' GHG emissions
- Launched an internal engagement platform called Cisco Greenhouse to teach employees how to reduce their environmental footprint and Earth Aware, a month-long employee volunteerism and environmental awareness campaign that culminated in a sustainability forum called SustainX
- Devoting itself to the circular economy through the Global Scrap Program, Takeback and Recycle Program, Pack it Green 2.0 Program and Recycle IT Day
- Launched employee carpooling program in San Jose and San Francisco locations
- 77% of energy use in 2016 came from renewable sources

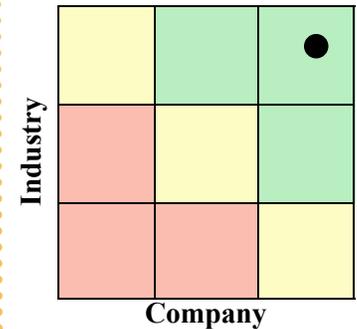
Continuing Initiatives

- Reduce total Scope 1 and 2 GHG emissions and business-air-travel Scope 3 GHG emissions by 40% worldwide by 2017
- By 2017, reduce total operational energy use per unit of revenue worldwide by 15%
- Reduce 2017 net consumption-weighted electricity emission factor to half of the latest International Energy Agency world average emission factor publicly available before the end of 2017
- Use at least 25% electricity generated from renewable sources every year through 2017
- 100% of key suppliers report GHG emissions to the Carbon Disclosure Project
- Global Partner of the Ellen MacArthur Foundation Circular Economy program (since 2011)

Progress & Evaluation

Both Cisco and the information technology industry have a history of environmental awareness and sustainability that includes many changes and improvements in recent years. The industry's main environmental impacts are the carbon emissions and energy usage associated with large data centers and the energy usage that occurs during the life cycle of their products. Cisco provides comprehensive reports of corporate and social responsibility that specifically identify clear goals and measurements of their current environmental impact. Cisco has begun to power many of their data centers with clean, renewable energy and are planning to continue this trend worldwide. Hamilton Point assigns Cisco Systems, Inc. a Sustainability Matrix classification of **Good** for their commitment to transparency and success with their aggressive goal setting strategy. The company has made impactful and decisive attempts to reduce their carbon footprint and lessen the environmental impact of their clients in addition to themselves.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Check Point Software Technologies Ltd.



Check Point
SOFTWARE TECHNOLOGIES LTD.

Check Point Software Technologies Ltd. (CHKP), based in Tel Aviv, Israel, is an international provider of hardware and software products for information technology security, with products that include threat prevention, next generation firewalls, mobile security and security management. Since 1993, Check Point has dedicated itself to providing its customers with uncompromised protection against all types of threats, while reducing the complexity of cybersecurity and lowering the total cost of ownership. Check Point’s products and solutions provide increased security for point of sale systems, automated teller machines, private and public cloud and telecommunications providers. Check Point’s revenues primarily come from products and licenses, software updates and subscriptions. As of 2017, the company had approximately 4,200 employees worldwide. Check Point is committed to focusing on customer needs and developing solutions that redefine the modern security landscape.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$1.7B

Net Income: \$725M

Business Segments:

Network & Data Security

Products: \$1.7B (100%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Selected by *Silicon Review* for its list of Fifty Innovative Companies to Watch (2016)

New Initiatives

- Check Point takes the initiative to address environmental challenges in work spaces through various responsible means

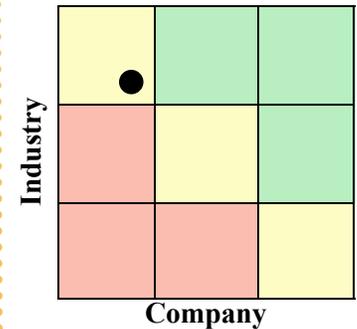
Continuing Initiatives

- Check Point continues to work with suppliers in identifying environmentally conscious components that increase efficiency, lifecycle and energy efficiency
- The company reduces its carbon footprint by creating reliable products and services that are cognizant of environmental impact throughout all phases of the life cycle
- Check Point closely monitors compliance with local and international laws in all locations worldwide

Progress & Evaluation

The majority of Check Point’s impact on the environment occurs through its products, services and facilities. While Check Point develops environmentally friendly solutions, the company discloses little information regarding its sustainable practices and its goals for the future. For these reasons, Hamilton Point assigns Check Point Software Technologies Ltd. a Sustainability Matrix classification of **Neutral**.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Church & Dwight Co., Inc.



Founded in 1846 and headquartered in Ewing, New Jersey, **Church & Dwight Co., Inc. (CHD)** develops, manufactures and markets a large range of household, personal care and specialty products. Church & Dwight includes notable brands such as **Arm & Hammer, Trojan, OxiClean, Nair** and **Spinbrush**. The consumer product brands are sold through many different platforms such as supermarkets, mass merchandisers, drugstores and others. Church & Dwight also sells specialty products to clients that include industrial consumers and distributors. With approximately 4,500 employees in 9 countries around the world, Church & Dwight is divided into three business segments: **Consumer Domestic, Consumer International** and **Specialty Product Division**.

Sustainability Accomplishments and Initiatives

Accomplishments

- Arm & Hammer’s BioEnzyme Power Liquid Laundry Detergent earned the U.S. EPA’s Safer Choice Certification (2015)
- Green River, WY plant received the Dwight C. Minton Environmental and Safety Excellence Award (2013); Lakewood, NJ facility was recognized for its environmental performance and safety practices (2016)
- Upgraded a wastewater treatment plant to better control pH and elemental concentrations (2013)
- Completed their 10-year GHG reduction goal of 17-20% in only 2 years (2012)
- Cutting-edge liquid laundry manufacturing plant earned LEED Silver Certification (2009)

New Initiatives

- In 2016, Church & Dwight recycled 24,500,000 pounds of material and expanded offerings of unit dose laundry detergent pods, thereby reducing water and packaging
- Launched a 2017 program that will audit suppliers to ensure their compliance with Church & Dwight’s Guiding Principles
- In 2016, Church & Dwight purchased nearly all 55,000 tons of its palm oil derived materials from one supplier, who is a member of the Roundtable on Sustainable Palm Oil (RSPO)
- Established a Corporate Issues Council to integrate sustainability into all aspects of the business and began reporting environmental data to the Carbon Disclosure Project (2016)

Continuing Initiatives

- Working towards 2025 goal of reducing GHG emissions an additional 20%
- Using the Product Stewardship approach, which includes carefully assessing risks of ingredients, optimizing use of recycled, renewable and biodegradable materials and eliminating concerning chemicals to ensure product safety and effectiveness
- Member of Product Care initiative of the Consumer Specialty Products Association, agreeing to not only meet, but exceed, government regulations for health, safety and environmental concerns
- Member company of The Sustainability Consortium and the American Cleaning Institute; participant in Responsible Care (the American Chemistry Council’s environmental safety and security program)

Progress & Evaluation

The industry in which Church & Dwight operates uses a lower amount of natural resources and energy than other manufacturing sectors. As a result of the company’s continued commitment to transparency and sustainability, it releases a thorough and descriptive sustainability report that includes concrete data and specific goals.

Relative to its peers within the industry, Church & Dwight does a slightly better than average job of prioritizing environmental sustainability in its operations. The company claims that environmental responsibility has been woven into the fabric of their business. However, their improvements and manufacturing practices have only been slightly better than the industry standard. Though Church & Dwight has shown the ability to make major improvements in their businesses, we believe they have the potential to set more aggressive goals and release sustainability reports and data at a quicker pace. Hamilton Point assigns Church & Dwight Co., Inc. a Sustainability Matrix classification of **Good**.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$3.5B

Net Income: \$459M

Business Segments:

Consumer Domestic:

\$2.7B (76.7%)

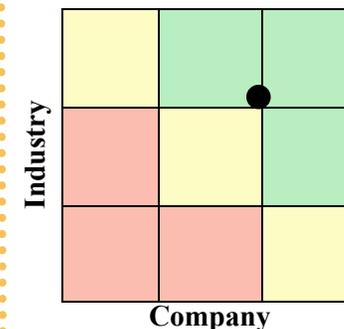
Consumer International:

\$525M (15%)

Specialty Product Division:

\$290M (8.3%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Colgate-Palmolive Company



Colgate-Palmolive Co. (CL), based in New York, NY and founded in 1806, is a leading consumer products company that includes many well-known brands sold worldwide. Colgate-Palmolive produces many common household and personal care brands such as Colgate Total, Palmolive, Irish Spring, Speed Stick, Softsoap and Ajax. Colgate-Palmolive operates its business in two main product segments: **Oral, Personal & Home Care** and **Pet Nutrition**. Colgate is a global leader in the Personal Care market with liquid hand-soap, in the Oral Care market with leading toothpaste and manual toothbrush brands as well as in the Home Care market with fabric softeners and dishwashing liquids.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$15.2B

Net Income: \$2.4B

Business Segments:

Oral, Personal & Home Care:

\$12.9B (85.1%)

Pet Nutrition: \$2.3B (14.9%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Named to Dow Jones Sustainability Indices (2013-2016) and ranked in Newsweek Green Rankings (2015 - 2016)
- U.S. EPA ENERGY STAR Partner of the Year 2016 for the 6th year in a row, with recognition for Sustained Excellence; U.S. EPA Green Power Partnership National Top 100 (2016-2017)
- 81% of Colgate’s manufacturing facilities worldwide have achieved U.S. EPA ENERGY STAR Challenge for Industry
- Named to the Carbon Disclosure Project’s (CDP’s) Climate Disclosure Leadership Index for the 5th time in 2015, the CDP Climate A list (2016) and the CDP Water A list (2015-2016)
- Received RobecoSAM Silver Class Sustainability Award (2016) and named to the RobecoSAM Indices (2013)

New Initiatives

- Updated progress on 2020 goals of “Making Every Drop of Water Count” and “Reducing our Impact on Climate and the Environment”
- Reduced absolute GHG emissions by 25% compared to 2002, achieving their 2020 goal four years early
- Issued a commodity-specific Policy on Responsible and Sustainable Sourcing of Palm Oils and is working to build a traceable supply chain (81% of palm oil and palm oil derivatives purchases are currently certified)
- In 2016, Colgate developed a water replenishment model and piloted it in India
- Four sites have achieved Zero Waste to Landfill status, and nine received Waste to Landfill Performance Leader Recognition

Continuing Initiatives

- Reducing manufacturing water intensity by 50% compared to 2002, replenishing water in highly stressed regions, increasing supplier participation in the water stewardship program, partnering with organizations to bring clean water to underserved areas of the world and promoting water conservation awareness to all global consumers
- Responsibly sourcing forest commodities to reach zero net deforestation, promoting renewable energy, reducing manufacturing energy intensity by 1/3 compared to 2002, decreasing manufacturing waste sent to landfill per ton of product by 50% since 2010 and partnering with key suppliers, customers and consumers to reduce energy, GHG emissions and waste
- Increasing recyclability of packaging and increasing recycled content to 50%

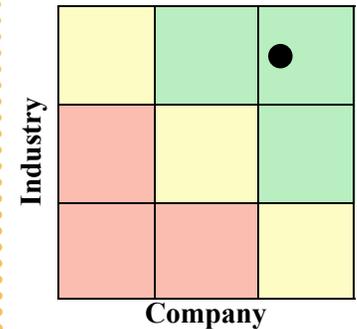
Progress & Evaluation

With products and brands in over 200 countries and territories around the world, Colgate-Palmolive has the ability to dramatically influence large numbers of customers and different aspects of the environment. The company provides clear goals and measurements of their progress, which are available to the public. Not only have they surpassed many goals set for water and energy use efficiency, but Colgate-Palmolive has also consistently outlined future goals as they exceed their earlier benchmarks.

Hamilton Point assigns Colgate-Palmolive Company a Sustainability Matrix classification of **Good** as they establish clear environmental goals in many different facets of their business. The company is responsible, sustainable and transparent in their business expansion and growth of environmental awareness.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





CR Bard Inc. (BCR), based in Murray Hill, New Jersey, is engaged in the design, manufacture, packaging, distribution and sale of medical, surgical, diagnostic and patient care devices. Bard's products have changed the way that patients and healthcare professionals in wellness and prevention, early diagnosis, treatment and post-care management interact with one another. The majority of Bard's products are intended either to be used only once before they are

discarded, or to be implanted temporarily or permanently. Bard supplies equipment to hospitals, individual healthcare professionals, extended care facilities and alternate site facilities. The company operates in one business segment (Medical Devices) that is split into five different product categories, which are: **Vascular, Urology, Oncology, Surgical Specialty and Other Products**. In 2017, Bard will be acquired by Becton, Dickinson and Company.

Sustainability Accomplishments and Initiatives

Accomplishments

- Reduced Scope 1 GHG emissions by 2.55 million pounds between 2014 and 2015
- Reused or recycled 2.18 million pounds more of non-hazardous waste between 2013 and 2015
- Water consumption dropped about 20% between 2012 and 2015 at a South Carolinian and a Malaysian latex catheter production plant, despite continued growth in the businesses
- Plant in Humacao, Puerto Rico was named a winner of *IndustryWeek's* Best Plants Award (2015)

New Initiatives

- Redesigned the SureStep Foley Tray System to eliminate the paperboard carton completely, reducing the environmental footprint of each unit and resulting in a case size reduction in the corrugated shipper
- Changed waste contractors to a certified recycler, providing a designated container for recyclables on site and reducing the amount of glass, plastic, paper and aluminum sent to landfills
- Created an internal EHS (Environment, Health and Safety) Council to drive improvement in sustainability throughout the company

Continuing Initiatives

- Alongside the U.S. EPA, Bard is in the process of reducing the use of potentially hazardous chemicals
- Performing periodic reviews of product packaging to look for ways to increase recyclability, including changing the type of cardboard used and reducing package size
- Working to place recycle symbols where applicable on all product components to encourage material recycling after use

Progress & Evaluation

Bard strives for continuous improvement in environmental sustainability by redesigning radioactive shielding containers, actively discouraging the use of conflict minerals and improving general environmental efficiencies within their offices. Despite publishing an annual sustainability report, Bard provides limited details regarding their environmental footprint. In 2011, Bard shareholders voted and demanded for the start of a formal sustainability program, and in 2014 the company complied and began reporting on sustainability practices. However, Bard has failed to compile an updated report since 2015.

The medical device industry is relatively environmentally friendly, as the main impact is the disposal of single-use medical products. Bard has taken some initiative to improve its recycling program due to its dependency on cardboard and paper packaging. Still, the company lacks clear, ambitious goals and does not have an updated and transparent environmental policy. For these reasons, Hamilton Point assigns C.R. Bard, Inc. a Sustainability Matrix classification of **Good**.

Key Statistics

As of FY ended 12/31/16

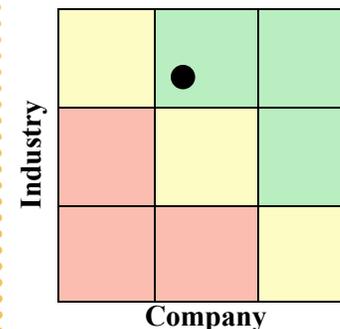
2016 Revenue: \$3.7

Net Income: \$529M

Business Segments:

Medical Devices: \$3.7B (100%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Headquartered in Columbus, Indiana, **Cummins Inc. (CMI)** designs, manufactures, distributes and services diesel and natural gas engines as well as other related technologies. The company serves its clients, including original equipment manufacturers (OEMs) and distributors, through a network of company-owned and independent distributor locations in more than 190 countries and territories. Cummins Inc. has four main business segments: **Engine, Distribution, Components and Power Systems.**

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$17.5B

Net Income: \$1.4B

Business Segments:

Distribution: \$6.2B (35.2%)

Engine: \$5.8B (33%)

Components: \$3.5B (20.1%)

Power Systems: \$2.1B (11.8%)

Sustainability Accomplishments and Initiatives

Accomplishments

New Initiatives

Continuing Initiatives

- Named to Ethisphere’s 2017 list of the World’s Most Ethical Companies for the 10th consecutive year
- Named to the Dow Jones Sustainability Index for North America (2008-2016)
- Received the Clean Energy Ministerial Award of Excellence in Energy Management (2016)
- Recognized by Forbes in the Just 100: America’s Top 100 Corporate Citizens (2016)
- Named to Carbon Disclosure Project’s Climate Disclosure Leadership Index (2015)
- In 2015, the company’s GHG emissions decreased by 14,000 tons on an absolute basis and 1% adjusted for sales from the prior year

- Cummins approved their 3rd energy goal in 10 years, pledging to achieve a 32% energy intensity reduction from company facilities by 2020 (using a baseline year of 2010) and to increase the use of electricity derived from renewable sources
- In 2017, Cummins announced a revised goal of reducing direct water use by 50% before 2020
- Celebrated the launch of the new X15 engine, which offers up to 20% better fuel economy than the company’s 2010 ISX15 engine

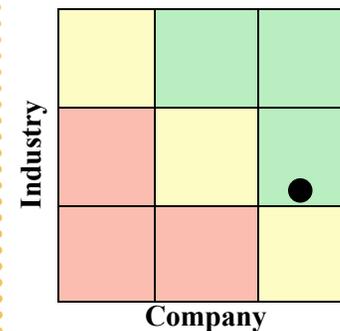
- Increase recycling rate to 95% by 2020
- Reach “Zero Disposal” status (meaning that 100% of waste is reused, recycled or recovered in a useful manner) at 30 sites with 100 or more people by 2020
- Achieve water neutrality at 15 Cummins manufacturing, technical and other larger sites located in regions with water scarcity
- Reduce CO₂ per kilogram of goods shipped by 10% before 2020 by using the most efficient method and mode to move goods across the Cummins network
- Partner with customers to improve the efficiency of products in use, reaching an annual reduction of 3.5MMT of carbon dioxide and saving 350 million gallons of fuel

Progress & Evaluation

Due to the environmentally dangerous industry in which Cummins operates, the company has a high motivation to maintain and improve their facilities and products in regard to environmental sustainability. Because customers greatly value fuel efficiency when buying a product that requires fuel, Cummins benefits from making more efficient products. Cummins is an industry leader in terms of finding new ways to improve an environmentally un-friendly product while cutting water usage and waste during the production process.

Hamilton Point assigns Cummins Inc. a Sustainability Matrix classification of **Good** for their dedication to environmental stewardship in an impactful industry. Cummins has released 13 annual sustainability reports that clearly outline their current progress and future goals. The company has shown great effort to address sustainability, but is still slowly growing its absolute use of non-renewable resources.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





CVS Health Corporation



CVS Health Corporation (CVS), based in Woonsocket, Rhode Island, is a pharmacy innovation company devoted to helping people on their path to better health. CVS is currently the largest integrated pharmacy healthcare company in the United States, with the ability to impact consumers, payers and providers through innovative solutions. These solutions fulfill CVS's mission by increasing access to quality care, delivering better health outcomes and lowering overall healthcare costs. The company has over 9,700 retail locations, 1,100 walk-in medical clinics and 90 million pharmacy benefits plan members. CVS functions through three reportable business segments: **Pharmacy Services, Retail Pharmacy and Corporate.**

Key Statistics

As of FY ended 12/31/16
2016 Revenue: \$177.5B
Net Income: \$5.3B
Business Segments:
Pharmacy Services:
\$120B (59.7%)
Retail/LTC: \$81.1B (40.3%)

Sustainability Accomplishments and Initiatives

Accomplishments

- West Haven CVS pharmacy is the 9th CVS location to be LEED Certified and the 1st to receive LEED Platinum Certification
- Recognized by Points of Light as one of the Civic 50 (2017)
- Named to Fortune's Most Admired Companies List and Change the World List (2016)
- Acknowledged by Corporate Responsibility Magazine as one of the 100 Best Corporate Citizens (2016)
- Named to Newsweek's Rankings of America's Greenest Companies (2016)
- Achieved a position on the Carbon Disclosure Project S&P 500 Climate Performance Leadership Index (2014), the Dow Jones Sustainability Index (2016) and the FTSE4Good Index (2016)

New Initiatives

- Developed the GreenTeam Colleague Resource Group (CRG) to increase employee engagement with sustainability issues
- Announced plans to remove parabens, phthalates and the most prevalent formaldehyde donors across nearly 600 beauty and personal care products from the store brand product line
- Launched a new palm oil policy to ensure that 100% of the palm oil used in CVS products will come from verified, responsible sources derived from fully traceable supply chains by 2020
- Developed an emissions reduction target that will align GHG reductions with global emissions budgets generated by climate models

Continuing Initiatives

- Retrofitting facilities with energy-efficient LED lighting and Energy Management Systems
- Continuing participation in National Prescription Drug Take-Back days, which lowers the risk of drug abuse and prevents improper disposal of medications from contaminating the water supply
- 2020 goal of procuring 100% of paper stock from sustainable sources
- Reducing amount of materials used in packaging and increasing opportunities to recycle, including e-waste
- Implementing enhanced routing software for fleets of delivery trucks to continue reducing GHG emissions

Progress & Evaluation

The most significant environmental impacts and contributors to CVS's carbon footprint are by far the energy usage and GHG emissions that result from the company's large retail footprint and the vast distribution and transportation network. Because of their millions of square feet in retail space, CVS measures carbon intensity per square foot of retail space. Continuing a trend of prioritizing environmental issues, CVS exceeded their 2018 goal of reducing carbon intensity by 15% per square foot of retail space (compared to a 2010 baseline) 3 years early.

CVS is a socially responsible company that has a solid track record of reducing their environmental impact, which is documented in their 10 annual corporate social responsibility reports. The company understands what aspects of its business are the most damaging and has focused improvements on those areas. Hamilton Point assigns CVS Health Corporation a Sustainability Matrix classification of **Good**.

Hamilton Point's commentary is for informational purposes only. For additional disclosures see page 40.

Hamilton Point Sustainability Matrix

Industry			●
	Company		

Comparable ESG Scoring

72.6%



Danaher Corporation



DANAHER

Danaher Corp. (DHR), based in Washington, D.C., designs, manufactures and markets professional, medical, industrial and commercial products and services. Danaher is a science and technology innovator dedicated to helping their customers solve complex challenges and improve their quality of life. With research and development, manufacturing, sales, distribution, service and administration facilities located in more than 60 countries, Danaher has a wide influence on the environment in which it conducts its business. The company consists of four segments: **Life Sciences, Diagnostics, Dental and Environmental & Applied Solutions.**

Sustainability Accomplishments and Initiatives

Accomplishments

- Designed Shanghai office complex with environmental sensitivity and health in mind, including advanced air filtration systems that purify, sanitize and ionize the internal air, removing airborne pollutants like smog, smoke and viruses (2016)
- Leica Microsystems' packaging for the SPIDER stereomicroscope reduced package volume by 50% and reduced the carbon footprint by 60 tons/year, winning the Singapore Packaging Star Award and Asia Star Award (2015)
- The Beckman Coulter Diagnostics facility in Mishima, Japan has a 99% recycling rate

New Initiatives

- Danaher is devoted to reducing packaging waste, protecting the water supply and defending fragile ecosystems
- Promoting Environmental Employee Awareness through the "Stop, Think and Speak Up" program, which requires employees to complete an EHS training course annually
- Videojet's Wood Dale, Illinois facility is working towards Zero Landfill status, having reduced solid waste going to landfill by 92% since 2013
- Has 60,000 environmental monitoring stations in operation, which provide real-time, early warnings of approaching floods

Continuing Initiatives

- Continuing Environmental, Health and Safety (EHS) Programs, which engage employees with environmental issues
- Conducting regular internal audits to ensure company-wide compliance with environmental principles
- Water Quality Platform provides precision instrumentation and advanced purification technology to analyze, treat and manage the quality of the world's water, from municipal and wastewater treatment facilities to lakes, streams and oceans
- Hosts Energy Kaizen events at major operating facilities around the world

Progress & Evaluation

In regards to environmental sustainability, Danaher loosely regulates its business segments through its Environmental, Health and Safety Programs. Regular sustainability audits are conducted for each business, including those that operate in the environmental protection industry. As a result, some of these sub-companies publish their own sustainability reports.

Danaher implements strict standards, known as the Danaher Business System (DBS), which apply to all of their business segments. After receiving demands from shareholders, Danaher finally began publishing information on sustainability two years ago. With the release of new, basic sustainability reports and the fact that many of Danaher's businesses have positive environmental impacts, we feel comfortable assigning Danaher a Sustainability Matrix classification of **Neutral**, but a specific company-wide report would do much more to accurately track progress and set attainable goals.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$16.9B

Net Income: \$2.6B

Business Segments:

Life Sciences: \$5.4B (31.8%)

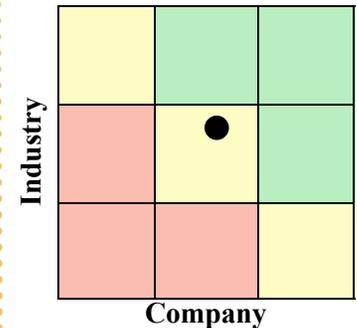
Diagnostics: \$5B (29.8%)

Environmental & Applied

Solutions: \$3.7B (21.9%)

Dental: \$2.8B (16.5%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Deere & Company



JOHN DEERE

Deere & Company (DE), based in Moline, Illinois, is a worldwide manufacturer of agricultural, construction, forestry and turf care equipment. Deere & Co. is also currently the world’s largest producer of farm tractors. The company, along with its subsidiaries and retail dealers, is commonly referred to as **John Deere**. With over 56,000 employees working in factories, offices and other facilities in more than 30 countries, Deere & Co. is a truly global company. Its operations are categorized into three major business segments: **Agriculture and Turf, Construction and Forestry** and **Financial Services**.

Sustainability Accomplishments and Initiatives

Accomplishments

- Recognized by Ethisphere as one of the World’s Most Ethical Companies and by Fortune Magazine as one of the Top 50 Most Admired Companies (2017)
- Recognized by Forbes in the Just 100: America’s Top 100 Corporate Citizens (2016)
- Member of the U.S. EPA Leadership Program since 2007
- Reduced GHG Emissions 26% per dollar of adjusted revenue from 2005 until 2014

New Initiatives

- Exceeded goal of recycling 75% of waste produced by facilities for the 2nd year in a row
- Every manufacturing facility has an environmental management system based on the ISO-14001 standard in place and has the technology to track and collect water-usage data
- Deere & Co. promotes electrical vehicle use among employees to reduce GHG emissions in places like Des Moines, Iowa and Germany
- At a Montenegro facility, employees created strategies to minimize the number of trips required to transport goods, lowering GHG emissions and using 45% less diesel fuel than other fleets

Continuing Initiatives

- Committed to reducing the amount of energy and water used, increasing the amount of waste recycled and using life-cycle analysis in the product-development engineering phase to reduce the overall impact of John Deere products and services
- 2018 goals of recycling at least 75% of total waste and reducing GHG emissions and energy and water consumption by 15% per ton of production compared to 2012
- Suppliers must comply with the John Deere Restricted Materials List and are encouraged to participate in the Achieving Excellence Program
- The “Design for Environment” process focuses on using environmentally friendly materials, minimizing energy and water use and minimizing product impact

Progress & Evaluation

Due to the nature of their industry, John Deere conducts business that is inherently harmful to the environment. Its machinery and equipment requires large amounts of non-renewable resources to operate while emitting harmful pollutants into the air over the products’ life cycles. Though Deere & Co. produces harmful products, the company has made strides to improve their environmental impact.

Deere & Company has set aggressive eco-efficiency goals and outlined a five-year sustainability plan for their water and energy usage, as well as for their GHG emissions. This plan hopes to achieve large changes that continue to improve the industry in which Deere & Co. operates and to improve the quality of the environment. Outside of Deere & Co.’s five-year plan, which is to be completed by 2018, the company has shown little initiative to become more environmentally sustainable and continues to measure its own progress through more general, qualitative assessments. Therefore, Hamilton Point assigns Deere & Company a Sustainability Matrix classification of **Neutral**.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 10/31/16

2016 Revenue: \$26.6B

Net Income: \$1.5B

Business Segments:

Agricultural & Turf:

\$18.5B (69.4%)

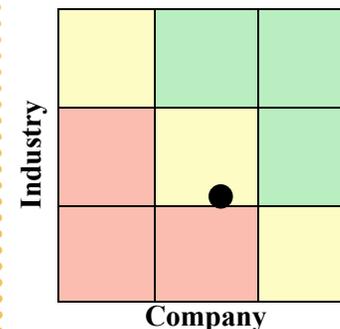
Construction & Forestry:

\$4.9B (18.4%)

Financial Services: \$2.7B (10.1%)

Other Revenue: \$563M (2.1%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





eBay Inc. (EBAY), headquartered in San Jose, California, is an American multinational corporation and technology company enabling global commerce for buyers and sellers through online platforms, including the eBay Marketplace, StubHub and Classifieds platforms. eBay currently serves 160 million buyers from more than 190 markets, providing them with access to over a billion items they may not otherwise be able to find or afford. The company’s vision for commerce is that it will be enabled by people, powered by technology and open to everyone. eBay has continued to expand its addressable ecommerce market as the way in which people interact with each other, brands and services dramatically changes. The company operates in a single reportable segment known as **Marketplaces**.

Key Statistics

As of FY ended 12/31/16
2016 Revenue: \$9B
Net Income: \$7.3B
Business Segments:
 Marketplaces: \$9B (100%)

Sustainability Accomplishments and Initiatives

Accomplishments

- With over \$100 billion in used goods traded since 1998, eBay is the largest online engine for reuse on the planet
- eBay is a founding member of BSR’s Future of Internet Power working group and the Rocky Mountain Institute’s Business Renewables Center, for companies seeking to expand their use of renewable energy
- Renewable energy use increased to 54% in 2016 from 15% in 2015
- eBay Box, a durable, eco-friendly shipping container designed for repeated use, received the prestigious Silver CLIO award for Packaging, an AIGA 365 Design Effectiveness Award and a 2011 Dieline Award for package design

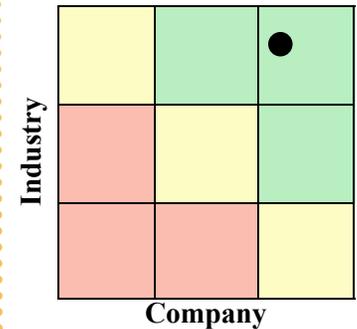
New Initiatives

- Announced 2020 goal to avoid 2.5 million tons of carbon emissions through the selling of pre-owned electronics and apparel on eBay
- Launched 2025 goal of having 100% renewable energy in the electricity supply at eBay-controlled data centers and offices
- Each Global Impact Goal is sponsored by a member of the Executive Leadership Team, and eBay’s Global Impact Team works to help all business group prioritize ESG matters
- eBay partnered with GlobeScan, an independent research firm to update the company’s ESG focused materiality assessment in 2016
- eBay was one of many corporations to pledge support for the Paris Climate Agreement in 2016

Continuing Initiatives

- Conserving energy and lowering carbon emissions by striving for radical efficiency in facilities and processes, generating on-site clean energy when and where appropriate and procuring additional clean energy from off-site sources
- Increasing virtual meetings and conferences and offering preferred parking for employees that carpool to work or drive electric cars to lower travel emissions
- Member of the Business for Innovative Climate and Energy Policy Coalition, the Renewable Energy Buyers Alliance and CE100 of the Ellen MacArthur Foundation
- eBay supports Corporate Renewable Energy Buyers’ Principles, developed to frame the challenges and needs of large renewable energy buyers

Hamilton Point Sustainability Matrix



Comparable ESG Scoring



Progress & Evaluation

Since its founding, eBay has been driving a circular economy. In recent years, eBay has expanded its focus to all aspects of environmental impact, including alternative energy use and innovation that influences how the industry operates. Many of eBay’s data centers and facilities have made major changes to their operations and have begun using on-site clean, renewable energy sources. The majority of the company’s energy consumption and overall environmental impact derives from its data servers and the transportation of products to customers.

eBay has a multitude of new initiatives that will help direct the company toward more successful sustainability efforts. Through eBay Green, an online marketplace for reusable or recyclable goods, eBay is increasing its users’ environmental awareness. Hamilton Point assigns eBay Inc. a Sustainability Matrix classification of **Good** as a result of the company’s degree of awareness, transparency and commitment to these issues.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.



FIRST REPUBLIC BANK

First Republic Bank (FRC), a regional bank headquartered in San Francisco, California, offers private banking, private business banking and private wealth management services to its diverse set of customers. First Republic Bank prides itself on its commitment to client service through its core values of integrity, collaboration, respect, accountability, positivity, innovation and growth. The company operates in two business segments: **Commercial Banking** and **Wealth Management**.

Sustainability Accomplishments and Initiatives

Accomplishments

- Community Youth Center named First Republic their 2015 Corporate Partner of the Year for the bank’s work in improving financial literacy among youth in underserved areas of San Francisco

New Initiatives

- Launched an Employee Volunteer Program in 2015 that provides employees with 16 hours of paid time to volunteer with charitable organizations of their choice
- Appointed local leaders to a Community Advisory Board with a mission to strengthen First Republic’s current approach to community outreach and reinvestment initiatives
- Began offering a new summer internship program in retail banking for local high schoolers in 2015 and 2016 through Enterprise for High School Students’ Career Exploration Program

Continuing Initiatives

- Actively invests in organizations such as Operation HOPE, a premier financial literacy provider, the Central Park Conservancy’s “Keeping it Green” program, the National Kidney Foundation and Family-Linc at the Lincoln Center
- Launched the Financial Focus Program, which improves accessibility to financial education with interactive lessons and programming that aim to enhance understanding of financial topics, including credit scores and reports, insurance and taxes and identity protection
- Offers clients access to an ESG investing team that designs socially responsible portfolios for clients
- “Spotlights” clients who are making a positive impact in the world with their wealth

Progress & Evaluation

The financial services industry in which First Republic conducts business is relatively sustainable in nature, with its largest environmental impact occurring from the operations of different office branches. Despite their relatively low environmental impact, First Republic Bank lacks an annual sustainability report that clearly outlines their goals and initiatives oriented toward environmental responsibility.

Despite the company’s failure to report on environmental metrics, First Republic actively involves itself with community organizations and nationwide nonprofits, making the company a socially active corporate citizen. For these reasons, Hamilton Point assigns First Republic Bank a Sustainability Matrix classification of **Neutral**.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$2.2B

Net Income: \$673M

Business Segments:

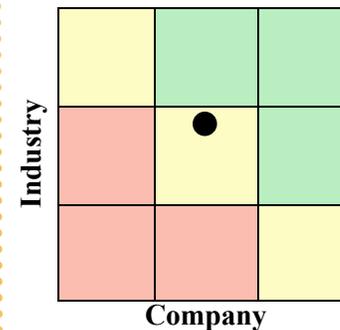
Commercial Banking:

\$1.9B (83.2%)

Wealth Management:

\$376M (16.8%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring



15.5%



Fortive Corporation



Fortive Corporation (FTV), headquartered in Everett, Washington, is an industrial growth company that spun out of Danaher in 2016. The company designs, develops, manufactures and markets professional and engineered products, software and services for a diverse set of end markets in fields like software development, robotics, transportation, energy and healthcare. Fortive focuses on innovation in two segments: **Industrial Technologies** and **Professional Instrumentation**. The Industrial Technologies segment focuses primarily on technology relating to transportation and automation. However, the Professional Instrumentation segment focuses more on instrumentation and solutions, as well as sensing technologies.

segment focuses more on instrumentation and solutions, as well as sensing technologies.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$6.2B

Net Income: \$872M

Business Segments:

Industrial Technologies:

\$3.3B (53.5%)

Professional Instrumentation:

\$2.9B (46.5%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Thomson, a part of Fortive's (then Danaher's) automation platform, earned recognition as a Partner-level supplier in the John Deere Achieving Excellence Program, the highest available supplier rating (2015)

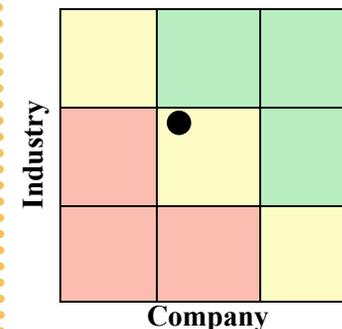
New Initiatives

- Fortive has projects underway at current and former facilities in both the US and abroad to investigate and remediate environmental contamination (mainly soil or groundwater contamination) resulting from past operations

Continuing Initiatives

- In compliance with the Dodd-Frank Act, Fortive commits itself to sourcing materials from companies that share their values in regards to human rights, integrity and environmental responsibility

Hamilton Point Sustainability Matrix



Progress & Evaluation

Similarly to its parent company Danaher's Danaher Business System, Fortive adheres to its own specific business philosophy outlining its guiding principles and values and known as the Fortive Business System (FBS). In addition to FBS, Fortive's commitment to *Kaizen*, the Japanese concept of continuous improvement, suggests that the company could someday be just as innovative in their sustainability initiatives as they are in their technological advancements as an industry leader in many fields.

Fortive has not yet produced a formal sustainability report, indicating room for improvement in terms of transparency and goal-setting. However, as a newly independent company, it is not entirely surprising that a formal report has not been created, and there is ample time for this to become a priority in the future. Despite the lack of specificity and transparency, Fortive's 2016 split from its parent company of Danaher give us hope that the company will capitalize on their ample potential for growth in sustainability. Thus, Hamilton Point assigns Fortive Corporation a Sustainability Matrix classification of **Neutral**.

Comparable ESG Scoring



n/a



Gilead Sciences, Inc.



Gilead Sciences, Inc. (GILD), based in Foster City, California, is a research-based biopharmaceutical company that discovers, develops and commercializes innovative medicines in areas of unmet medical need. Gilead’s primary areas of focus include human immunodeficiency virus (HIV), liver disease such as chronic hepatitis C virus (HCV) infection and chronic hepatitis B virus (HBV) infection, hematology/oncology and serious cardiovascular and inflammation/respiratory conditions. The company operates in one business segment: **Innova-**

Key Statistics

As of FY ended 12/31/2016

2016 Revenue: \$30.4B

Net Income: \$13.5B

Business Segments:

Innovative Medicines:

\$30.4B (100%)

Sustainability Accomplishments and Initiatives

Accomplishments

- A total of 6.49 tons of solid waste was diverted from landfills in 2016
- Achieved zero waste to landfill status at its corporate sites in Cork, Ireland, Stockley Park, UK and Cambridge, UK and achieved a 66% annual waste diversion rate at its Foster City, CA headquarters (2016)
- Leased a LEED Platinum-Certified office space in Istanbul and used LEED principles in the design and construction of a new La Verne, CA campus (2016)
- Completed construction on a LEED Gold-Certified building in Oceanside, CA (2016)
- The Gilead Edmonton site received the Alberta Top Projects Award for Sustainability in 2015 before achieving ISO-14001 certification

New Initiatives

- Gilead’s Pharmaceutical Development and Manufacturing group used “green chemistry” improvements for HIV and HCV therapies, which reduced potentially harmful materials used during manufacturing
- In 2016, the company added an employee shuttle service with the capacity to remove over 800 commuters from their cars each day
- In 2016, Gilead designed bioswales with native plant species to collect, treat, retain and infiltrate storm water onsite at the Foster City campus rather than releasing it into the San Francisco Bay
- The company is evaluating new opportunities to use enzymatic reactions and flow chemistry to reduce chemical processing steps, solvents and organic waste while improving product yields

Continuing Initiatives

- Commercial API Process Optimization (CAPO) group investigates the most efficient and sustainable methods for bringing approved medicines to commercial scale
- Gilead uses reusable freight packaging for medicines transported by air, reusable thermal blanket wraps that minimize temperature excursions for pallet shipments and climate-controlled trailers that eliminate the need for additional temperature-controlled packaging
- Reducing paper use through an electronic laboratory program, utilizing solvent recovery and recycling in the API manufacturing system and using automated instrument facilities for quality testing processes of drug products, reducing the volume of chemicals used per sample by about 80%
- Gilead encourages alternative transportation by providing electric vehicle charging stations and bike stalls and repair services

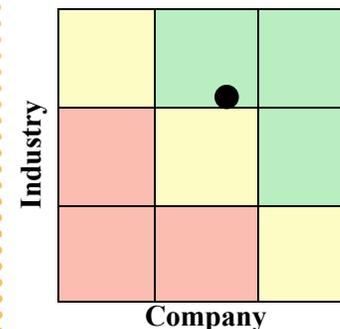
Progress & Evaluation

Biopharmaceutical sciences is an industry that does not necessarily pollute or harm the environment in traditional methods, but it does involve the use of hazardous chemicals and dangerous materials, which can be harmful to the environment if not handled properly. In 2014, Gilead responded to shareholder demands, which resulted in a thorough inclusion of sustainability-related initiatives and an annual Corporate Responsibility Report.

Gilead has taken measures to reduce hazardous materials waste, energy use and water consumption beyond the demand of government regulations. Hamilton Point therefore assigns Gilead Science, Inc. a Sustainability Matrix classification of **Good**.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Johnson & Johnson (JNJ), based in New Brunswick, NJ, is a multinational medical device, pharmaceutical and consumer packaged goods company that has approximately 126,400 employees worldwide. The company's primary focus is developing products that relate to human health and well-being. Though Johnson & Johnson is a holding company that has more than

230 operating companies, the company operates under three segments: **Consumer** (which includes over-the-counter pharmaceuticals), **Pharmaceutical** and **Medical Devices**.

Sustainability Accomplishments and Initiatives

Accomplishments

- Member of the Carbon Disclosure Project's Leadership Index (2010-2016)
- Purchased energy consumption decreased 5%, energy intensity decreased 19% and water usage decreased 9.6% from 2010 to 2016
- Lightened global carbon footprint and energy costs 15% over the last 10 years
- In 2016, 100% of 120 manufacturing and R&D sites completed water risk assessments and 8.1% of total water demand was met by reusing recycled water
- Founding sponsor of the Medical Society Consortium on Climate and Health, member of RE100 and member of the U.S. EPA SmartWay Program
- Recognized by Practice Green Health as a Champion for Change, received Sustainability and Social Responsibility Award from CVS Health and received two *Environmental Leader* Products & Projects Awards

New Initiatives

- Committed to participating in the 2030 UN Sustainable Development Goals
- Partnering with the C40Cities Climate Leadership group and donating \$1M to help 90 megacities around the world improve air quality and human health (2016)
- Reached renewable energy consumption target with the conclusion of a 100MW wind power purchase agreement and raised goal from 20% to 35% renewable energy consumption by 2020 and 100% by 2050
- In 2016, Johnson & Johnson established the Enterprise Governance Council (EGC) to assess and prioritize ESG issues
- Became a sponsor for the Preservatives Project and was one of several companies to report its chemical footprint for the first time through the Chemical Footprint Project (2016)

Continuing Initiatives

- Johnson & Johnson requires all new buildings and renovations with a cost of at least \$5M to be LEED Certified and all manufacturing and R&D sites to have ISO-14001 Certification
- Ensure that by 2020, new and existing products representing 20% of Johnson & Johnson revenue achieve EARTHWARDS® recognition for sustainable innovation improvements
- Increase recyclability of consumer product packaging to 90+% in key markets by 2020
- Reduce absolute carbon emissions 20% by 2020 and 80% by 2050
- Expanding supplier engagement in the Sustainable Procurement Program
- Continuing to collect and recycle e-waste from used electronic and medical devices

Progress & Evaluation

Johnson & Johnson regularly establishes clear goals and initiatives with overlapping timelines to ensure continuous improvements are made with regard to sustainability. Each project specifically targets an area in which the corporation is directly impacting the environment. As new technology is developed and innovation affects products, Johnson & Johnson adapts to and seeks out new information about the chemicals they use and their implications for sustainability. Hamilton Point assigns Johnson & Johnson a Sustainability Matrix classification of **Good** for its efforts to reduce emissions and packaging waste and its increasing reliance on renewable energy.

Hamilton Point's commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 1/1/17

2016 Revenue: \$71.9B

Net Income: \$16.5B

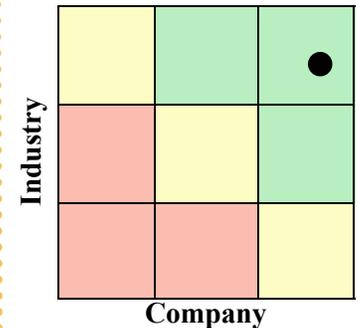
Business Segments:

Pharmaceutical: \$33.5B (46.5%)

Medical Devices: \$25.1B (34.9%)

Consumer: \$13.3B (18.5%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Littelfuse Inc. (LFUS), based in Chicago, Illinois, is a multinational electronic manufacturing company that primarily produces circuit protection products, which are vital components in virtually every market that uses electrical energy, including consumer electronics, automobiles, commercial vehicles and industrial equipment. The company is expanding into adjacent markets including power distribution centers for mining operations, generator controls and protection for marine applications, heavy-duty switches for commercial vehicles and electro-mechanical sensors used in the automotive industry. Littelfuse operates within three business segments: **Electronic, Automotive and Industrial.**

Key Statistics

As of FY ended 12/31/16
2016 Revenue: \$1.1B
Net Income: \$104M
Business Segments:
 Electronics: \$535M (50.7%)
 Automotive: \$415M (39.3%)
 Industrial: \$106M (10%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Littelfuse’s Wuxi, China plant won the AME Excellence Award from the Association for Manufacturing Excellence as a result of a comprehensive safety program, marking the first time the award was given to a plant outside of North America (2016)

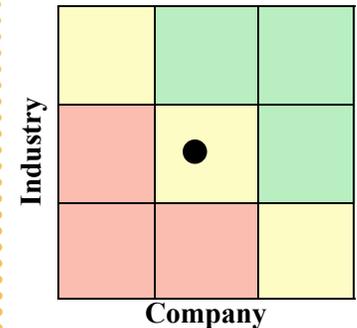
New Initiatives

- Focusing on reducing and eliminating the use of hazardous materials such as lead, cadmium, specific forms of chromium, mercury and specific brominated flame retardants
- Littelfuse has embraced the ISO-14001 framework as a strategy for complying with environmental policies

Continuing Initiatives

- Reducing the amount of raw materials used in operations, reusing, rather than disposing of materials whenever possible and promoting recycling and the use of recycled materials
- Preventing pollution by reducing and eliminating emissions to the environment
- Continuing to monitor environmental performance on a regular basis and communicate progress to all interested parties
- Working closely with customers and suppliers to minimize their overall impact on the environment
- Communicating environmental issues with Littelfuse employees through training programs and meetings

Hamilton Point Sustainability Matrix



Comparable ESG Scoring



Progress & Evaluation

While Littelfuse does broadly discuss limiting its environmental impact, it fails to publish clear and measurable goals. Littelfuse has developed some environmentally friendly solutions and is an expanding player in power control, sensing and solar industry products. While Littelfuse’s impact on the environment is generally through its products, services and facilities, the company discloses little information regarding its sustainable practices and environmental footprint. For these reasons, Hamilton Point assigns Littelfuse, Inc. a Sustainability Matrix classification of **Neutral**.



NIKE, Inc. (NKE), headquartered in Beaverton, Oregon, designs, develops and markets sports and lifestyle footwear, apparel, equipment, accessories and services. Nike is the largest seller of athletic footwear and athletic apparel in the world. Most of the company’s products are made by third-party manufacturers, and these products are then sold through retail accounts, NIKE-owned retail stores, websites and independent distributors. Popular Nike brands include Hurley, Jordan and Converse. Within the past five years, Nike completed the divestitures of the Cole Haan and Umbro businesses.

Key Statistics

As of FY ended 5/31/16

2016 Revenue: \$32.4B

Net Income: \$3.8B

Business Segments:

Footwear: \$19.9B (61.2%)

Apparel: \$9.1B (27.9%)

Converse: \$2.0B (6%)

Equipment: \$1.5B (4.6%)

Global Brand Divisions:

\$73M (0.2%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Biggest user of recycled polyester in the apparel industry
- In FY15, 54 million pounds of factory scrap was transformed into Nike Grind, a palette of premium recycled materials used in 71% of Nike performance footwear and apparel
- In 2015, 95% of materials passed Restricted Substances List testing
- In 2015, Nike footwear manufacturing diverted 92% of total solid waste from landfill and incineration without energy recovery
- Nike joined RE100, signed the White House American Business Act on Climate Pledge and committed to the Better Buildings Challenge run by the U.S. Department of Energy

New Initiatives

- Deliver products for maximum performance with minimum impact, with a 10% reduction in the average environmental footprint
- Reach 100% renewable energy in owned or operated facilities through FY25 and encourage broader adoption of renewables as a part of efforts to control absolute emissions
- Innovate and adopt new approaches to reduce water use in supply chain, with a 20% reduction in freshwater use in textile dyeing and finishing (l/kg) per unit of production
- Help contract factories put in place comprehensive health, safety and environmental management systems

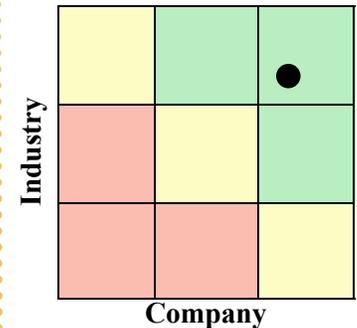
Continuing Initiatives

- Source 100% of cotton more sustainably and enable zero discharge of hazardous chemicals by 2020
- 2020 goal of eliminating footwear manufacturing waste sent to landfill or incineration, while continuing to reduce total waste
- Corporate Responsibility/Sustainability Performance & Disclosure Committee meets regularly to review sustainability targets, performance and disclosures
- Established a Chemistry Center of Excellence in FY15 to mitigate risk, accelerate innovation and enable the adoption of better chemistries throughout the value chain
- Reuse-A-Shoe program has collected and recycled more than 30 million pairs of used shoes and recycling program has transformed the equivalent of 3 billion plastic bottles into high-performance gear

Progress & Evaluation

NIKE uses broad definitions and categories in regard to the production and selling of their products, forcing them to be responsible for environmental sustainability throughout the entire supply chain. The company provides comprehensive sustainability reports that include specific measurements, goals and progress updates that create a full picture of the corporation’s environmental impact. Hamilton Point assigns NIKE, Inc. a Sustainability Matrix classification of **Good** as a result of their transparency and proactive efforts towards improving their environmental impact.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Phillips 66



Phillips 66 (PSX), headquartered in Houston, Texas, became an independent, publicly traded company as a result of the restructuring of ConocoPhillips in 2012. The company is currently organized into four operating segments: **Midstream** (gathers, processes, transports and markets natural gas), **Chemicals** (manufactures and markets petrochemicals and plastics), **Refining** (buys, sells and refines crude oil) and **Marketing & Specialties** (purchases, resells and markets refined petroleum products; manufactures and markets specialty products).

Sustainability Accomplishments and Initiatives

Accomplishments

- Over 1/3 of U.S. refineries earned an EN-ERGY STAR certification from the U.S. EPA, recognizing their voluntary efforts to reduce GHG emissions through energy efficiency; the certification signifies that the refinery performed in the top 25% of similar facilities nationwide
- U.S. EPA awarded Lake Charles Refinery and Phillips 66 Remediation Management for their commitment to preserving natural resources
- Recognized by the U.S. EPA with the “Greenovations Award” for their outstanding environmental stewardship with their work in restoring Bayou Verdine in Wetlake, Louisiana
- Partnered with the Wildlife Habitat Council, the National Recreation and Park Association and the Dewey [Oklahoma] Public School System for a variety of projects related to conservation

New Initiatives

- All refineries have Environmental Operation Limits, and upgrades are being made to atmospheric relief vents and valves to achieve a higher standard of atmospheric venting
- Implemented a \$200 million project to replace electricity poles with metal stanchions to improve power supply reliability to the facility and local community at the Wood River Refinery in Illinois
- Improvements at the Billings Refinery in Montana have reduced sulfur dioxide emissions and improved the environmental status of the city and county

Continuing Initiatives

- Midstream business applies pipeline integrity management to assess and mitigate pipeline risks, thereby reducing the likelihood and consequence of an incident
- Regularly auditing energy usage and environmental impact for each of its business units
- Researching new environmental solutions for sustainability and renewable fuels at the Technology Center in Bartlesville, OK
- Humber refinery in the U.K. has a 120-acre woodland planted with more than 67,000 native species of trees and shrubs
- For almost 20 years, a state-of-the-art Technology Center in Bartlesville, Oklahoma has served as a refuge for migratory pollinators, including butterflies and bees

Progress & Evaluation

Similar to other companies within this typically less-environmentally friendly industry, Phillips 66 struggles with achieving substantial environmentally sustainable practices. Along with a lack of detailed reporting and monitoring, it appears that Phillips 66 has at least one major environmental issue per year, ranging from underground leakage to emissions permit violations.

Within the information that Phillips 66 does provide, many of the goals and objectives are broad and not quantifiable or clearly measurable. Hamilton Point assigns Phillips 66 a Sustainability Matrix classification of **Poor** for their lack of transparency on specific goals or targets.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$84.3B

Net Income: \$4.2B

Business Segments:

Marketing & Specialties:

\$63.4B (75.2%)

Refining: \$17.9B (21.3%)

Midstream: \$2.9B (3.5%)

Chemicals: \$5M (0%)

Hamilton Point Sustainability Matrix

Industry			
			Company

Comparable ESG Scoring



18.1%



Potash Corporation of Saskatchewan Inc. (POT), based in Saskatoon, Saskatchewan, Canada, is the world's largest fertilizer company by capacity, representing 2% of global nitrogen capacity and 3% of global phosphate capacity. Within its production of three primary crop nutrients, the company is the largest producer of potash worldwide, accounting for 22% of the global potash capacity. Potash Corporation has mines and production plants in Canada, the U.S. and the Caribbean, while also controlling portions of companies in Israel, Chile, Jordan and China.

Sustainability Accomplishments and Initiatives

Accomplishments

- Achieved zero life-altering injuries at sites and a total lost-time injury rate of 0.08 in 2016
- Member of the FTSE4Good Global 100 Index since 2005 and the Dow Jones Sustainability North America Index (2013-2015)
- PotashCorp Joplin received the Burlington Northern Santa Fe Product Stewardship Award (2015)
- PotashCorp Lima received the Ohio Chemistry Technology Council Award for Excellence in Environmental, Health, Safety and Security Performance (2012-2015) and was recognized as an Ottawa River Coalition Outstanding Watershed Partner (2013-2014)

New Initiatives

- Reduce total recordable injury rate to 0.75 or lower, and reduce total lost-time injury rate to 0.07 or lower in 2017
- Introduced an enhanced auditing program that will be used consistently at all operating sites and that will allow for better assessment of environmental performance

Continuing Initiatives

- By 2018, reduce GHG emissions per ton of nitrogen product by 5% from 2014 levels
- By 2018, reduce environmental incidents by 40% from 2014 levels
- By 2018, reduce water consumption per ton of phosphate product by 10% from 2014 levels
- Recover heat that would otherwise be wasted and transform it into steam used to directly drive processes or produce electricity

Progress & Evaluation

Sustainability is ingrained into the nature and purpose of PotashCorp's business. The company produces chemicals that are essential to support the growing global population and increase the standard of living. Through improvement of important fertilizers, farmers are able to improve crop yields and feed a larger portion of the population.

Unfortunately, producing chemicals that are important for fertilizers is an industry that dramatically affects the environment. Greenhouse gases, as well as non-greenhouse gases, are a significant part of the production process, which also requires massive amounts of water usage. PotashCorp has done an adequate job of understanding their impact on the environment and making improvements. The company is highly transparent and reports a significant degree of its emissions data; however, even though short-term goals are set, they are not always met. Therefore, Hamilton Point assigns Potash Corporation a Sustainability Matrix classification of **Neutral**.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$4.5B

Net Income: \$323B

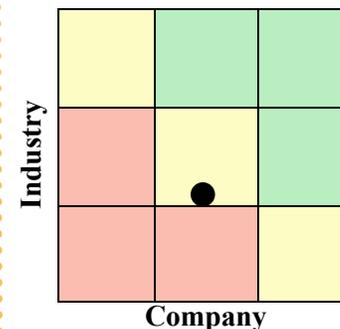
Business Segments:

Potash: \$2.2B (36.6%)

Nitrogen: \$1.9B (32.9%)

Phosphate: \$1.8B (30.5%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring

2016
GREEN RANKINGS

Newsweek
GREEN RANKINGS

n/a



Raytheon Company (RTN), headquartered in Waltham, Massachusetts, is a technology and innovation leader specializing in defense, civil government and cybersecurity solutions throughout the world. The company develops technologically advanced and integrated products, services and solutions. Their core markets are: sensing; effects; command, control,

communications, computers, cyber and intelligence; mission support; and cyber security. Raytheon serves domestically and internationally as a prime contractor and subcontractor on a broad portfolio of defense and other related programs primarily for government customers.

Sustainability Accomplishments and Initiatives

Accomplishments

- Received ENERGY STAR Partner of the Year Sustained Excellence Award from the U.S. EPA for the 10th consecutive year
- In 2016, Raytheon was nominated for Corporate Responsibility Magazine’s 100 Best Corporate Citizens, received the South Bay Green Building Challenge Award and achieved both a top 50 Newsweek Green Ranking and a top 35 ranking on U.S. EPA’s Green Power Partnership Fortune 500 Partner’s List
- Charter member of U.S. EPA Climate Leaders Program in 2017
- Charter member of the U.S. Zero Waste Business Council, which awarded 6 Integrated Defense Systems sites in Massachusetts with Zero Waste Certification
- Partnered with the U.S. Department of Energy’s National Renewable Energy Laboratory to develop a microgrid for energy storage that can store power from solar panels and other renewable sources

New Initiatives

- By 2020, decrease energy consumption and water use by 10%, obtain zero waste certification at 20 sites, increase solid waste diversion rate to 82%, reduce GHG emissions by 12% and reduce the environmental impact of supplier packaging by 10%
- Obtain sustainability commitment from 90% of key and preferred suppliers, incorporate sustainability into 90% of targeted Raytheon enterprise supplier assessments and deploy E-RFX platform to enable electronic processing of 80% of technical data packages
- Deploy next-generation virtual collaboration environment to 100% of Raytheon locations and deploy advanced energy management at 100% of enterprise data centers
- Eliminate hexavalent chromium and cadmium from 99% of the standard parts and materials list and enhance capability to obtain/quantify substance content of parts in products to 78%

Continuing Initiatives

- Procure or generate 5% of electricity consumption from renewable sources by 2020
- Raytheon uses a Materials of Concern List to eliminate the materials in new product designs and reduce them in existing designs
- Implementing Smart Campus technology to improve productivity and energy performance across the Tucson, Arizona campus, which will be complete in 2019
- Continuing to reduce energy consumption through employee engagement and education, adopt LED lighting across manufacturing and office facilities and install advanced building automation systems, central plant upgrades, improvements to compressed-air systems and numerous process-related productivity improvements

Progress & Evaluation

Raytheon believes that sustainability lies at the core of its business’s present and future and has laid out a wide range of sustainability goals and objectives that are planned to run through 2020. Since more than 90% of the company’s GHG emissions derive from energy consumption, Raytheon has targeted how to more efficiently consume energy and water and manage waste. The consistent movement toward implementing and achieving these aggressive goals leads Hamilton Point to assign Raytheon Company a Sustainability Matrix classification of **Good**.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$24.1B

Net Income: \$2.2B

Business Segments:

Missile Systems: \$7.1B (27.7%)

Space & Airborne Systems: \$6.2B (24.3%)

Intelligence, Information &

Services: \$6.2B (24.3%)

Integrated Defense Systems: \$5.5B (21.5%)

Forcepoint: \$566M (2.2%)

Hamilton Point Sustainability Matrix

	Green	Green	Green
Industry	Red	Yellow	Green ●
	Red	Red	Yellow
	Company		

Comparable ESG Scoring

65.4%



Roper Technologies, Inc.



Roper Technologies, Inc. (ROP), based in Sarasota, Florida, is a diversified technology company that designs and develops software and engineered products and solutions. The company serves a variety of niche end markets that include healthcare, transportation, commercial construction, food, energy, water, education and academic research. Roper Technologies' four reportable segments include: **Medical & Scientific Imaging, Radio Frequency Technology, Industrial Technology and Energy Systems & Controls.**

Sustainability Accomplishments and Initiatives

Accomplishments

- TransCore facility in New Mexico participated in a 2011 water conservation program by converting from traditional landscaping to xeriscaping, a method developed for arid or semiarid climates using drought-tolerant plants and efficient irrigation, saving 750,000 gallons of water per year
- Freight Match operation matches empty trucks with goods that need to be shipped, minimizing the number of empty miles and saving 2,500 gallons of fuel per year
- 2010 Energy Savers Award from the U.S. Department of Energy's Industrial Technologies Program
- Horizon operation leases space in an ENERGY STAR certified building; Northern Digital operation is a member of Sustainability Waterloo, an organization dedicated to reducing its members' carbon footprint

New Initiatives

- "Green Teams" of employees help identify ways to conserve resources and reduce waste
- Expanding the use of global video conferencing to reduce the need for business travel
- Reducing packaging in shipments in order to eliminate bubble wrap and employing biodegradable materials
- Assign qualified personnel to manage environmental controls programs

Continuing Initiatives

- Continuing to create products that help people conserve environmental resources
- Offering preferred parking for employees who carpool
- Following comprehensive recycling, compost and water reduction programs
- Continuing to engineer production facilities to reduce or eliminate the discharge of pollutants, to install energy efficient lighting and equipment and to seal building leaks to help reduce GHG emissions
- Reuse oil solvent blends to minimize waste, use non-toxic and green janitorial products and eliminate the use of lead-based products
- Informing employees and community residents about relevant environmental control matters

Progress & Evaluation

Many of Roper's business segments develop and promote products that directly affect environmental sustainability in a positive way. Despite an official request from shareholders and being involved in the promotion of environmental sustainability, Roper lacks a platform for transparency and effective reporting of environmental metrics.

Roper Technologies released a short document that briefly touches upon the subject of environmental sustainability, but utilized non-descriptive language that failed to reveal any detail on the extent of the company's initiatives. Though Roper appears to be aware of the impact that it has on the environment, it lacks any quantitative gauges of its emissions, waste and water consumption data. For these reasons, Hamilton Point assigns Roper Technologies, Inc. a Sustainability Matrix classification of **Neutral**.

Hamilton Point's commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$3.8B

Net Income: \$659M

Business Segments:

Medical & Scientific Imaging: \$1.4B (36%)

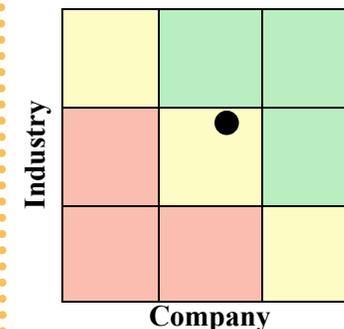
Radio Frequency Technology: \$1.2 (31.9%)

Industrial Technology: \$707M (18.6%)

Energy Systems & Controls:

\$510M (13.5%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Schlumberger Limited



Schlumberger Limited (SLB), based in Houston, Texas, is the world's leading provider of technology for reservoir characterization, drilling, production and processing to the oil and gas industry. Working in more than 85 countries and employing approximately 100,000 people, Schlumberger supplies the industry's most comprehensive range of products and services, from exploration through production and integrated pore-to-pipeline solutions that optimize hydrocarbon recovery. Its main segment of business is **Oilfield Services**, including **Drilling, Reservoir Production and Reservoir Characterization**. In 2016, Schlumberger acquired all outstanding shares of Cameron International Corporation, a leading provider of flow equipment products, systems and services to the worldwide oil and gas industry.

Sustainability Accomplishments and Initiatives

Accomplishments

- Reduced Scope 1 GHG emissions by more than 18%, or 27,000 tons, in 2016
- Schlumberger's industry-leading rate of disclosure for chemical constituents is 99.96%
- 112 Schlumberger sites and facilities are certified to the ISO-14001 standard
- Norway WesternGeco Oslo Technology Center was designed to drive energy efficiency and reduced CO₂ equivalent kg per man hour by more than 40%
- Received IR Magazine's Best in Sector: Energy Award (2016); ranked 4th in the energy sector (US) and 10th in the energy sector (World) in the Newsweek 2016 Green Rankings

New Initiatives

- 5% CO₂ equivalent reduction target set by Mission Emission in 2016
- In 2016, the Schlumberger Lean and Green program completed 41 projects that saved more than 22 million kilowatt hours of electricity, almost 8,000 kiloliters of water, 665 liters of hydrocarbon fuel, 12 tons of materials and 295 tons of waste
- Goal of achieving a tenfold improvement in operational reliability by 2020
- In 2014, implemented a risk-based approach to environmental management designed to meet the requirements of international environmental management standards

Continuing Initiatives

- Has been annually reporting to the Carbon Disclosure Project since 2005
- Substantially improving ability to manage GHG emissions through new technologies, better data collection and a growing capability to accurately measure emissions
- Lean and Green program actively targets environmental wastes in the form of energy, water, materials, emissions and other solid and liquid wastes
- Focused on creating award-winning sustainable technologies such as eSource, blowout preventers, Petrel, OptiDrill, GeoSphere, NeoScope HydraGlyde, CemFIT Heal, Invizion RT, Infinity, Manara, OpenPath Sequence, xWATER, HiWAY, Maze and electric subsea production systems

Progress & Evaluation

Schlumberger has a long-standing commitment to the highest standards of health and safety for their employees, customers and contractors as well as to the protection of the environment in the communities in which they live and work. Schlumberger's Global Stewardship report describes their approach to managing their environmental impact and assessing operational risks. The company's long-term success depends on their ability to continually improve the quality of their products and services while protecting people and the environment.

Schlumberger has made efforts to become more environmentally conscious in recent years. Their sustainability reports are up to date and include measurable goals for the future. However, while Schlumberger is leading sustainability initiatives in the oil industry, the industry as a whole still faces sustainability challenges. Hamilton Point assigns Schlumberger Limited a Sustainability Matrix classification of **Neutral**.

Hamilton Point's commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 12/31/16
2016 Revenue: \$27.8B
Net Income (Loss): (\$1.7B)
Business Segments:
 Production: \$8.7B (30.9%)
 Drilling: \$8.6B (30.3%)
 Reservoir Characterization: \$6.7B (23.9%)
 Cameron: \$4.2B (14.9%)

Hamilton Point Sustainability Matrix

Industry			
			●
	Company		

Comparable ESG Scoring

47.6%



The Charles Schwab Corporation



The Charles Schwab Corporation (SCHW), based in San Francisco, California, is an American financial services company that includes wealth management, securities brokerage, banking, asset management, custody and financial advisory services. The company serves nearly 7,000 RIAs and has 10.2 million active brokerage accounts, 1.5 million corporate retirement plan participants and 1.1 million banking accounts (as of December 31, 2016). As of June 30, 2017 Charles Schwab has over \$3.04 trillion in client assets and operates over 335 branches in the U.S, Puerto Rico and London. Schwab operates within two segments: **Investor Services** and **Advisor Services**.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$7.5B

Net Income: \$1.9B

Business Segments:

Investor Services: \$5.4B (72.4%)

Advisor Services: \$2.1B (27.6%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Named to the Civic 50 by Points of Light (2017)
- From 2011 to 2016, increased energy efficiency by 28%, consuming 8% less energy in 2016 compared to 2011, while increasing their real estate footprint
- From 2011 to 2016, reduced carbon emissions by 12% (roughly equivalent to removing 2,000 passenger cars from the roads), while increasing their real estate footprint and employing more people
- Each major site benchmarked using the U.S. EPA ENERGY STAR Program
- Environmental performance disclosed annually to the Carbon Disclosure Project

New Initiatives

- All client, shareholder and employee communications are printed using products with high recycled content
- All business cards, letterhead and business envelopes, annual reports and newsletters contain post-consumer recycled paper
- The design and construction of new facilities and branches follows guidelines from the U.S. Green Building Council
- Offers a Commuter Tax Savings Plan that allows employees to pay for public transport using pre-tax dollars, provides preferential parking for carpools and promotes telecommuting opportunities for qualified employees
- Supporter of the annual Bike to Work Day

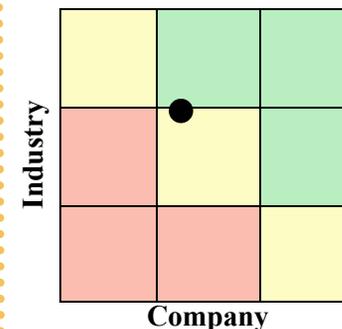
Continuing Initiatives

- Operating an energy management program across all corporate real estate, branches, service centers and data centers
- Discovering, researching and implementing energy savings projects that produce favorable return on investment and high impact to energy use and carbon emissions
- Pursuing a paperless work environment through purchasing practices of sourcing recycled and environmentally-responsible products wherever feasible, including paper stock that contains post-consumer recycled content and/or is FSC (Forest Stewardship Council) certified
- Recycling cell phones, computers, office equipment and all other electronic equipment and e-waste appropriately through authorized recyclers when donation is not feasible

Progress & Evaluation

Charles Schwab Corporation prides itself on giving back to the community and upholding a level of environmental stewardship. Schwab researches, develops and implements environmentally friendly practices in order to reduce their environmental footprint as much as possible. The company's objective is to pursue operational practices that are good for the environment, good for their clients and employees and good for their business. Stakeholders across the organization take the appropriate actions to incorporate sustainability into all practical aspects of the company's operations. Although Charles Schwab has many objectives and ideals for sustainability, the company lacks clear and measurable goals in their Environmental Stewardship Report. For this reason, Hamilton Point assigns The Charles Schwab Corporation a Sustainability Matrix classification of **Neutral**.

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





The J.M. Smucker Company



The J. M. Smucker Company (SJM), headquartered in Orrville, Ohio, is a manufacturer and marketer of branded food and beverage products on a worldwide basis, although the majority of sales occur in the United States. Some of J.M. Smucker’s more recognizable brands are Folgers, Dunkin’ Donuts, Jif, Crisco, Pillsbury and Milk-Bone. The company operates principally in one industry and has three reportable segments: **U.S. Retail Pet Foods, U.S. Retail Coffee and U.S. Retail Consumer Foods.** The **International and Foodservice** segment represents a combination of the strategic business areas not included in the U.S. retail market segments.

Sustainability Accomplishments and Initiatives

Accomplishments

- Seven LEED-Certified facilities
- Chico, California facility became the first Smucker’s plant to become certified by the U.S. Zero Waste Business Council, receiving a platinum-level rating (2015)
- Diverted 75% of waste away from landfills, reduced water intensity by 25% and reduced GHG emissions intensity by 15% between 2009 and 2015
- *Sahale Snacks* was named the Tukwila, Washington Business Recycler of the Year
- #1 buyer of UTZ Certified coffee in the U.S.
- Member of The Sustainability Consortium (TSC)

New Initiatives

- Divert 95% of waste from landfill to alternative uses by 2020
- Implement water reduction plan that decreases water usage 15% by 2020
- Reduce GHG emissions 10% by 2020
- Develop a fully sustainable and traceable palm oil supply chain that ensures 100% of direct palm oil purchases are from responsible and certified sources
- Purchase 10% of total retail coffee from certified sources

Continuing Initiatives

- Using recycled materials in company cafeterias
- Voluntarily participating in the Carbon Disclosure Project’s Climate Change and Water Programs
- Following robust waste reuse and recycling programs and conducting water use surveys at all facilities and sites
- Continually examining sustainable packaging options for products so as to use fewer resources and develop more energy-efficient product distribution methods
- Sustainability Pillar leaders are named at each Smucker’s facility to oversee the implementation of sustainability plans, projects and strategies; these leaders gather on a quarterly basis throughout the year for a two-day meeting to discuss and collaborate on new initiatives

Progress & Evaluation

The J.M. Smucker Company has a history of over one-hundred years and recently published its second core six-year sustainability plan. After the establishment of aggressive goals and careful monitoring in its first core six-year plan, the company accomplished much of what was planned and began working on its next six-year targets.

Smucker’s appears to be focused on improving the efficiency of its energy and water use. The report released by the company outlines the reasoning behind its decisions and clearly charts its improvements. However, a lack of transparency still exists as the company uses relative measurements, failing to disclose total emissions or consumption measurements. Hamilton Point assigns The J. M. Smucker Company a Sustainability Matrix classification of **Good** for their ambitious goal setting and operations within a relatively environmentally-friendly industry.

Hamilton Point’s commentary is for informational purposes only. For additional disclosures see page 40.

Key Statistics

As of FY ended 4/30/16

2016 Revenue: \$7.4B

Net Income: \$592M

Business Segments:

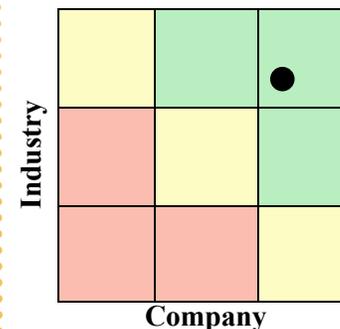
U.S. Retail Pet Foods:
\$2.1B (28.9%)

U.S. Retail Coffee: \$2.1B (28.5%)

U.S. Retail Consumer Foods:
\$2.1B (28.2%)

International & Foodservice:
\$1.1B (14.4%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





The Priceline Group Inc.



Priceline Group

The Priceline Group Inc. (PCLN), headquartered in Norwalk, Connecticut, is a leading provider of online travel and travel-related reservation and search services. Priceline offers its customers accommodation reservations for hotels, bed and breakfasts, hostels, apartments and vacation rentals, as well as comparisons of airline tickets and car rental services through its many businesses. Priceline provides its services through brands including **Booking.com, priceline.com, agoda.com, KAYAK, rentalcars.com** and **OpenTable**. The company serves customers in over 225 countries and territories and manages its business through a single business segment: **Online Reservation & Related Services**.

Key Statistics

As of FY ended 12/31/2016
2016 Revenue: \$10.7B
Net Income: \$2.1B
Business Segments:
Online Reservation & Related Services: \$10.7B (100%)

Sustainability Accomplishments and Initiatives

Accomplishments

- Aside from acknowledging the need for new initiatives, the company does not publicly release sustainability information and therefore has no awards or major achievements

New Initiatives

- As more customers and travelers desire greener and more environmentally friendly accommodations, The Priceline Group has announced that they will begin exploring new initiatives to not only cater to their customers' wants, but to also lessen the impact they have on the environment and reduce the company's carbon footprint

Continuing Initiatives

- The Priceline Group implements a relatively strict code of ethics that specifically addresses environmental impacts
- Employees are required to report any questionable or harmful behavior committed by those involved with the company, including harmful practices to the environment
- Booking.com conducts research, released in its global Sustainable Travel Report, which reveals that travelers are more interested in eco-friendly travel options; in addition, the site provides five recommendations of luxurious, yet environmentally-friendly, lodging options in exotic locations around the world

Progress & Evaluation

The internet and technology industries have relatively low impacts on the environment, with the majority of energy usage and GHG emissions coming from companies' data centers, and Priceline is no different. Though The Priceline Group has not publicly stated that they have made any level of environmental or efficiency improvements to their data centers, many other companies in the same sector have and are reducing their carbon footprint drastically.

Through its businesses, Priceline is able to offer accommodation options to its customers in a manner that suits their individual preferences. With such a global reach, the company has the ability to influence thousands of travelers. For example, airlines are major producers of carbon emissions and are often known for environmentally unfriendly practices. By making their customers aware of more environmentally friendly airlines or ways to travel, Priceline has the potential to have a massively positive impact on the environment. Not only does the company fail to produce any form of annual sustainability report, but it also neglects to publicly report any major measurement of their environmental impact. The Priceline Group is an innovative company within the travel reservation field, but it is far behind in regards to sustainability. Hamilton Point assigns The Priceline Group Inc. a Sustainability Matrix classification of **Neutral**.

Hamilton Point Sustainability Matrix

	High	Medium	Low
Industry	Yellow (●)	Green	Green
	Red	Yellow	Green
Company	Red	Red	Yellow

Comparable ESG Scoring

20.6%



Unilever PLC



Unilever PLC (UL), based in London, United Kingdom, is a large, multinational consumer goods company. With 169,000 employees in over 190 countries, Unilever has a global impact and reaches 2.5 billion consumers on any given day. The company is comprised of more than 400 brands, and some of its more popular brands include Axe, Ben & Jerry's, Dove, Hellman's, Lipton, Magnum, St. Ives, Vaseline and Wall's. The Unilever Sustainable Living Plan (USLP) is central to the company's mission and establishes the following three goals: 1) Help more than a billion people take action to improve their health and well-being by 2020, 2) Halve the environmental impact of the making and use of Unilever products by 2030 and 3) Enhance the livelihoods of millions of people across the value chain. Unilever operates in four segments: **Personal Care, Foods, Home Care and Refreshment.**



Sustainability Accomplishments and Initiatives

Accomplishments

- In 2016, Unilever ranked #1 in its sector in the Dow Jones Sustainability Index, achieved the highest environmental score of 5 in the FTSE4Good Index, was awarded the top ranking in Gartner Supply Chain Top 25, received the Industry Leader, Gold Class Sustainability Award from RobecoSAM and led the list of Global Corporate Sustainability Leaders in the 2016 GlobeScan/SustainAbility annual survey for the 6th consecutive year
- Ranked the most sustainable food and beverage company in Oxfam's Behind the Brands Scorecard in both 2015 and 2016
- By 2016, over 600 Unilever sites were sending 0 non-hazardous waste to landfill
- Recognized by the Carbon Disclosure Project for Water, Forests and Climate leadership and received Supply Chain recognition

New Initiatives

- Halve the water associated with consumer use of products by 2020
- Halve the waste associated with disposal of products by 2020
- Halve the GHG impact of products across the lifecycle by 2030
- By 2020, decrease CO₂ emissions from energy from factories to or below 2008 levels, lower water abstraction by global factory network to or below 2008 levels and reduce total waste sent for disposal to or below 2008 levels despite significantly higher volumes

Continuing Initiatives

- Source 100% of agricultural raw materials sustainably
- By 2030, become carbon positive in manufacturing by sourcing 100% of energy used in operations from renewable sources and by generating more renewable energy than will be consumed
- Work to lower GHG impact from sourcing, manufacturing and innovation, as well as deepening efforts to eliminate deforestation from supply chains
- Work with suppliers to reduce water used to grow crops
- Reduce water in the manufacturing and laundry processes
- Recycle packaging, reduce waste from manufacturing and reduce office waste

Progress & Evaluation

Traditionally, the consumer goods industry has not been one of the most environmentally damaging sectors of the economy. Unilever surpasses the minimum requirements for environmental sustainability within its industry, having an impressive degree of environmental awareness, ambition and transparency. The company appears to approach all of its measurements in a realistic and honest way, while also presenting them clearly and impartially. Unilever has set ambitious short-term and long-term goals that we believe help make them a true environmental leader within their industry. The company carefully monitors current projects and emissions and works closely with environmental groups in order to improve their own practices. Given their degree of transparency and comprehensive monitoring of their environmental footprint, Hamilton Point assigns Unilever PLC a Sustainability Matrix classification of **Good**.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$58.2B

Net Income: \$5.7B

Business Segments:

Personal Care: \$22.3B (38.3%)

Foods: \$13.8B (23.8%)

Home Care: \$11B (19%)

Refreshment: \$11B (19%)

Hamilton Point Sustainability Matrix

Industry			●
	Company		

Comparable ESG Scoring



81.8%



United Technologies Corporation



United Technologies Corporation (UTX), headquartered in Farmington, Connecticut, provides high technology products and services to building systems and aerospace industries worldwide. With products such as elevators, HVAC systems and escalators, the company aims to promote integrated, high-performance buildings that are safer, smarter and more sustainable. UTC is divided into four business segments: **UTC Climate, Controls & Security, Pratt & Whitney, UTC Aerospace Systems and Otis.**

Sustainability Accomplishments and Initiatives

Accomplishments

- Sustainable Facilities Policy requires all new buildings to be LEED-Certified
- Surpassed 2015 air chemical emissions reduction target of 68%, reducing use of more than 70 targeted chemicals between 2006 and 2015
- Since 1997, tripled the size of their business while reducing their GHG emissions by 34% and water consumption by 57%
- Reduction of UTC hazardous waste generation in the United States was one of four goals included in their first EH&S goal set established in 1991

New Initiatives

- 15% reduction in GHG emissions by 2020 compared to 2015 baseline operations
- Reduce water consumption 25% and implement 100% of Global Water Best Practices
- 2020 goal prohibits air emissions from the use of eight specific chlorinated or brominated solvent chemicals if used above a level greater than 100lbs per year
- 2020 waste recycling rate goal of 90%
- 2020 commitment to a 10% reduction in the amount of hazardous waste produced as compared to 2015 baseline performance

Continuing Initiatives

- Since 2006, adhered to a goal of a 3% annual reduction in GHG emissions target, consistent with the UN Intergovernmental Panel on Climate Change (IPCC) target of 80% lower GHG emissions by 2050
- UTC water stewardship program
- Implement Design for Sustainability and Life-Cycle Analysis during the development cycle of new products

Progress & Evaluation

As a company comprised of many semi-autonomous businesses, UTC has achieved the complicated task of compiling cumulative data on the entire company's environmental impact. Since 1992, United Technologies has had an organized, formal structure for measuring, assessing and setting environmental sustainability standards.

Over the years, UTC has reported significant steps towards becoming a more environmentally friendly business. Non-greenhouse gas emissions have been cut in half, while greenhouse gas emissions have declined by a third in just 9 years. The first paragraph of the company's Goals & Performance webpage states that sustainability goals must be challenging and aggressive. UTC's businesses operate in multiple environmentally harmful industries, including aerospace and appliance manufacturing; however, the company addresses this concern by implementing aggressive and challenging goals in order to offset their environmental impact. Therefore, Hamilton Point assigns United Technologies Corporation a Sustainability Matrix classification of **Good**.

Key Statistics

As of FY ended 12/31/16

2016 Revenue: \$57.4B

Net Income: \$5.1B

Business Segments:

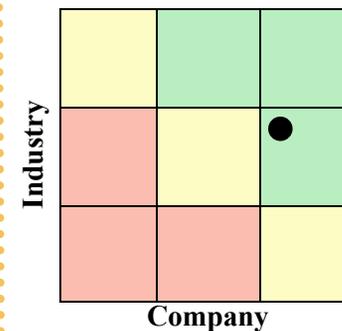
UTC Climate, Controls & Security: \$16.9B (29%)

Pratt & Whitney: \$14.9B (25.6%)

UTC Aerospace Systems: \$14.5B (24.9%)

Otis: \$11.9B (20.5%)

Hamilton Point Sustainability Matrix



Comparable ESG Scoring





Our goal at Hamilton Point is to manage money for individuals and institutions in a responsible manner that puts client goals at the forefront of all our decisions. Thus, the purpose of the 2017 Hamilton Point Global Core Sustainability Report is first and foremost to inform our clients of the impacts that we believe their investments had on the environment and to showcase many of the ways that the companies of Hamilton Point’s Global Core Equity Strategy are striving to become better citizens of our nation and our planet. This assessment also serves as a way in which Hamilton Point can gain further insight into the companies and industries in which we invest. We believe this process helps us to identify companies that we believe are of the highest quality.

Assessing the impacts that all of our daily decisions have on the environment is becoming an increasingly important aspect of our culture, and we believe this is no less true for investing. Through passion, innovation and commitment, our society can learn to live in a more sustainable equilibrium with the earth than we do today; however, we must acknowledge that although we strive for sustainability, we do not have all of the answers yet. People still need gasoline to drive their cars to work, coal to heat their houses and fertilizer to help produce enough food for approximately 7.5 billion mouths. Many of the world’s largest companies, who use some of the largest portions of natural resources, like Alphabet and Potash, are also the ones that we believe will create the solutions for the problems of tomorrow through their insight, engineering and research. We invest in these companies, not only because they produce valuable goods and services for today, but because we believe their past success has proven their ability to anticipate the needs of tomorrow’s consumer. This analysis attempts to highlight the sustainability policies and accomplishments of our Global Core Equity Strategy companies as candidly as possible, while realistically assessing their environmental impacts.

In doing so, we believe that our company—like so many found in this report—can be both environmentally conscientious and economically prosperous.

Finally, this report reflects our current Global Core Equity Strategy holdings as of June 30, 2017. It is not the goal of this report to evaluate all of the investment merits of a security. The information contained herein should not be construed as personalized investment advice. Past performance is no guarantee of future results. The views and opinions expressed herein are those of Hamilton Point and are subject to change without notice. Companies identified above are holdings and are subject to change without notice and this report should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the holdings listed were or will be profitable, or that investment recommendations or decisions made in the future will be profitable. Hamilton Point utilizes its best efforts that content provided is compiled or derived from sources believed to be reliable and accurate, but makes no representations thereof and accepts no liability for any loss arising from the use or reliance on the contents herein. Hamilton Point Investment Advisors, LLC (“Hamilton Point”) is a registered investment advisor. For additional information about Hamilton Point, including fees and services, contact us for our Form ADV disclosure statement. For a full list, free of charge, of all recommendations made by Hamilton Point for the investment strategy shown during the last year, please contact us. HP-17-64