

# 2021 Sustainability Report



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[Introduction](#)

[Global Core Analyses](#)

[Equity Income Analyses](#)

[S&P Top 50](#)

[Firm Overview](#)

[Glossary](#)

[Disclosure](#)

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**Introduction**

Global Core Analyses

Equity Income Analyses

S&P Top 50

Firm Overview

Glossary

Disclosure

# Introduction



## An Updated Measure

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 2021, the report has been updated to provide our most recent evaluation of the sustainable efforts of companies in our Global Core and Equity Income portfolios. We believe sustainability is not just a measure of environmental stewardship, but a measure of a company's long-term ability to adapt. Sustainability is a broad scope of every aspect of the business, from the beginning of the supply chain to the customer. It is important to analyze a company's impact on its employees, customers, community, environment, shareholders, and the bottom-line, as an amalgamated understanding of its ability to grow and sustain. Furthermore, we have introduced Sustainalytics ESG ratings to our report. These ratings focus on measuring the environmental, social, and governance risks to showcase how these factors could affect long-term investment performance.

By incorporating a wider focus, we show how companies are performing in an ethical way. While "dirtier" companies can absolutely outperform more sustainable companies, it is important to note that these companies may be exposed to much more risk. For example, the BP oil spill in 2010 and the Volkswagen emissions scandal rocked these companies stock prices as they were engaging in environmentally harmful and unethical practices. The updated Sustainability Matrix and Report provides a deeper and more relevant understanding of our companies' records on sustainability.

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 greater financial transparency, diversity in corporate governance, and an increasingly environmentally conscientious consumer, sustainability is now seen, in our opinion, as a key to creating an efficient, profitable and responsible organization.

## Our Mission

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 decisions. 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, socially, and culturally 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.

## The Report

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 an 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' sustainability 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 and society. 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 to build a better future for you and for the planet as a whole.

# Guide to the Hamilton Point Sustainability Matrix



All industries and companies have inherently different environmental impacts. Colgate-Palmolive, a maker of toothpaste, soaps and household products, might have a lower environmental impact than Raytheon Technologies, who produces rockets and weapons systems. Both household products like soap and toothpaste as well as missile defense systems are crucial to the lifestyles 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 since 2018, 100% of Google's energy comes 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 in 2008 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 face higher potential environmental risks and 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 Apple, this could include comprehensive recycling programs and sustainable mineral sourcing. 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 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 7 and page 41, you will find Hamilton Point Sustainability Matrices displaying all companies in the Global Core and Equity Income equity strategies as of June 30, 2021, respectively.

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

# Guide to the Hamilton Point Sustainability Matrix



## Individual Company Highlights

In this report, Hamilton Point has compiled one page reviews of each company in the Global Core Equity Strategy and Equity Income Strategy as of June 30, 2021. 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 information, 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 F5 Networks and Waters Corporation, operate in industries with relatively little impact on the environment. Conversely, Dollar General operates a large fleet of polluting vehicles, but reporting is difficult due to its decentralized franchise model. 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 this 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 environmental 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.

## FactSet and Sustainalytics Ratings

Hamilton Point includes environmental, social and governance (ESG) scores and rankings provided by FactSet and Sustainalytics to offer a comparison to the Hamilton Point Sustainability Matrix.

Truvalue Labs, a FactSet company, applies machine learning and technology to uncover risks and opportunities within companies' ESG behavior. This research is then used to create material ESG scores based on five data points: Business Model & Innovation, Environment, Social Capital, Leadership & Governance and Human Capital. In certain cases, such as that of Church & Dwight Co., Inc. and The Cooper Companies, Inc., there was not data on all five sustainability metrics. When this circumstance occurred, we formed our matrix with only the metrics available on FactSet.

Sustainalytics provides in-depth analysis of companies' risk exposure to different threats, ranking them on a scale of 1 to 5 (negligible, low, medium, high, severe). Where available, we have charted these risk factors to show which areas of risk are best managed by respective companies. Where this data is not available, we revert to a composite score of the company's risk management, in addition to FactSet's ratings. A lower composite Sustainalytics score indicates less unmanaged ESG risk.

Historically, our sustainability ratings have differed from those used by various ESG providers because of our focus on environmental sustainability, rather than social sustainability and governance. This year, we have added governance data to the report in the form of the percentage of independent members and female members on each company's Board of Directors, as well as average board tenure. We have also made an effort to include socially sustainable initiatives to capture the full scope of each company's ESG impact.

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[Equity Income Analyses](#)

[S&P Top 50](#)

[Firm Overview](#)

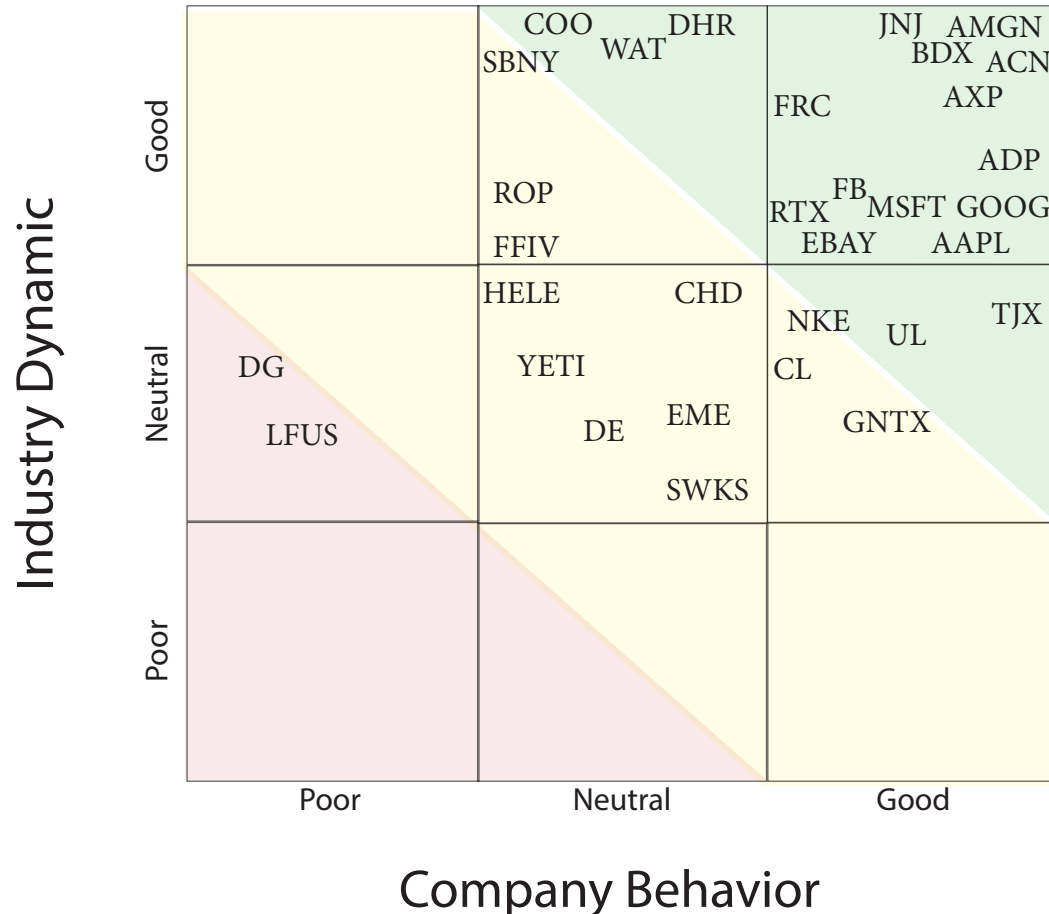
[Glossary](#)

[Disclosure](#)

# The Hamilton Point Sustainability Matrix



This chart is a graphic representation of all companies in our Global Core Equity Strategy as of June 30, 2021. 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.



## Good Companies

ACN	Accenture Plc.	EBAY	eBay Inc.
GOOG	Alphabet Inc.	FB	Facebook
AXP	American Express	FRC	First Republic Bank
AMGN	Amgen Inc.	JNJ	Johnson & Johnson
AAPL	Apple Inc.	MSFT	Microsoft Corporation
ADP	Automatic Data Processing Inc.	RTX	Raytheon Technologies
BDX	Becton, Dickinson, and Company	TJX	The TJX Companies, Inc.
COO	The Cooper Companies	UL	Unilever PLC
DHR	Danaher Corporation	WAT	Waters Corporation

## Neutral Companies

CHD	Church & Dwight Co., Inc.	NKE	NIKE, Inc.
CL	Colgate-Palmolive Co.	ROP	Roper Technologies, Inc.
DE	Deere & Company	SBNY	Signature Bank
EME	EMCOR Group Inc.	SWKS	Skyworks Solutions, Inc.
FFIV	F5 Networks	YETI	YETI Holdings, Inc.
GNTX	Gentex		
HELE	Helen of Troy		

## Poor Companies

DG	Dollar General
LFUS	Littelfuse, Inc.

## Company Overview

Based in Dublin, Ireland, **Accenture Plc. (ACN)** is a global professional services company serving clients in various industries and geographic regions, including North America, Europe and emerging markets. Accenture has a global presence with 425,000 employees in 120 countries. Accenture helps its clients, including 95 of Fortune Global 100 and over 75% of Fortune Global 500, become high-performing businesses and governments through a range of strategy, consulting, digital, technology and operations services and solutions.

### Revenue Statistics (As of FY ended 8/31/2020):

2020 Revenue: \$44.3B

Net Income: \$5.2B

Business Segments:

Products: \$12.3B (28%)

Financial Services: \$8.5B (19%)

Communications, Media & Tech: \$8.9B (20%)

Health and Public Services: \$8B (18%)

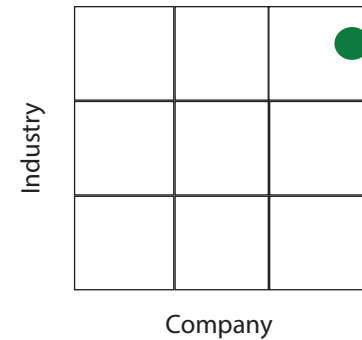
Resources: \$6.6B (15%)

## Progress and Evaluation

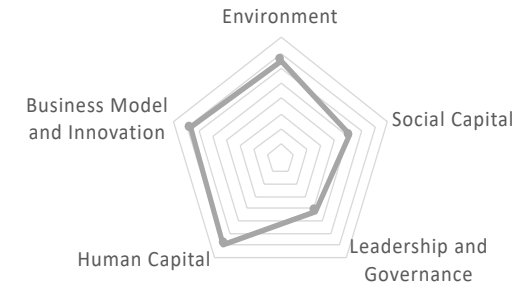
Accenture is globally recognized in the professional services industry, which is highly sustainable, contributing trillions to the economy and sustainability space annually. As a leader in the industry, Accenture has set a good standard by consistently reaching their energy and sustainability goals, alongside adopting a variety of virtual solutions to mitigate their environmental impact. Accenture has a positive impact on the sustainability efforts of their suppliers and clients, which feature over 75% of the Fortune Global 500, by leveraging their technology and expertise in the field of environmental sustainability. Having offices in 120 countries, Accenture has demonstrated that it is committed to fostering sustainability initiatives globally, especially in growing markets like India.

As seen in their 80-page Corporate Citizenship Report, Accenture has demonstrated that they recognize the importance of environmental sustainability. Hamilton Point assigns Accenture a Sustainability Matrix classification of **Good** for their commitment to reducing the carbon footprint of themselves and their clients.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- 30% of all energy sourced from renewables in 2020.
- Placed on CDP's Climate Change A List, which recognizes just 2% of disclosing companies.
- Included on Dow Jones Sustainability Index North America and FTSE4GOOD Global Index for 15 consecutive years.
- Generated more than \$326 million in energy savings, saved more than 1.2M metric tons of CO2 and saved more than 2.43M megawatt hours of electricity since 2007.

### New/Continuing Initiatives:

- Aims to achieve net-zero emissions, reach net-zero waste and create a plan to address water risk by 2025.
- Committed to procuring 100% renewable energy across global facilities by 2023.
- Invests in virtual collaboration technology in order to continually improve and reduce air travel carbon emissions per employee.
- Invests nearly \$900M annually in learning and development for their employees.
- Currently has a 45% female workforce, on track to meet their gender-balanced workforce goal by 2025.

## Board Data

Independent Directors: 75.0%

Female Board Members: 41.7%

Average Tenure: 5.9 years



## Company Overview

**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 thereby. 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.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$182.5B

Net Income: \$40.3B

Business Segments:

Google Services: \$168.6B (92%)

Google Cloud: \$13B (7%)

Other bets: \$0.7B (1%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Awarded the U.S. EPA Partner of the Year Award (2019) and Excellence in Green Power Use Award (2017, 2018).
- Carbon neutral for 13 consecutive years.
- Issued \$5.75B in sustainability bonds in 2020.
- In 2020, Google eliminated its legacy carbon footprint since its founding, reaching carbon neutrality for its entire operating history.
- As of 2019, 100% of Google shipments are carbon neutral.

## Progress and Evaluation

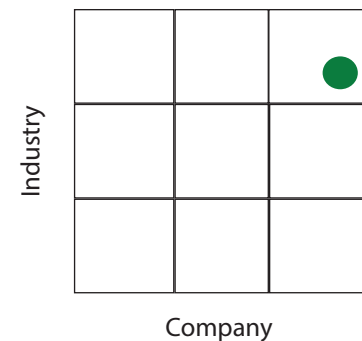
Alphabet is a global pioneer in both technology & innovation and environmental sustainability & corporate responsibility. The technology & innovation industry is relatively sustainable, but tends to have a large environmental impact through electricity used at offices or data centers. Alphabet's Google takes active steps to reduce this electricity use and its carbon footprint through various initiatives, such as investing \$2.7B in renewable energy and powering 100% of its servers with wind and solar power. Beyond renewable energy, Google invests in many projects to provide analytical and cloud-based support to combat environmental problems through its Geo for Good initiative. Also, its corporate campus and data centers are committed to zero-waste and promoting less emissions through shuttle services and bicycle programs.

As a result of Alphabet's achievements with renewable energy, its sustainable and efficient workplaces and its net zero carbon footprint, Hamilton Point assigns Alphabet a Sustainability Matrix classification of **Good**.

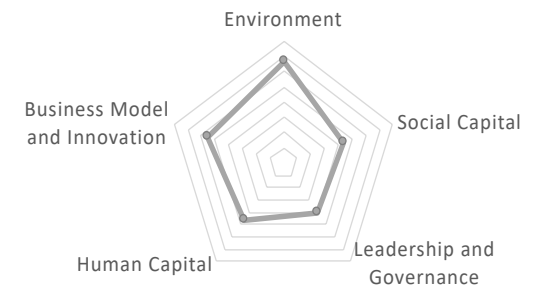
### New/Continuing Initiatives:

- Google's Project Sunroof uses satellite imaging to gauge the suitability of individual homes for solar panels across 21,500 cities.
- Aims to operate on carbon-free energy 24 hours a day, 7 days a week and 365 days a year by 2030.
- Continues to be the world's largest annual corporate purchaser of renewable energy, investing \$2.7B in renewable energy projects since 2010.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 58.3%

Female Board Members: 25.0%

Average Tenure: 7.4 years



## Company Overview

**American Express (AXP)**, headquartered in New York, New York is an international credit card, charge card and financial services provider. AmEx, as it is often referred to, operates globally in more than 40 countries. It is positioned as the premium credit card option in the United States, channeling revenue through high annual and merchant fees. AmEx takes a percentage of total sale, rather than a set fee for transactions, a system that works best with high income card-holders who spend more. The company has several subsidiaries, including American Express Bank (a FSB) and Amex Assurance Company. American Express operates in three broad segments: Global Consumer Services (GCSG), Global Commercial Services (GCS) and Global Merchant & Network Services (GMNS).

### Revenue Statistics (As of FY ended 12/31/2020):

2020 Revenue: \$36.1B

Net Income: \$3.1B

Business Segments

Global Consumer: \$21.3B (59%)

Global Commercial: \$10.6B (29%)

Global Network Services: \$4.7B (13%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Achieved zero net carbon emissions for operations in 2018 and is currently powered by 100% renewable energy.
- All employee business travel emissions (third-party air, rail and rental cars) are carbon neutral.
- Increased female Executive Committee members by 250%, female Country Managers by 100% and female Board Directors by 33% since January 2018.
- Created a Customer Pandemic Relief Program to support customers impacted by COVID-19.
- Committed over \$200M to promote spending and enhance marketing at small businesses.

## Progress and Evaluation

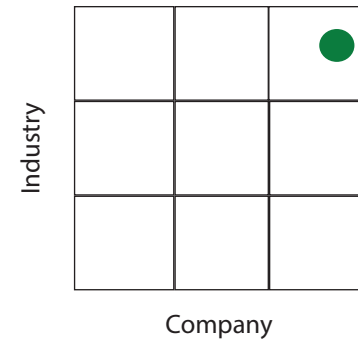
The financial services industry is reasonably low waste and environmentally sustainable, as companies take action to shift towards renewables and mitigate negative impact. American Express remains proactive in the industry's strives towards enhancing sustainability through a wide range of initiatives. Reforms in the U.S., such as facilitating 100% renewable energy and dramatically curtailing green house gas emissions, have been achieved well ahead of their 2040 benchmarks. While continuing to increase energy efficiency, American Express is adding new waste management initiatives in order to reduce waste-per-employee by 10% and achieve a zero waste certification for its U.S. headquarters. In addition to their environmentally sustainable goals, American Express frequently sets and meets ambitious benchmarks regarding workplace diversity and inclusion.

Hamilton Point assigns American Express a Sustainability Matrix classification of **Good** for its rigorous self-review and consequent reforms. American Express promotes transparency and responsibility by providing comprehensive sustainability reporting, and has submitted data to the Carbon Disclosure Project since 2007.

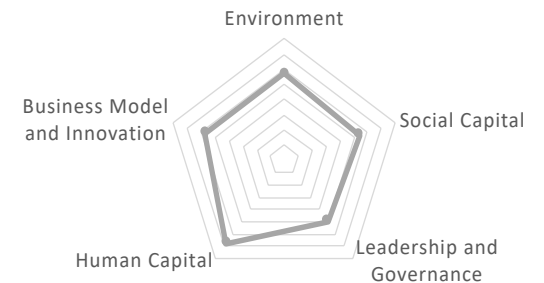
### New/Continuing Initiatives:

- On track to achieve Green Building certification for 60% of global operations and eliminate all single use plastics by 2025.
- On track to source 100% of direct marketing, customer communications and office paper from certified responsibly managed forests by 2025.
- Released its first ESG report in 2020, promoting transparency in the company's sustainability initiatives.
- Formed the "Coalition to Back Black Businesses," which collaborates with the U.S. Chamber of Commerce to support the recovery of U.S. black-owned small businesses.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 70.6%

Female Board Members: 23.5%

Average Tenure: 8.6 years

## Company Overview

**Amgen Inc. (AMGN)**, based in Thousand Oaks, California, is a multinational biotechnology company that uses biology to discover, develop, manufacture and deliver innovative and advanced human therapeutics for patients suffering from serious illnesses. The Amgen approach typically focuses on areas of high unmet medical needs and limited treatment options. 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 distinguished history of corporate and environmental responsibility, and the company operates in a single business segment: Human Therapeutics.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$25.4B  
 Net Income: \$7.2B  
 Business Segments:  
 Human Therapeutics: \$25.4B (100%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Included on the Dow Jones Sustainability Indices World Index for a seventh consecutive year in 2020.
- Reduced emissions by 139,000 metric tons through carbon reduction projects since 2007.
- Renewable energy use was 41% of Amgen's electricity consumption in 2020.
- Expansion of smart facility monitoring systems at six Amgen sites saved 15,700 metric tons of carbon, 243,000 GJ of energy and \$4.2M since 2016.

## Progress and Evaluation

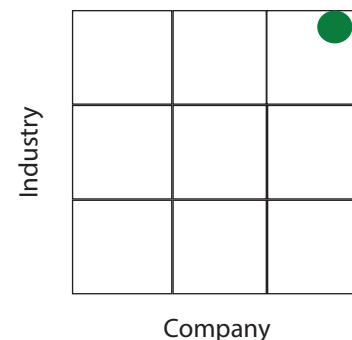
Amgen continues to lead in the already sustainable sector of biotechnology. Many of the largest environmentally sensitive portions of the business revolve around energy consumption, water usage and toxic waste disposal. In 2018, Amgen surpassed its 2020 goals of reducing fleet and facility carbon and water usage, while closing in on its waste reduction goal. Amgen is also a leader in supply chain accountability as its Supplier Code of Conduct requires suppliers to perform sustainability assessments and meet regulatory requirements. In addition to its previous accomplishments, Amgen continues to set ambitious goals for the future.

Hamilton Point assigns Amgen Inc. a Sustainability Matrix classification of **Good** due to its strong environmental awareness, energy efficiency programs, successful sustainability targets and supply chain accountability. The company has a commitment to better the environment and provides clear outlines of its plans and goals in detailed annual sustainability reports.

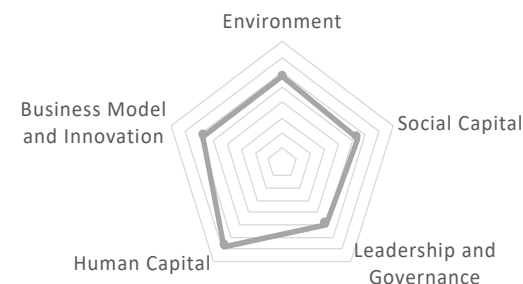
### New/Continuing Initiatives:

- Requires suppliers to perform sustainability assessments to understand their environmental footprint, including the usage of the Green Packaging Design system.
- Plans to convert 30% of fleet vehicles to all-electric vehicles by 2027.
- Striving for 100% renewable electricity use at all operation locations by 2027.
- Aims to reduce water use by 40% and waste disposal by 75% by 2027.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 90.9%  
 Female Board Members: 27.3%  
 Average Tenure: 7.7 years



## Company Overview

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

### Revenue Statistics (as of FY ended 9/26/2020):

2020 Revenue: \$274.5B

Net Income: \$57.4B

Business Segments:

iPhone: \$137.8B (50%)

iPad: \$23.7B (9%)

Mac: \$28.6B (10%)

Services: \$53.8B (20%)

Other: \$30.6B (11%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Achieved 100% renewable energy for all Apple facilities and carbon neutrality for travel/commute and corporate operations.
- Apple's latest MacBook Air, Mac mini and iPad are built with 100% recycled aluminum.
- 15M metric tons of emissions avoided due to carbon reduction initiatives.

## Progress and Evaluation

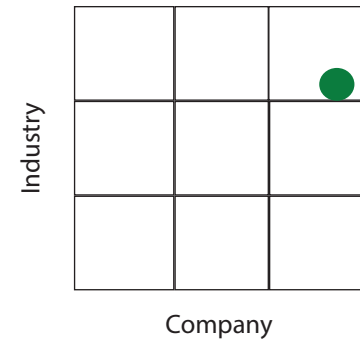
The technology industry is relatively sustainable, but may use high volumes of energy and dispose of high waste levels. To combat these industry risks, Apple creates self-imposed high standards for energy efficiency, emission reductions and transparency. Apple is committed to rigorous self-evaluations and uses a three-pronged approach for sustainability, which is comprised of displacement, materiality and accountability. Programs derived from this approach resulted in Apple reaching 100% renewable energy in 2018. Apple also continues to invest in improving its supply chain through its Clean Energy Portal and by setting ambitious goals for the next decade. Apple is committed to utilizing recycled material where possible and has a long-term goal of using 100% recycled and renewable materials for their products and packaging.

Hamilton Point assigns Apple Inc. a Sustainability Matrix classification of **Good** for its continued efforts in environmental stewardship, including its annual environmental sustainability reports.

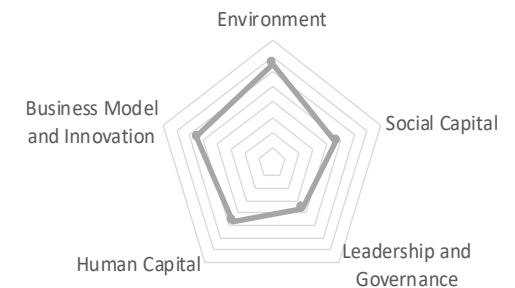
### New/Continuing Initiatives:

- Aims to be carbon neutral by 2030 through investing in carbon removal solutions and reducing emissions by 75% compared to a 2015 baseline.
- Has a goal of assembling 100% of products and packaging with only recycled or renewable materials.
- Restore Fund will invest up to \$200M in natural climate solutions.
- Apple's Clean Energy Portal helps suppliers identify commercially viable renewable energy solutions.

## Sustainability Matrix



## Sustainalytics



## Board Data

- Independent Directors: 87.5%
- Female Board Members: 37.5%
- Average Tenure: 12.5 years



## Company Overview

**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 & 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 its HCM business in 2014. The company's reportable segments are: Employer Services, Professional Employer Organization (PEO) Services and Other.

### Revenue Statistics (as of FY ended 7/29/2020):

2019 Revenue: \$14.6B

Net Income: \$2.5B

Business Segments:

Employer Services: \$10.1B (69%)

PEO Services: \$4.5B (31%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Decommissioned 24 data center facilities since 2015, contributing to ADP's 16% decrease in energy use.
- Recycled 2,165 tons of paper and 230 tons of electronic waste in 2020.
- Women represented 53% of ADP's global workforce in 2020.
- Recognized in DiversityInc's Top 50 Companies for Diversity for 4 consecutive years.

## Progress and Evaluation

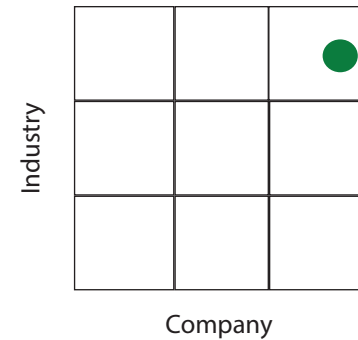
ADP is in the business services and software industry, whose sustainability is largely based on waste levels and product durability. ADP continues to initiate environmentally conscious programs that have positive effects for both their clients as well as their own business. Through data center consolidation, energy efficiency and active environmental awareness promotion, ADP has made successful efforts to reduce their carbon footprint. ADP is also a leader in social sustainability through diverse representation across its workforce.

Through their web page on corporate environmental responsibility that now provides quantitative measurement goals, ADP continues to set a good example in the field of sustainability. Hamilton Point assigns Automatic Data Processing, Inc. a Sustainability Matrix classification of **Good** due to their successful recycling & energy efficiency programs and continued commitment to developing sustainable workplace programs.

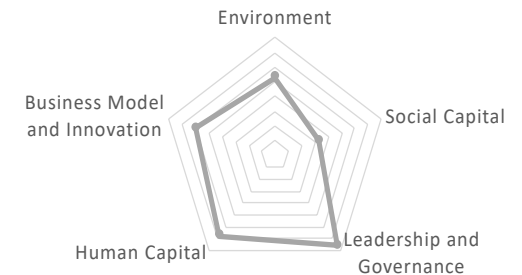
### New/Continuing Initiatives:

- Active member of the Green Grid, a group dedicated to developing and promoting energy efficient data centers.
- ADP's North American sales fleet was replaced with eco-friendly vehicles, saving the environment from 4,000 tons of CO2.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 81.8%

Female Board Members: 36.4%

Average Tenure: 6.8 years



## Company Overview

**Becton, Dickinson and Company (BDX)**, headquartered in Franklin Lakes, New Jersey, is a global medical technology company committed to advancing health care through the development, manufacture and sale of laboratory equipment, diagnostic products and medical supplies & 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 70,000 people employed in 50 countries around the world. BD consists of three major business segments: Medical Segments, Life Sciences and Interventional. In 2017, BD completed its acquisition of C.R. Bard, Inc., creating a new health care industry leader.

### Revenue Statistics (as of FY ended 9/30/2020):

2020 Revenue: \$17.1B

Net Income: \$874M

Business Segments:

Medical: \$8.7B (51%)

Life Sciences: \$4.7B (27%)

Interventional: \$3.8B (22%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Recognized by the Dow Jones Sustainability North America Index since 2005.
- Recognized by the FTSE4Good Index since 2003.
- Awarded U.S. EPA Partner of the Year (2014) and Green Power Purchaser (2010).
- Donated \$2.5M worth of cash and services to COVID-19 response efforts as of October 2020.

## Progress and Evaluation

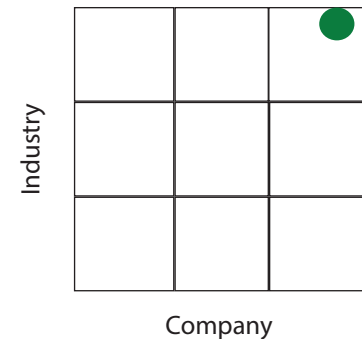
Becton, Dickinson and Company is in the healthcare industry, which is typically sustainable and seeks to help the community through its products and services. Similar to its industry, BD invests in renewable energy, reduces waste and builds LEED certified buildings, among other sustainability initiatives. BD is also bettering the world by working to address global health care concerns, like antimicrobial resistance, the opioid epidemic and COVID-19, by developing technologies and programs to combat these health crises. BD is committed to ensuring that its supply chain adheres to environmental standards set forth in its compliance report.

Hamilton Point assigns Becton, Dickinson and Company a Sustainability Matrix classification of **Good** for its commitment to ensuring environmental integrity by setting measurable goals for eliminating emissions and prolonging its products' lives while promoting sustainable policies within its supply chain.

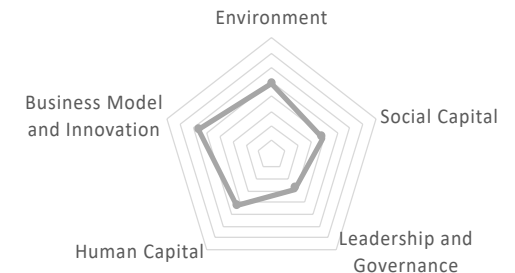
### New/Continuing Initiatives:

- Launched various platforms and devices in 2020 to detect COVID-19 infections.
- Requires suppliers to comply with BD's Expectations for Suppliers, which details BD's social and environmental standards.
- Committed to reducing GHG emissions 46% by 2030 from a 2019 baseline.
- Aims to be carbon neutral across direct operations by 2040.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 91.7%

Female Board Members: 33.3%

Average Tenure: 9.9 years



## Company Overview

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. Their consumer product brands are sold through many different platforms such as supermarkets, mass merchandisers and drugstores. Church & Dwight also sells specialty products to clients, such as industrial consumers and distributors. With approximately 4,700 employees in 9 countries around the world, Church & Dwight is divided into three business segments: Consumer Domestic, Consumer International and Specialty Product Division.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$4.9B

Net Income: \$786M

Business Segments:

Consumer Domestic: \$3.8B (77%)

Consumer International: \$828M (17%)

Specialty Product Division: \$300M (6%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Recognized on Barron's 100 Most Sustainable Companies (2019).
- Achieved an A- and A score on CDP's Climate and Forests Reporting (2020).
- Recycled over 32M pounds of waste material in 2020.
- 100% of carbon emissions associated with electricity are offset by RECs.

## Progress and Evaluation

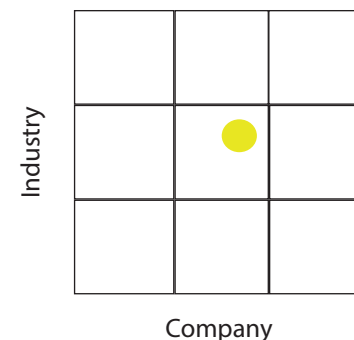
Church & Dwight operates in an industry that uses a lower amount of natural resources and energy than other manufacturing sectors. As a result of the company's continued commitment to transparency and sustainability, it releases a thorough and descriptive sustainability report that includes quantitative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

Compared to its competitors, Church & Dwight does an above average job of prioritizing environmental sustainability in its operations. However, their improvements in manufacturing practices have only been slightly better than the industry standard. Though Church & Dwight has shown the ability to institute sustainable practices in their businesses, we believe they have the potential to set more aggressive short-term goals and release more updates on their sustainability initiatives throughout the year. Hamilton Point assigns Church & Dwight Co., Inc. a Sustainability Matrix classification of **Neutral**.

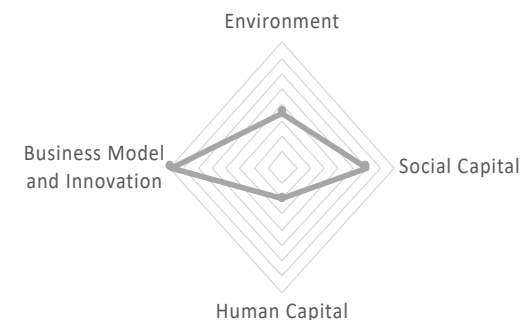
### New/Continuing Initiatives:

- Committed to reducing global process water and/or wastewater by 10% annually.
- Determined to achieve carbon neutrality for global operations by 2025.
- Reduces energy use through its continued partnership with The Arbor Day Foundation and Sparkfund.
- Uses nearly 100% certified or recycled paperboard across global primary and secondary packaging.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 90.0%

Female Board Members: 30.0%

Average Tenure: 10.9 years

## Company Overview

**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 produces many common household and personal care brands such as Colgate Total, Palmolive, Irish Spring, Speed Stick, Softsoap and Ajax. Colgate 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 & manual toothbrush brands and in the Home Care market with fabric softeners & dish washing liquids.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$16.5B

Net Income: \$2.7B

Business Segments:

Oral, Personal & Home Care: \$13.6B(82%)

Pet Nutrition: \$2.9B (18%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Won the ENERGY STAR Partner of the Year Award for 11 consecutive years.
- Recognized on EPA's Green Power Partnership National Top 100 (2020).
- Colgate's Save Water program has reduced water usage by approximately 155B gallons to date.
- Burlington, NJ factory was the first site in the world to achieve LEED Zero certification for carbon, energy, water and waste.

## Progress and Evaluation

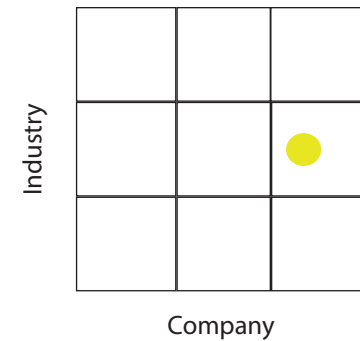
Because consumers are increasingly considering the sustainability of the companies they purchase from, the consumer products industry has been greatly improving its sustainable practices. Colgate-Palmolive follows this industry trend by outlining clear goals and measurements of their progress, which are available to the public. Not only have they surpassed many goals set for water and energy use efficiency, but Colgate has also consistently outlined future goals as they exceed their earlier benchmarks. With products and brands in over 200 countries and territories around the world, the company has encouraged billions of people to save water by turning off their faucets when brushing their teeth.

Hamilton Point assigns Colgate-Palmolive Company a Sustainability Matrix classification of **Neutral** for their commitment to lessening their carbon footprint and engaging with their large consumer base to act sustainably. The company's actions greatly help the environment, but still struggle to combat the damages of the consumer industry.

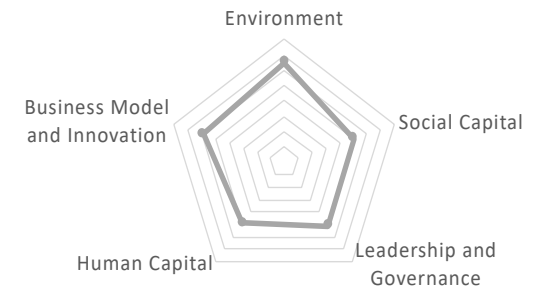
### New/Continuing Initiatives:

- Approximately 91% of packaging by weight is from recycled sources.
- Reduced GHG emissions by 38% since 2002.
- Intends to achieve 100% renewable electricity by 2030 and net zero carbon emissions by 2040.
- Reduced water use in production by nearly 52% since 2002.
- Reduced waste levels in production by 82% since 2010 and continues to work towards zero waste.
- Contributed approximately \$57M in 2020 to communities in need and various charitable organizations.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 90.0%

Female Board Members: 40.0%

Average Tenure: 9.2 years



## Company Overview

**The Cooper Companies, Inc. (COO)**, headquartered in Pleasanton, California, is a global medical device company. The Cooper Companies consists of two subsidiaries: CooperVision and CooperSurgical. CooperVision provides contact lenses while CooperSurgical provides products focused on medical devices and fertility & genomics. Cooper has manufacturing facilities in the UK, Puerto Rico and New York and distributes from many other global locations. Cooper sells in over 100 countries and has more than 12,000 employees.

### Revenue Statistics (as of FY ended 10/31/2020):

2020 Revenue: \$2.4B

Net Income: \$238.4M

Business Segments:

CooperVision: \$1.8B (75%)

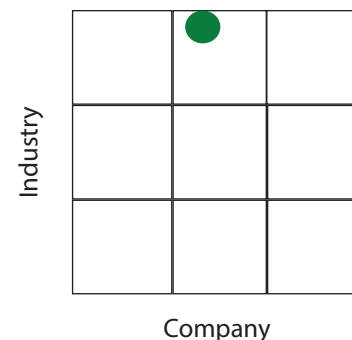
CooperSurgical: \$587.9M (25%)

## Progress and Evaluation

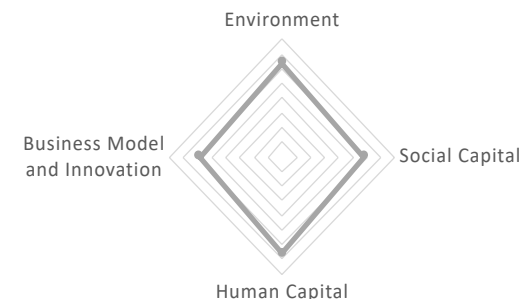
The Cooper Companies operates in the medical devices industry, which falls into the highly sustainable biotechnology sector. On its website, Cooper has several pages detailing its work in renewable energy, waste reduction & recycling and water savings. This year, the Cooper Companies released a corporate social responsibility report following its 2020 ESG materiality assessment. The report includes an assessment of Cooper's efforts to date as well as goals for the future. In addition to its typical sustainability initiatives, Cooper highlighted the impact it made during the COVID-19 pandemic. This report is an excellent step in promoting transparency and accountability, but Cooper's initiatives to date lack the ambition seen by other companies in this report.

Hamilton Point assigns The Cooper Companies a Sustainability Matrix classification of **Good** for taking action on sustainability reporting and reform.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Since 2018, all New York as well as one UK site run on 100% renewable electricity.
- CooperVision facility in Costa Rica earned LEED Silver certification.
- Puerto Rico site earned Environmental Innovation Project of the Year Award.
- \$14.2M in fundraising, contributions and volunteerism donated since 2013.

### New/Continuing Initiatives:

- 94% of all waste generated was recycled in 2020, approximately a 20% increase from 2019 levels.
- Plans to decrease solid waste generation 25% by 2025, from a 2019 baseline.
- Aims to reduce operational energy intensity indexed to sales 15% by 2025, from a 2019 baseline.
- CooperVision's Puerto Rico facility is innovating with rainwater repurposing to reduce demand on city-supplied water.

## Board Data

Independent Directors: 71.4%

Female Board Members: 42.9%

Average Tenure: 13.4 years

## Company Overview

**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 three segments: Life Sciences, Diagnostics and Environmental & Applied Solutions.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$22.3B

Net Income: \$3.6B

Business Segments:

Life Sciences: \$10.6B (48%)

Diagnostics: \$7.4B (33%)

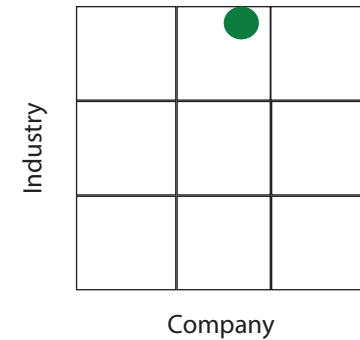
Environment & Applied Solutions: \$4.3B (19%)

## Progress and Evaluation

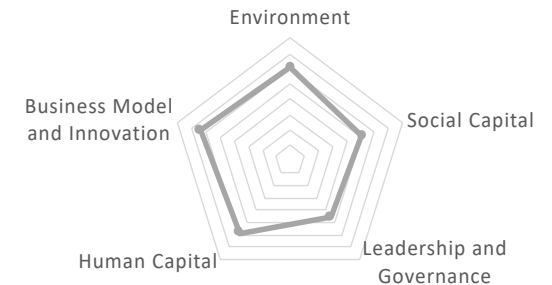
The life sciences industry, which constitutes most of Danaher's revenue, does not pose much of a threat to the environment. In regards to environmental sustainability, Danaher loosely regulates its business segments through its Environmental, Health and Safety Programs. Regular sustainability audits 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 also implements strict standards, known as the Danaher Business System (DBS), which apply to all of their business segments.

After receiving demands from shareholders, Danaher began publishing information on sustainability three years ago and came out with its first detailed company sustainability report in 2020. Danaher lacks ambition in comparison to the rest of the companies in this report, but because of their improvements and the low environmental impact of the Life Sciences Industry, Hamilton Point assigns Danaher a Sustainability Matrix classification of **Good**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- The Beckman Coulter Diagnostics facility in Mishima, Japan has a 99% recycling rate.
- Across all businesses, produced over 60M COVID-19 diagnostic tests.
- Recognized in the "Best Corporate Governance" section of the 2014, 2015, and 2018 IR Magazine Awards.

### New/Continuing Initiatives:

- In 2018, Danaher began tracking energy use, GHG emissions, waste generation, and water usage from their operating companies.
- Seeks to increase representation of women and People of Color associates to 40% and 35% by 2025, respectively.
- With a 2019 baseline, Danaher aims to reduce energy use 15% by 2024.
- With a 2019 baseline, Danaher is committed to reducing Scope 1 and Scope 2 GHG emissions 15% by 2024.

## Board Data

Independent Directors: 76.9%  
Female Board Members: 30.8%  
Average Tenure: 17.4 years

## Company Overview

**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. With over 60,500 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 & Turf, Construction & Forestry and Financial Services.

### Revenue Statistics (as of FY ended 11/1/2020):

2020 Revenue: \$35.5B

Net Income: \$2.8B

Business Segments:

Agriculture and Turf: \$22.3B (63%)

Construction and Forestry: \$8.9B (25%)

Financial Services: \$3.6B (10%)

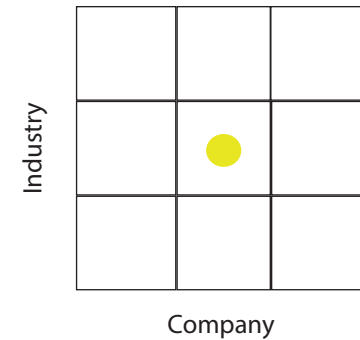
Other: \$679M (2%)

## Progress and Evaluation

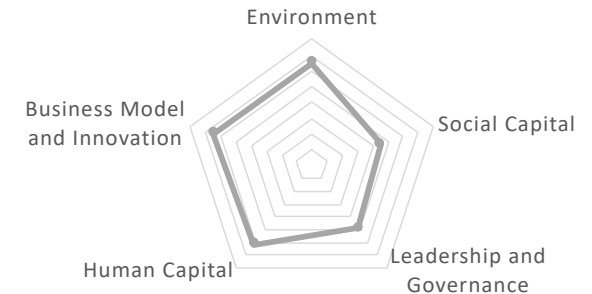
The farming equipment industry's impact on sustainability is mixed. Farming is generally a more sustainable activity than many other forms of production, but large machinery and equipment are resource-intensive to produce and consume significant quantities of fossil fuels throughout the products' life cycles. Deere & Company recently established aggressive eco-efficiency goals and outlined a new 2022 sustainability plan for their water and energy usage, as well as for their GHG emissions. This plan hopes to reduce the company's carbon footprint and promote safer environmental practices in the industry in which Deere & Co. operates.

Outside of Deere & Co.'s plan, the company lacks transparency in regards to their environmental impact and continues to measure its own progress through more general, qualitative assessments. Deere & Co. also fails to hold its supply chain environmentally accountable. Therefore, Hamilton Point assigns Deere & Company a Sustainability Matrix classification of **Neutral**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Current Board of Directors is 45% female or ethnically diverse.
- Member of the U.S. EPA Leadership Program since 2007.
- Produced more than 350,000 face masks to combat the spread of Covid-19.
- Installed two solar generation plants in Germany to power 20% of annual electric demand.
- Realized savings of 82,000 kilowatt hours through Six Sigma in India.

### New/Continuing Initiatives:

- Committed to reaching 2022 Sustainability Goals of reducing GHG emissions by 15% from a 2017 baseline through 50% renewable energy supply and recycling 85% of total waste.
- Aims to implement water BMP in 100% of water-scarce manufacturing locations by 2022.
- Using the World Resource Institute Aqueduct tool, Deere optimizes operations in water scarce regions.
- Every manufacturing facility has an environmental management system based on the ISO-14001 standard to track and collect water usage data.

## Board Data

Independent Directors: 90.9%

Female Board Members: 27.3%

Average Tenure: 9.3 years



### Company Overview

Dollar General (DG), is a convenience store chain based out of Goodlettsville, Tennessee. With 17,000+ retail stores across 46 states, it has more locations than any other company among 32,000 dollar stores nationwide. Dollar General is in the process of a rapid square-foot expansion, expected to open over 1,000 new stores in 2021. The chain keeps costs low by renting space and outfitting ergonomic and simple stores. In addition to carrying some popular name-brands, Dollar General features around 40 private-labels, which mesh well with the company's vertical supply chain. Unlike other dollar stores, Dollar General sells items for upwards of a dollar, positioning them as a competitor to larger discount retailers.

**Revenue Statistics (as of FY ended 1/29/2021):**

- 2020 Revenue: \$33.7B
- Net Income: \$2.7B
- Business Segments:
  - Consumables: \$25.9B (77%)
  - Seasonal: \$4.1B (12%)
  - Home Products: \$2.2B (6%)
  - Apparel: \$1.5B (5%)

### Sustainability Accomplishments and Initiatives

**Accomplishments:**

- Dollar General Literacy Foundation has awarded more than \$197M in donations and grants since 1993.
- Named in Fortune's 2020 World's Most Admired Companies.
- Recognized in Forbes Top 25 responders to the COVID-19 pandemic.
- 90% of total fleet carriers are SmartWay certified.

### Progress and Evaluation

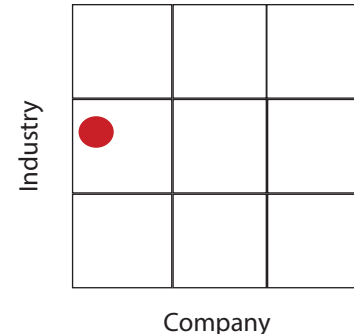
Because dollar stores in general operate within tight margins, environmental and social measures are often forgotten. Harmful chemicals in products and supply chain waste are issues that the industry needs to recognize. Dollar General releases a "Serving Others Report" annually, which outlines Dollar's previous accomplishments and community initiatives. Despite releasing this report, Dollar has not released any comprehensive plans or evaluation of its environmental impact. With well-managed factories and vehicle fleets, Dollar General has the opportunity to curb emissions and facilities waste. Renting property makes it difficult for the company to utilize renewable energy sources, but optimizing headquarters and processing centers would be a good start.

Investors have requested updated guidance on environmental issues from Dollar General, but none has been published thus far. For these reasons, Hamilton Point assigns Dollar General a Sustainability Matrix rating of **Poor**.

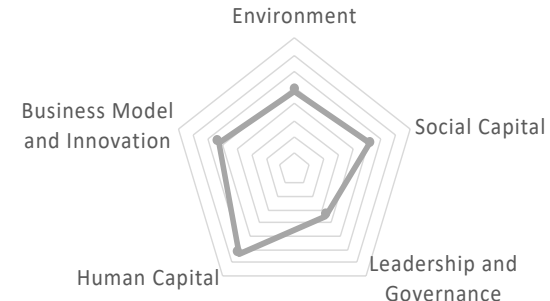
**New/Continuing Initiatives:**

- Anticipates opening 1,050 new stores by the end of calendar year 2021.
- Partners with a wide range of organizations- such as ProLiteracy, the ALA and Children's Health- to give back to the community through donations and volunteerism.
- Provides \$1,000 a week to an employee's chosen hometown charity through the DG Kindness campaign.

### Sustainability Matrix



### Sustainalytics



### Board Data

- Independent Directors: 87.5%
- Female Board Members: 25.0%
- Average Tenure: 8.2 years



## Company Overview

**eBay Inc. (EBAY)**, headquartered in San Jose, California, is a multinational corporation that facilitates global e-commerce through its online platform, eBay Marketplace. eBay currently serves 182M users 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 e-commerce market as the way in which people interact with each other, brands and services dramatically changes. Due to its recent selloffs of StubHub and Classifieds, the company operates in a single reportable segment known as Marketplaces.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$10.3B

Net Income: \$5.7B

Business Segments:

Marketplaces: \$10.3B (100%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Achieved a waste diversion rate of 97.5% in 2020 at their San Jose headquarters.
- Raised \$1.1B for charities worldwide, exceeding their 2020 goal by over \$100M.
- Created \$2.5B in positive economic impact and avoided 2.5M metric tons of CO2 from 2016 to 2020 through customers selling reusable items on eBay.
- 40% of eBay's total workforce is women.

## Progress and Evaluation

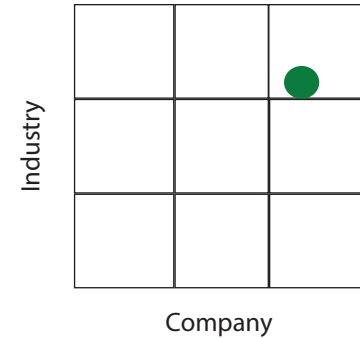
eBay operates in the e-commerce industry, which has been taking steps to become more sustainable through reducing waste and carbon emissions. eBay previously had greater energy consumption at their data centers due to high water and electricity use. However, in recent years, eBay has created specific climate and energy goals to offset their prior GHG emissions. Waste reduction initiatives in 2020 allowed for 97.5% diversion rate at the San Jose headquarters.

eBay is committed to sourcing 100% of its energy from renewable sources by 2025. Its commitments and memberships on important committees and projects such as the WWF Global Coalition show that eBay is committed to a sustainable future. 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 important issues.

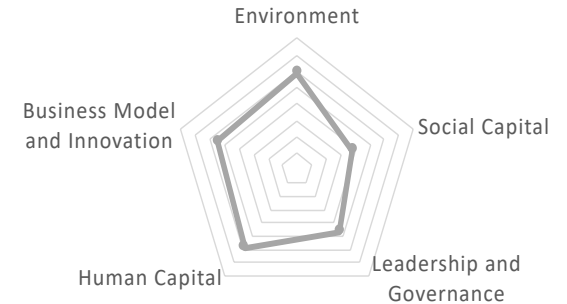
### New/Continuing Initiatives:

- 74% of energy supply currently comes from renewable sources, up 9% from 2019.
- Progressing towards 2025 goal of 100% renewable energy at eBay-controlled data centers and offices.
- Aims to achieve 50% absolute reduction in Scope 1 and 2 emissions by 2025 from a 2016 baseline.
- Member of the World Resources Institute's Corporate Consultative Group, developing standards for quantifying benefits of circular commerce.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 85.7%

Female Board Members: 35.7%

Average Tenure: 6.6 years

## Company Overview

**EMCOR Group, Inc. (EME)**, based in Norwalk, Connecticut, is one of the largest electrical and mechanical construction and facilities services firms in the United States. They specialize in electrical and mechanical systems and in providing services related to facilities operation, maintenance and management. EMCOR operates in five business segments: U.S. Mechanical, U.S. Electrical, U.S. Building, U.S. Industrial and U.K. Building.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$8.8B

Net Income: \$133M

### Business Segments:

U.S. Electrical Construction: \$2B (22%)

U.S. Mechanical Construction: \$3.5B (40%)

U.S. Building Services: \$2.1B (24%)

U.S. Industrial Services: \$797M (9%)

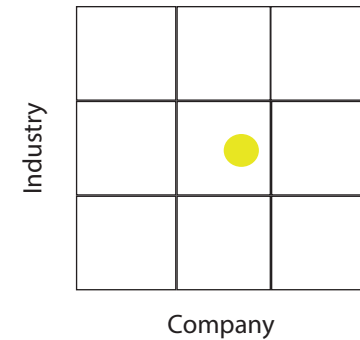
U.K. Building Services: \$431M (5%)

## Progress and Evaluation

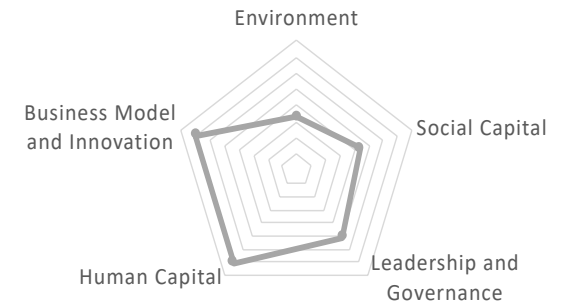
The electrical and mechanical construction industry is historically unsustainable due to high energy and resource use. The industry hasn't taken significant steps to mitigate its environmental impact, but EMCOR has implemented a few initiatives to reduce waste and carbon emissions. EMCOR releases annual sustainability reports that discuss the environmental impact of their clients, but lacks quantitative and fully transparent goals in regards to sustainable practices at its own company or in its supply chain.

Although EMCOR's actions to implement LEED engineering standards and promote alternative energy are commendable, the company needs to implement more impactful sustainability goals in its operations and supply chain to improve its rating. Hamilton Point assigns EMCOR Group Inc. a sustainability matrix classification of **Neutral**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- EMCOR has been a Gold Member of the U.S. Green Building Council since 2005.
- Reduced their fleet gasoline consumption by more than 840,500 gallons per year, preventing over 8M pounds of carbon from being emitted.
- Employs over 1,949 veterans across operations.
- Introduced eight electric vehicles to their UK fleet.
- Awarded the silver certification from EcoVadis, an analysis system that evaluates Corporate Social Responsibility.

### New/Continuing Initiatives:

- Developed a number of systems for extracting, cleaning and concentrating methane gas to service the transportation and wholesale natural gas markets.
- Requires annual harassment, ethics and diversity training for employees.
- Equips 11,000+ vehicles with GPS systems to find the most direct routes, thus saving fuel consumption.
- Employs hundreds of LEED certified engineers to design, construct and retrofit buildings throughout different divisions.

## Board Data

Independent Directors: 90.0%

Female Board Members: 20.0%

Average Tenure: 8.0 years



## Company Overview

**Facebook Inc (FB)**, headquartered in Menlo Park, California, is a social media and digital communications conglomerate. In addition to its namesake property facebook.com, Facebook also owns Instagram, Oculus and WhatsApp. With 2.6B active monthly users, facebook.com is the largest social networking site in the world. The Instagram app, with 1B active users worldwide, generates over a quarter of Facebook's revenue through advertising. The messaging app WhatsApp boasts 1.5B active monthly users, primarily in India and Western Europe. Unlike its competitors, WhatsApp is not monetized in most countries, and instead serves as a powerful data aggregator for the Facebook ecosystem. Facebook was founded by CEO Mark Zuckerberg in 2004.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$86B

Net Income: \$29.1B

Business Segments:

Advertising: \$84.2B (98%)

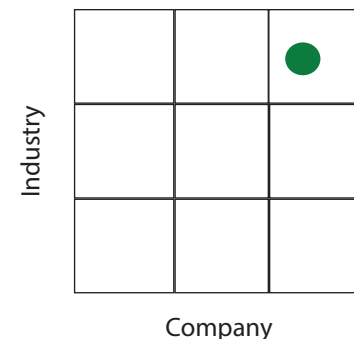
Payments and Other Fees: \$1.8B (2%)

## Progress and Evaluation

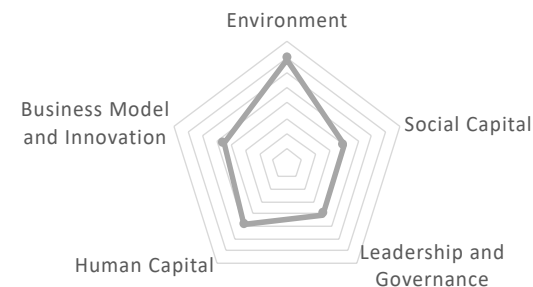
Social Media and online content has a relatively low impact on the environment, with the exception of materials and energy required by data centers. Facebook has always been a sustainability leader in the social media industry, but has grown into a multi-industry leader in recent years. The company has made stellar progress towards its goals since 2018, with its operations currently being supported by 100% renewable energy and having net zero emissions. Facebook is now one of the largest corporate buyers of renewable energy and works to increase the sustainability of other companies and customers with various technologies. While performing exceptionally well on various environmental sustainability factors, Facebook is facing concerns over issues with its privacy policies and potentially harmful misinformation being spread on its social media platforms.

Facebook remains committed to reaching its ambitious sustainability goals, and implements detailed frameworks for doing so. As such, Hamilton Point assigns Facebook a Sustainability Matrix classification of **Good**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- All data centers are accredited with LEED® Gold certification.
- As of 2020, operations are supported by 100% renewable energy and have net zero emissions.
- Since 2018, Facebook reduced its GHG emissions by 94%, exceeding its 75% reduction goal.
- Has contracts in place for over six gigawatts of wind and solar energy across 18 states and five countries.
- Ranks third in the world for renewable energy corporate buyers based on power purchase agreements since 2000, according to BloombergNEF.

### New/Continuing Initiatives:

- Plans to reach net zero emissions across its value chain by 2030.
- Enables access to renewables for other companies by designing green tariffs, building infrastructure and providing project access.
- Reduces GHG emissions by evaluating materials with lower carbon impacts, building recyclability into design and extending hardware lifespan.
- Launched the Climate Conversation Map and Climate Science Information Center in 2020 to educate the community about the impacts of climate change.

## Board Data

Independent Directors: 77.8%

Female Board Members: 44.4%

Average Tenure: 7.4 years



## Company Overview

**F5 Networks, Inc. (FFIV)**, based in Seattle, Washington, is a computer technology company that focuses on web security, traffic optimization and cloud based services. In its Big-IP products segment, F5 offers server hardware as well as security & management software. These devices and applications help companies balance traffic on their websites, or create a barrier around online applications to protect against incoming threats. To maintain and enhance the continually growing software ecosystem, the services segment provides support primarily through maintenance contracts and software-as-a-service (SaaS).

### Revenue Statistics (as of FY ended 9/30/2020):

2020 Revenue: \$2.4B

Net Income: \$307M

Business Segments:

Products: \$1B (44%)

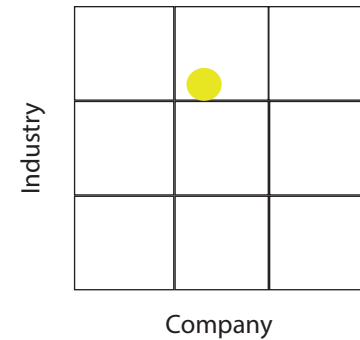
Services: \$1.3B (56%)

## Progress and Evaluation

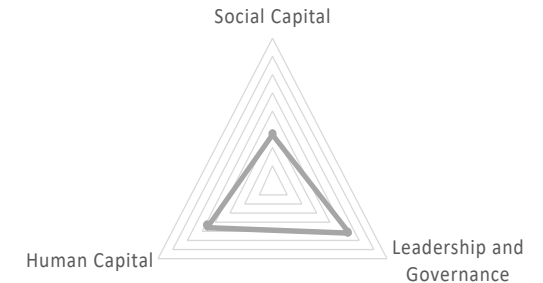
The majority of F5's products are considered to be in the technology industry, which is somewhat unsustainable due to energy and resource use at data centers. F5 ensures that all metals are sourced conflict-free and continually improves the energy efficiency of their server centers. However, the company has few actionable goals and is very inconsistent with its publishing of ESG material. F5 did well with supporting its community throughout the COVID-19 pandemic, but still fails to take a strong stance on serious environmental issues such as climate change and waste.

Despite their lack of public communication, technology companies typically net a low carbon footprint, and F5 is active in promoting other responsible corporate policy. As such, Hamilton Point assigns F5 Technologies a Sustainability Matrix classification of **Neutral**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- 60% of F5 Network's Board of Directors consists of women or people of color, with over 80% of directors added in the past four years being diverse.
- 100% of F5 hardware production locations are members of the Responsible Business Alliance and are ISO 14001 certified.
- Donated \$5.2M and volunteered over 6,000 hours to over 2,600 non-profits in 2020.
- Supported community COVID-19 relief through grants, cloud services and additional benefits for partners and customers struggling during the pandemic.

### New/Continuing Initiatives:

- Partnered with Microsoft to provide secure online solutions to employees working from home.
- New proprietary data centers use efficient LED and HVAC cooling systems.
- Mandatory unconscious bias training for all employees and inclusive leadership training for senior leaders.
- Conducts regular employee engagement and inclusion surveys.

## Board Data

- Independent Directors: 77.8%
- Female Board Members: 33.3%
- Average Tenure: 6.6 years





### Company Overview

**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 main business segments: Commercial Banking and Wealth Management.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$3.9B

Net Income: \$1.1B

Business Segments:

Commercial Banking: \$2.8B (72%)

Wealth Management: \$527M (14%)

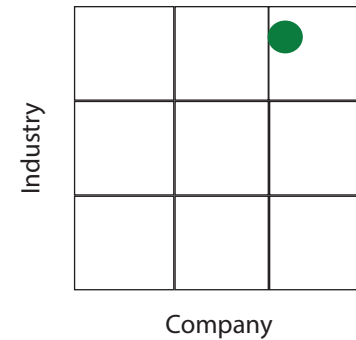
Other: \$573M (14%)

### Progress and Evaluation

The financial services industry in which First Republic operates is relatively environmentally-friendly in nature, with its largest environmental impact occurring from the operations of different office branches. First Republic Bank published full-length sustainability reports in 2019 and 2020, outlining prior sustainable accomplishments and plans for the future.

In addition to managing waste reduction and energy usage, First Republic actively involves itself with community organizations and nationwide nonprofits, making the company a socially active corporate citizen. First Republic also continues to offer its clients access to ESG investing strategies and has an active employee volunteer program. For these reasons, Hamilton Point assigns First Republic Bank a Sustainability Matrix classification of **Good**.

### Sustainability Matrix



\*ESG data was not available for First Republic Bank on FactSet for the year 2020\*

### Sustainability Accomplishments and Initiatives

**Accomplishments:**

- In 2020, First Republic colleagues volunteered over 21,500 hours across 710 nonprofits.
- Dedicated \$3.7B in lending and investment capital to support historically underserved communities in 2020.
- Recipient of 2020 Corporate Social Responsibility Award by the Foreign Policy Association.
- Recycled over 380 tons of paper and saved over 6,600 trees in 2020 through the Shred It program.

**New/Continuing Initiatives:**

- Provides funding for La Cocina, which provides subsidized commercial kitchen space, hands on technical assistance and retail opportunities to low-income food entrepreneurs.
- Offers clients access to an ESG investing team that designs socially responsible portfolios for clients.
- Partners with Management Leadership for Tomorrow to develop and execute a Diversity, Equity and Inclusion strategy.

### Board Data

- Independent Directors: 36.4%
- Female Board Members: 36.4%
- Average Tenure: 16.9 years

## Company Overview

**Gentex Corporation (GNTX)**, headquartered in Zeeland, Michigan, is a mechanical technology company with products in several sectors. Its primary sources of revenue are from the production and sale of automotive and fire detection devices. Automotive products include automatically dimming mirrors, LCD mirror displays and connected car features like iris-scanning security and automatic toll both payment options. Gentex electrochromatic dimming glass is also used in airplanes. Gentex sells mostly in car manufacturing countries such as Germany, Japan and the United States. As these markets lean into electric vehicle and automatic driving systems, Gentex plans to be a key producer of next-generation safety products.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$1.7B

Net Income: \$348M

Business Segments:

Automotive Products: \$1.6B (98%)

Other: \$40M (2%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

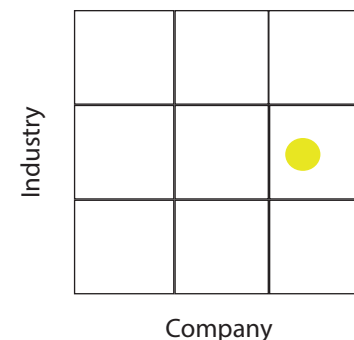
- Enacted multiple waste management plans in 2019, cutting out 2,547 lbs of cleaning waste in four months.
- Obtained Toyota's Supplier Diversity Award and Holland's Social Justice Award in 2020.
- Gentex Electronic Recycling Event for employees and their families collected 14,261 lbs. of electronics in 2020.
- Electric vehicle charging stations prevented 9,167 kg of GHG emissions in 2020.
- Recognized as an ISO 14001 certified company.

## Progress and Evaluation

Gentex operates in the equipment manufacturing industry, which has historically produced a significant amount of waste. Therefore, it is important that they take proactive steps to minimize their impact on landfills and ecosystems. Gentex has launched concerted efforts to make their production and shipping line less wasteful, such as reducing plastic packaging and eliminating total paper usage by 14%. Furthermore, Gentex sets ambitious 5-year, 10-year and 20-year goals for landfill waste, GHG emissions, electricity use and more in their detailed annual sustainability reports.

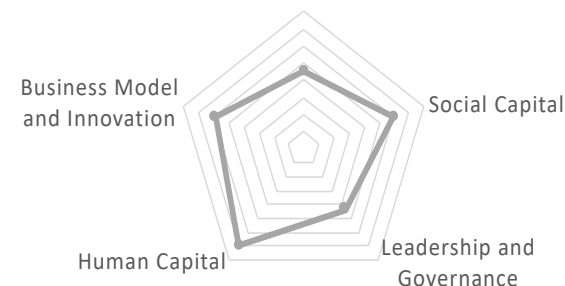
As a result of its unsustainable industry and impressive ESG progress, Hamilton Point assigns Gentex a Sustainability Matrix rating of **Neutral**.

## Sustainability Matrix



Sustainalytics

Environment



## Board Data

Independent Directors: 88.9%

Female Board Members: 22.2%

Average Tenure: 8.9 years

## Company Overview

**Helen of Troy (HELE)**, headquartered in Hamilton, Bermuda, is a leading global consumer products company. Helen of Troy holds a leading market position through using third-party trademarks to design, develop and market products within the houseware, healthcare and beauty industries. By using globally respected brand names, including hair-care brand Bed Head and water bottle company Hydro Flask, Helen of Troy has a competitive advantage within its respective industries. Helen of Troy's products are typically sold to large corporations, such as Walmart and Target, who directly sell the products to consumers. With an operational headquarters in El Paso, Texas, Helen of Troy holds substantial ground in the U.S. consumer market.

### Revenue Statistics (as of FY ended 2/29/2020):

2020 Revenue: \$1.7B

Net Income: \$152M

Business Segments:

Houseware: \$641M (38%)

Health and Home: \$685M (40%)

Beauty: \$381M (22%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Enacted virtual programs to enhance employee education during the COVID-19 pandemic, including 1800+ hours of eLearning and 100+ virtual training workshops.
- National Park Trust awarded Hydro Flask with the APEX Award, highlighting its Parks for All program.

## Progress and Evaluation

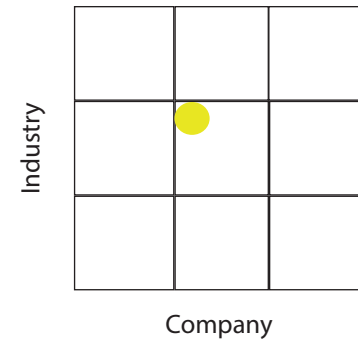
The products manufactured by Helen of Troy mainly reside in the home care and beauty industries, both of which have been taking steps to limit environmental impact in recent years. This is typically achieved through creating products that are cruelty-free and minimize packaging material. Although Helen of Troy has committees that oversee ESG performance and enforce a Company and Supplier Code of Conduct, they fail to publish any reports with prior accomplishments or future goals regarding sustainability.

Although Helen of Troy expresses its support for various environmental and social issues and works with partner third-parties to implement initiatives, they do not outline any specific goals or plans to make an impact. Due to Helen of Troy's lack of transparency with ESG progress and future ambitions, Hamilton Point assigns Helen of Troy a Sustainability Matrix classification of **Neutral**.

### New/Continuing Initiatives:

- Implemented a vaccination program that offers a one-time cash incentive for employees who receive their final dose of any COVID-19 vaccine.
- Created a variety of multi-year programs aiming to improve diverse recruiting, increase monetary donations and expand volunteerism across Helen of Troy.
- Requires unconscious bias training for all associates.
- Offers voluntary active listening sessions about diversity, equity and inclusion.

## Sustainability Matrix



Sustainalytics

\*ESG data was not available for Helen of Troy on FactSet for the year 2020\*

## Board Data

Independent Directors: 75.0%

Female Board Members: 25.0%

Average Tenure: 13.4 years

## Company Overview

**Johnson & Johnson (JNJ)**, based in New Brunswick, NJ, is a multinational medical device, pharmaceutical and consumer packaged goods company that has approximately 134,500 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, they operate under three segments: Consumer (which includes over-the-counter pharmaceuticals), Pharmaceutical and Medical Devices.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$82.6B

Net Income: \$14.7B

Business Segments:

Consumer Health: \$14.1B (17%)

Pharmaceutical: \$45.6B (55%)

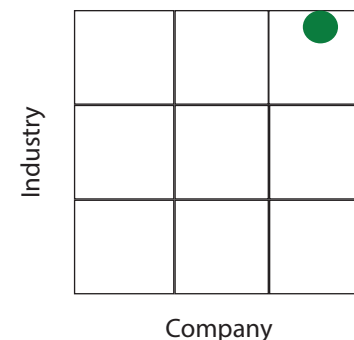
Medical Devices: \$23B (28%)

## Progress and Evaluation

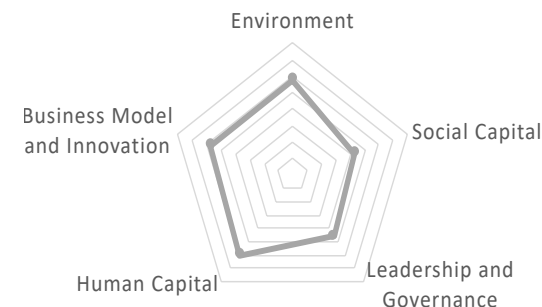
Johnson & Johnson operates in various sectors within the healthcare and biotechnology industries. Johnson & Johnson sets environmental sustainability targets and proactively measures their progress to ensure they are on track to reach their goals. The company is committed to lessening its carbon footprint and reducing water and electricity use across all operations. Through sustainable packaging and design of products, commitment to ensuring suppliers set environmental targets and increasing usage of renewable energy, Johnson & Johnson has demonstrated that it takes environmental sustainability seriously. The company is also very socially sustainable, consistently seeking to improve the diversity of its workforce and management. Although Johnson & Johnson outperforms in its published sustainability material, it has billions of dollars in settlements over health concerns such as Talcum Powder and Opioids. These claims are not only a financial risk, but also a global health concern.

As a result of these initiatives, Hamilton Point assigns Johnson & Johnson a Sustainability Matrix classification of **Good**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Named to the CDP Climate Change A List for the 3rd year in a row.
- As of 2020, contributed \$2.6B in products and cash to charitable causes.
- 54% of JNJ's electricity is renewable, causing a 45% reduction in CO2 emissions since 2010.
- Ranked #2 for "social capital" in *The Wall Street Journal's* ranking of world's most sustainably managed companies.
- Named in *Forbes'* 2020 list as a "Best Employer for Diversity" for the second consecutive year.

### New/Continuing Initiatives:

- JNJ pledges to use more recycled materials in packaging and ensures that 100% of plastic packaging will be reusable, recyclable or compostable by 2025.
- Aims to achieve 50% women in global management positions and 35% ethnic/racial diversity in U.S. management positions by 2025.
- Committed to achieving carbon neutrality for operations by 2030.
- Expects to power 100% of facilities with renewable energy by 2050.

## Board Data

Independent Directors: 92.9%

Female Board Members: 28.6%

Average Tenure: 7.1 years

## Company Overview

**Littelfuse Inc. (LFUS)**, based in Chicago, Illinois, is a multinational electronic manufacturing company. Littelfuse 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.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$1.4B

Net Income: \$139M

Business Segments:

Electronics: \$938M (65%)

Automotive: \$396M (27%)

Industrial: \$112M (8%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

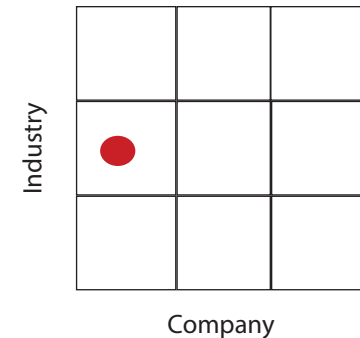
- Green Energy Award Winner at the 2020 Power Product Awards.
- Rated No. 1 Equal Pay Employer in 2020 by Lithuania.
- Littelfuse's Wuxi, China plant won the Excellence Award from the Association for Manufacturing Excellence as the result of a comprehensive safety program (2016).

## Progress and Evaluation

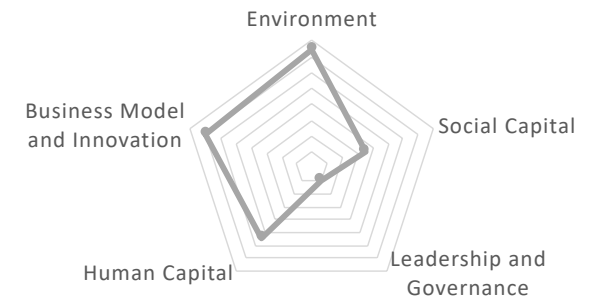
The electrical and mechanical construction industry is historically unsustainable because of high energy and resource use. Unfortunately, Littelfuse does not work to substantially change the industry's standards. Littelfuse does not publish clear and measurable environmental sustainability goals, but does discuss general ways to mitigate its impact on the environment. The company discloses little information about the environmental footprint of its products and manufacturing processes.

For these reasons, Hamilton Point assigns Littelfuse, Inc. a Sustainability Matrix classification of **Poor**.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 55.6%

Female Board Members: 22.2%

Average Tenure: 14.4 years

### New/Continuing Initiatives:

- Employs a chemical engineer to monitor environmental regulatory matters.
- Reduces and eliminates waste by modifying production & facility processes and conserving, reusing & recycling materials.
- Continues to monitor and control wastewater and solid waste generated from operations, industrial processes and sanitation facilities.
- Controls and treats air emissions of volatile organic chemicals, aerosols, corrosives, particulates and ozone-depleting chemicals.

## Company Overview

**Microsoft Corporation (MSFT)**, based in Redmond, Washington, is an American multinational technology company. Microsoft generates revenue by developing, licensing and supporting various software products and services for global students, employees, professionals and corporations. These products and services include operating systems for intelligent devices, video games and cloud-based solutions, such as Microsoft Office 365, Windows, Skype and Xbox LIVE. In addition to its well-established products, Microsoft continually researches and develops advanced technologies to adapt to the growing needs of its customers.

### Revenue Statistics (as of FY ended 6/30/2020):

2020 Revenue: \$143B

Net Income: \$44.3B

Business Segments:

Cloud Services: \$48.4B (34%)

Personal Computing: \$48.2B (34%)

Productivity and Business: \$46.4B (32%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- As of 2020, Microsoft has diverted 60K metric tons of waste from landfills.
- Donated \$1.9B in technology and services to global nonprofits to date.
- Removed over 1.3M metric tons of carbon.
- Has been carbon neutral since 2012.
- Funded 20 water replenishment projects.

## Progress and Evaluation

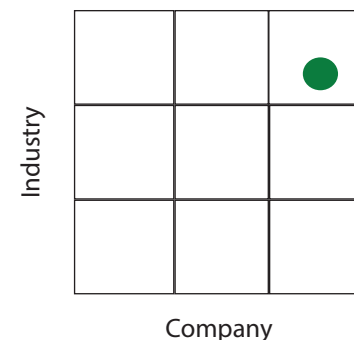
The technology industry has a wide range on the sustainability spectrum, but takes a fairly neutral stance due to recent progress. Microsoft is an outperformer in the sustainability space, both within the technology industry and the entire corporate world, because of its highly clean technological development and dedication to social good. Microsoft has been focusing on sustainability for over a decade and uses technology to minimize the environmental impact of its own operations and infrastructure. Microsoft's biggest environmental accomplishments include its efforts towards being carbon negative, funding clean water projects, reducing waste and supporting global ecosystems. Alongside its environmental goals, Microsoft exceeds corporate social responsibility with its commitments to inclusive economic opportunity, human rights advocacy and volunteerism.

Microsoft has had some sustainability issues historically because of its large operational scale, but currently implements a wide range of initiatives to offset its negative impact. For these reasons, Hamilton Point assigns Microsoft a Sustainability Matrix classification of **Good**.

### New/Continuing Initiatives:

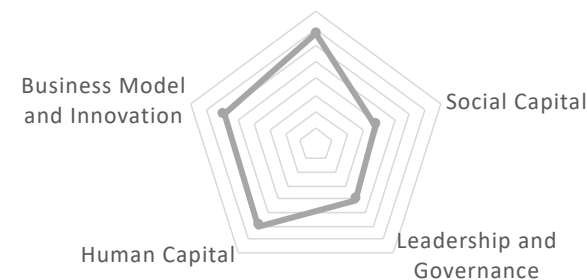
- Plans to be carbon negative by 2030.
- Committed to removing all carbon emitted by the company since its founding by 2050.
- Microsoft's AI for Earth program will spend \$50M by 2024 to tackle environmental challenges.
- Enforces a carbon tax on its internal teams, donating all revenue to various sustainability funds.

## Sustainability Matrix



## Sustainalytics

Environment



## Board Data

Independent Directors: 90.9%

Female Board Members: 45.5%

Average Tenure: 7.6 years



## Company Overview

**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 subsequently sold through retail accounts, Nike-owned retail stores, websites, and independent distributors. Popular Nike brands include Hurley, Jordan and Converse.

### Revenue Statistics (as of FY ended 5/31/2020):

2020 Revenue: \$37.4B

Net Income: \$2.5B

### Business Segments:

Footwear: \$23B (62%)

Apparel: \$11B (29%)

Equipment: \$1B (3%)

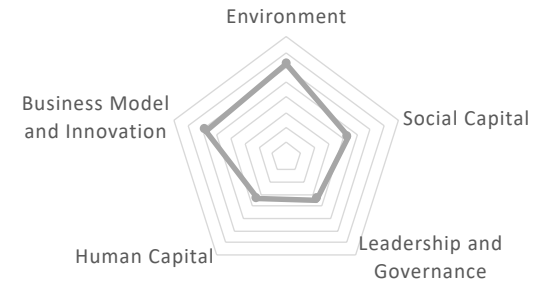
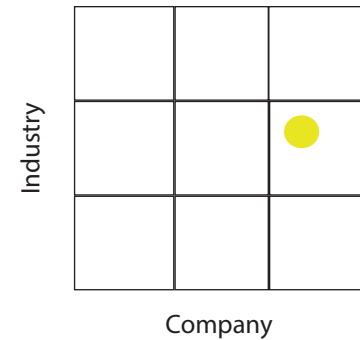
Other: \$2B (6%)

## Progress and Evaluation

While the clothing industry is very harmful towards the environment, Nike combats this by pursuing aggressive goals such as 100% renewable energy in all operations, 100% sustainable suppliers and increased recycling through the Nike Grind program. Nike has been a pioneer in sustainability for nearly 30 years. In their detailed sustainability reports and FY 2020 Impact Report, Nike discusses their sustainability initiatives and provides progress updates on their measurable goals of increasing recycling, decreasing water usage and waste, ensuring sustainable sourcing and adopting renewable energy use.

Hamilton Point assigns NIKE, Inc. a Sustainability Matrix classification of **Neutral** as a result of their measurable progress towards improving environmental impact within retail.

## Sustainability Matrix



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- 100% of Nike's high-water-risk suppliers implemented water mitigation plans in 2020.
- In 2020, 99.9% of manufacturing scraps at Tier 1 finished goods footwear suppliers were diverted from landfills.
- Reduced their average carbon footprint per unit by 10% in 2020 compared to a 2015 baseline.
- Sources 94% of materials from sustainable factories.

### New/Continuing Initiatives:

- Aims to have 50% female representation in Nike's global corporate workforce and 35% minority representation in Nike's U.S. corporate workforce by 2025.
- All North American facilities are now powered by renewable power, on track with the goal of 100% renewable energy worldwide by 2025.
- Committed to reducing GHG emissions 70% by 2025 through 100% renewable electricity and fleet electrification.
- Investing \$125M to support organizations working to address racial inequity by 2025.

## Board Data

Independent Directors: 69.2%

Female Board Members: 30.8%

Average Tenure: 14.7 years

## Company Overview

**Raytheon Technologies (RTX)** is the product of an April 2020 merger between United Technologies and Raytheon Company. Headquartered in Waltham, Massachusetts, Raytheon Technologies is a technology and innovation leader specializing in worldwide defense, civil government and cybersecurity solutions. The company serves domestically and internationally as a prime contractor and subcontractor on a broad portfolio of defense and related programs primarily for government customers. Raytheon operates in four core defense markets: sensing, effects, C3I and mission support.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$56.6B

Net Income: \$-3.5B

Business Segments:

Aerospace Systems: \$17.9B (32%)

Pratt & Whitney: \$16.8B (30%)

Missiles & Defense: \$11.5B (20%)

Intelligence & Space: \$9.9B (17%)

Other: \$527M (1%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

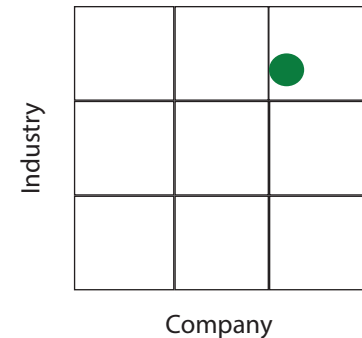
- Awarded ENERGY STAR Partner of the Year for the 14th consecutive year.
- In 2015, Raytheon became the first aerospace and defense company to earn zero waste certification, with 20 sites certified as of 2020.
- Since 2015, Raytheon decreased its GHG emissions and water consumption by 18% and 23%, respectively.
- Funded eight renewable projects since 2019.
- Reported a 39% decrease in total recordable injuries since 2015.

## Progress and Evaluation

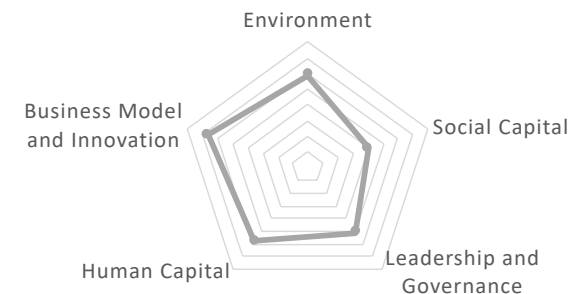
The technology industry is historically unsustainable, but has been improving in recent years. Raytheon recognizes the importance of instituting environmentally safe practices and continues to make steady progress towards achieving their sustainability goals and objectives by 2025, following success with their 2021 sustainability plans. Because over 90% of the company's GHG emissions derive from energy consumption, Raytheon has leveraged its technology expertise to develop systems that recognize and correct energy inefficiencies in its operations and supply chain.

Although improvements can be made, Raytheon has a decent list of ESG goals and resides in a fairly sustainable industry. For this reason, Hamilton Point assigns Raytheon Company a Sustainability Matrix classification of **Good**.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 85.7%

Female Board Members: 28.6%

Average Tenure: 3.1 years

*\*Measured from formation of merged companies*





## Company Overview

**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 markets that include healthcare, transportation, commercial construction, food, energy, water, education and academic research. Roper Technologies' four reportable segments include: Application Software, Network Software & Systems, Process Technologies and Measurement & Analytical Systems.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$5.5B

Net Income: \$950M

Business Segments:

Application Software: \$1.8B (33%)

Network Software & Systems: \$1.7B (31%)

Process Technologies: \$518M (9%)

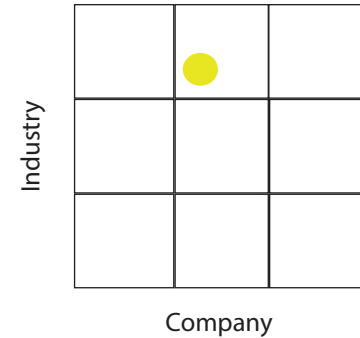
Measurement & Analytical Systems: \$1.5B (27%)

## Progress and Evaluation

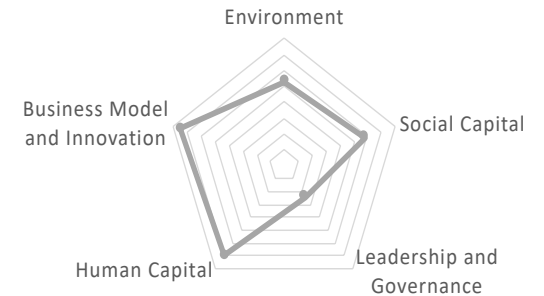
The software industry is fairly sustainable, but is still expected to contribute to important causes such as water and waste management. Roper's operations have the ability to improve the environment and the lives of people. They have a wide range of sustainable goals, including improving the availability of drinking water in areas where people lack access, decreasing energy levels and working with hospitals to lower infection rates and patient costs. However, Roper fails to publish a full environmental sustainability report that could provide detailed measurements of their environmental impact.

While Roper does have a brief document about their sustainability operations on their website, the company fails to provide any quantitative details about its carbon footprint and does not currently have any specific and measurable goals relating to environmental sustainability. For these reasons, Hamilton Point assigns Roper Technologies, Inc. a Sustainability Matrix classification of **Neutral**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Roper's Freight Match operation matches empty trucks with goods that need to be shipped, minimizing empty miles and saving 2,500 gallons of fuel per year.
- Received the Energy Savers Award from the U.S. Department of Energy's Industrial Technologies Program in 2010.

### New/Continuing Initiatives:

- Improves water management by developing more timely leak identification and monitoring water flow.
- Increases the amount of households with access to drinking water by purifying municipal drinking water with low energy consumption.
- Reduces transportation emissions by using EPA-approved vehicle emissions measurement systems.
- Engineers production facilities to eliminate pollutant discharge, install energy efficient lighting and reduce GHG emissions.

## Board Data

Independent Directors: 87.5%

Female Board Members: 37.5%

Average Tenure: 14.2 years

## Company Overview

**Signature Bank (SBNY)** is a full-service commercial bank headquartered in New York, New York with private client offices throughout New York, Connecticut, North Carolina and California. These offices focus on financial strategy for privately owned businesses and their senior management, aiming to decrease overall banking costs. Signature Bank's main services include personalized banking, credit options, cash management systems and flexible financing.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$2B

Net Income: \$528M

Revenue Segments:

Loans and Leases: \$1.7B (83%)

Securities: \$240M (12%)

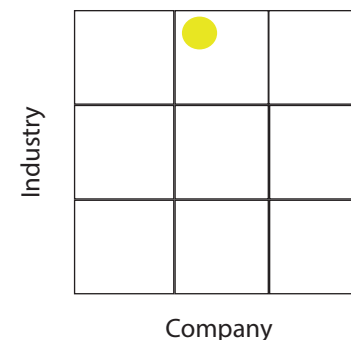
Fees and Other Investments: \$100M (5%)

## Progress and Evaluation

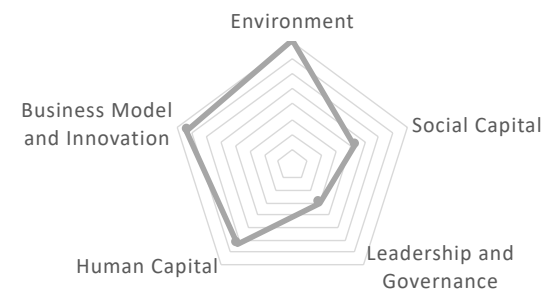
Signature Bank is in the financial services industry, which has recently strengthened its consideration of sustainability across the board. Signature Bank supports this trend by voicing its dedication to sustainability in its company reports. In these reports, Signature Bank discusses how it reduces its environmental footprint by using minimal office space and implementing a variety of initiatives to conserve energy. Workforce well-being and commitment to the community are at the heart of Signature Bank's social sustainability initiatives, continually driving the institution's goal of improving the professional and personal lives of its employees.

Despite Signature Bank's goal of improving both environmental and social sustainability, it has not publicly outlined any future plans to make impact. Signature Bank has the power to make a bigger difference by announcing and planning sustainable initiatives and benchmarking progress, rather than simply stating its values. For these reasons, Hamilton Point assigns Signature Bank a Sustainability Matrix classification of **Neutral**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Engaged in more than \$600M in green lending activities through its SPFC business unit.
- Received the Cigna Well-Being Award each year from 2014-2019.

### New/Continuing Initiatives:

- Installed a variety of energy-saving technologies in its offices, such as LED and motion-sensitive lighting.
- Made a public pledge in 2019 to financially support New York affordable housing.
- Offers a wide range of digital and remote products to employees and clients, thus reducing paper usage.
- Incentivizes its corporate workforce to volunteer with paid time off offered by the CIVIC program.
- Continually invests in affordable housing, non-profits and philanthropic organizations.

## Board Data

Independent Directors: 66.7%

Female Board Members: 22.2%

Average Tenure: 14.3 years

## Company Overview

**Skyworks Solutions, Inc. (SWKS)**, headquartered in Woburn, Massachusetts, is an American semiconductor company. Skyworks manufactures semiconductors for use in radio frequency and mobile communications systems. Its products include power amplifiers, front-end modules and RF products for handsets and wireless infrastructure equipment. Skyworks is a global company with engineering, marketing, operations, sales and support facilities located throughout Asia, Europe and North America and is a member of the S&P 500 and Nasdaq-100 market indices.

### Revenue Statistics (as of FY ended 10/2/2020):

2020 Revenue: \$3.4B

Net Income: \$815M

Business Segments:

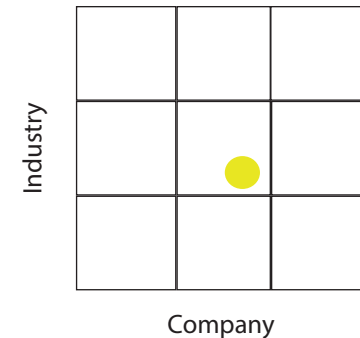
Semiconductors: \$3.4B (100%)

## Progress and Evaluation

The semiconductors industry is an inherently environmentally-unfriendly industry. The production of semiconductors relies on the mining of precious minerals, disrupting the natural environment in sensitive parts of the world. To combat this, Skyworks has implemented a rigorous supply chain compliance process through its work in the Responsible Minerals Initiative, where suppliers cannot provide Skyworks with materials from countries that are not "DRC Conflict-Free."

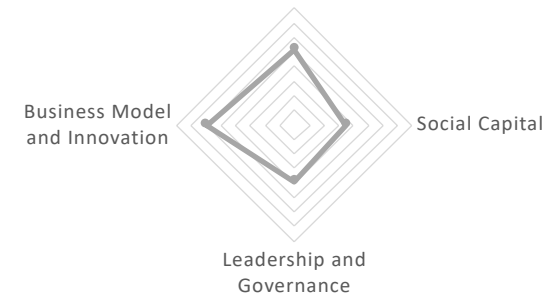
However, Skyworks' Annual Sustainability Report lacks future plans to combat emissions, water use and waste. Skyworks seeks to implement sustainable practices within its operations, but lacks commitments. For its strong sustainable supply chain and failure to create in-depth future goals, Hamilton Point assigns Skyworks a Sustainability Matrix rating of **Neutral**.

## Sustainability Matrix



**Sustainalytics**

Environment



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Eight years of active membership in the Responsible Business Alliance.
- Saved 52.8 million gallons of water and recycled 4,519,000 pounds of waste in 2019.
- 19,017 metric tons of CO2 equivalent emissions diverted in 2019.
- Over 99% compliance rate to the <60-hour work-week standard.

### New/Continuing Initiatives:

- In 2018, Skyworks made a three-year purchase of Renewable Emissions Credits. As a result, Skyworks now sources 48% of energy for U.S. operations from renewable sources.
- Member of the Responsible Minerals Initiative, which helps companies make informed decisions on their supply chains.
- Only source from conflict-free countries, and has five years of consecutive reporting DRC Conflict-Free.

## Board Data

Independent Directors: 75.0%

Female Board Members: 25.0%

Average Tenure: 13.0 years

## Company Overview

The TJX Companies, Inc. (TJX), headquartered in Framingham, Massachusetts, is a world-wide leading retailer for discounted apparel and home fashions. The company has over 4,000 stores that offer value propositions of brand, fashion and quality at prices generally 20% to 60% below department and specialty store prices on comparable merchandise. TJX employs synergistic strategies across all of its business operations and differentiates itself from traditional retailers with opportunistic buying strategies and a flexible business model. The company operates in four major business divisions: Marmaxx and HomeGoods, which are both in the United States, TJX International and TJX Canada.

### Revenue Statistics (as of FY ended 1/30/2021):

2020 Revenue: \$32.1B

Net Income: \$3.3B

Business Segments:

Marmaxx: \$19.4B (60%)

HomeGoods: \$6.1B (19%)

TJX Canada: \$2.8B (9%)

TJX International: \$3.8B (12%)

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Reduced their global GHG emissions by 131,000 metric tons in 2019.
- Named in the FTSE4Good Index for the 19th consecutive year.
- Owns six LEED-certified buildings.
- Achieved a 47% reduction in GHG emissions per million dollars of revenue from 2010 to 2019.
- 78% of TJX's global workforce is women and 57% of TJX's U.S. workforce is people of color.

## Progress and Evaluation

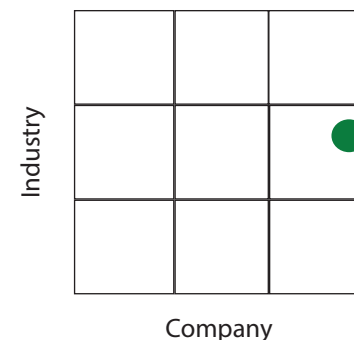
The apparel industry is very harmful to the environment, but TJX has long been committed to pursuing initiatives that are smart for business and good for sustainability. As a result of their increasing global store count in 2016, the company has launched initiatives to reduce environmental impact. Because the majority of the company's carbon footprint is from store electricity usage and fuel burned for product transportation, TJX has launched projects to increase the energy efficiency of buildings and reduce fuel consumption. TJX also promotes diversity and inclusion through a diverse workforce and volunteer initiatives.

TJX publishes a detailed and thorough environmental sustainability report each year that outlines prior accomplishments and future initiatives. Due to its environmental consciousness and commitment to lessening its carbon footprint, Hamilton Point assigns The TJX Companies, Inc. a Sustainability Matrix classification of **Good**.

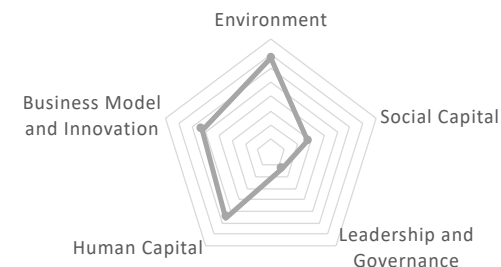
### New/Continuing Initiatives:

- TJX has a Global Environmental Sustainability Committee that seeks to understand the environmental impacts of business operations and provide guidance on how to best conserve resources.
- Aims to reduce 55% of GHG emissions from direct operations by 2030 against a baseline year of 2017.
- Donates to and volunteers with a wide range of community organizations.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 84.6%

Female Board Members: 46.2%

Average Tenure: 14.0 years

## Company Overview

**Unilever PLC (UL)**, based in London, United Kingdom, is a large, multinational consumer goods company. With 161,000 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 including Axe, Ben & Jerry's, Dove, Hellman's, Lipton, Magnum, St. Ives, Vaseline and Wall's. Unilever operates in three segments: Beauty & Personal Care, Food & Refreshment and Home Care.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: €50.7B

Net Income: €5.6B

Business Segments:

Beauty & Personal Care: €21.1B (42%)

Food & Refreshment: €19.1B (38%)

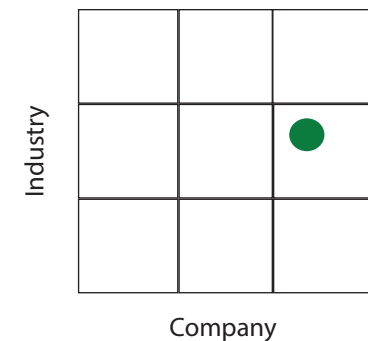
Home Care: €10.5B (20%)

## Progress and Evaluation

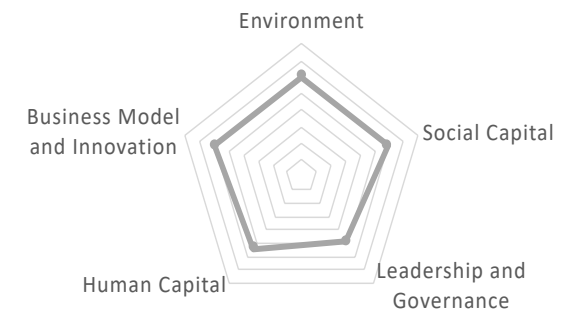
The consumer goods industry has a large impact on the environment through plastic production and its supply chain. Unilever has taken many strides to combat this through efforts that promote a circular economy and waste diversion. The company has abided by the Paris Agreement and launches consistent initiatives to decrease deforestation and GHG emissions. Additionally, Unilever has launched sustainable brands and products, like water purifiers. Unilever has been reporting on sustainability performance since 1996 and continues to launch new programs to enhance health, livelihoods and the environment.

Due to their detailed and transparent sustainability reports, precise goals and commitments and initiatives to promote a sustainable society, Hamilton Point assigns Unilever PLC a Sustainability Matrix classification of **Good**.

## Sustainability Matrix



## Sustainalytics



## Board Data

Independent Directors: 72.7%

Female Board Members: 45.5%

Average Tenure: 9.6 years

## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Achieved 100% renewable energy across five continents in 2019.
- Unilever reached its goal of a 50% female workforce in 2019, one year ahead of schedule.
- Placed top five in the Gartner Supply Chain Top 25 over 2013-2020.
- Helped more than one-billion people avoid life-threatening diseases through preventative measures education.

### New/Continuing Initiatives:

- Enforces a Sustainable Living Plan which seeks to reduce environmental impact 50% by 2030.
- Committed to achieving a deforestation-free supply chain by 2023.
- Works to implement water stewardship programs in 100 of Unilever's most water-stressed areas by 2030.
- Plans to have net zero emissions by 2039 through transitioning to renewable energy across operations, finding low-carbon ingredients, expanding plant-based production and developing fossil-fuel-free cleaning products.

## Company Overview

**Waters Corporation (WAT)**, headquartered in Milford, Massachusetts, develops innovative analytical science solutions to support customer discoveries, operations, performance and regulatory compliance. Specifically, the company designs, manufactures, sells and services ultra performance liquid chromatography, high performance liquid chromatography, chromatography columns & chemistry products, mass spectrometry systems, thermal analysis and rheometry instruments. Waters operates in two segments: Waters Division and TA Instruments.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$2.4B

Net Income: \$522M

Business Segments:

Waters Division: \$2.1B (89%)

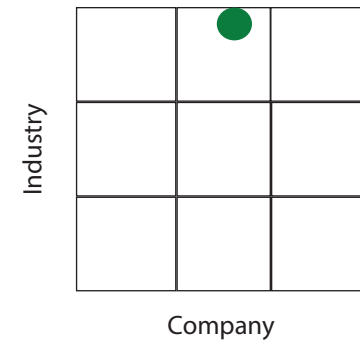
TA Instruments: \$248M (11%)

## Progress and Evaluation

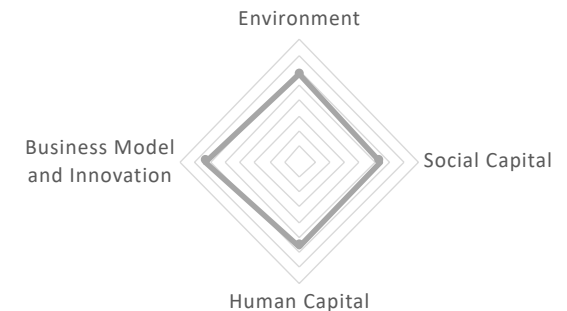
The life science industry in which Waters operates does not pose much of a threat to the environment. Waters released its first sustainability report in 2019, detailing some accomplishments from previous years and a set of goals to be reached by 2025. In 2020, Waters released another sustainability report, highlighting 2019 successes and 2025 progress. Waters has reached multiple goals in its only measurable year of sustainable practice, but it will take time to implement a comprehensive sustainability action plan.

Because of the company's recent developments and highly sustainable industry, Hamilton Point assigns Waters Corporation a Sustainability Matrix classification of **Good**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Achieved global renewable energy use of 27% in 2019.
- Established the International Food and Water Research Centre in 2018 to address global challenges of food and water security and safety.
- Invested \$215M in a new chemistry manufacturing facility using LEED principles.
- Has a 77% average recycling rate.

### New/Continuing Initiatives:

- Implemented a change in testing process that reduces their reliance on Acetonitrile, a potentially toxic substance.
- 2025 goals include sustainably advancing innovation ecosystems, reducing environmental impact, enhancing sustainable supply chain, leading by example in employee development and nurturing a culture of health and safety.
- Goal of reducing GHG emissions by 35% from a 2016 baseline.

## Board Data

- Independent Directors: 88.9%
- Female Board Members: 22.2%
- Average Tenure: 11.4 years

## Company Overview

**YETI Holdings, Inc. (YETI)** is an American outdoor manufacturing company headquartered in Austin, Texas. YETI generates revenue by designing, marketing, retailing and distributing products in the outdoor and recreation market under the YETI trademark. Its most popular consumer products include high-end coolers, stainless steel drinkware and various branded apparel items. Recreational retailers - such as Academy Sports and Outdoors, Bass Pro Shop and Dicks Sporting Goods - are YETI's main customers.

### Revenue Statistics (as of FY ended 1/2/2021):

2020 Revenue: \$1.09B

Net Income: \$156M

Business Segments:

Drinkware: \$628.6M (58%)

Coolers & Equipment: \$446.6M (41%)

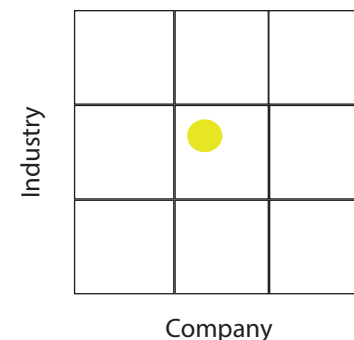
Other: \$14.8M (1%)

## Progress and Evaluation

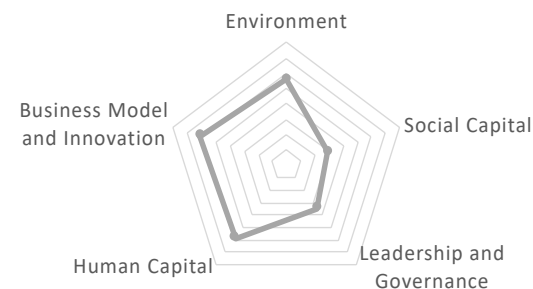
Because of its main revenue sources, YETI is considered to be in the manufacturing industry. YETI is unclear about its future sustainability goals, but its products are inherently environmentally sustainable. By creating products that enable transportation of goods, like coolers and drinkware, YETI reduces plastic and food waste. Additionally, YETI's products are durable and long-lasting, reducing future manufacturing and material use. To be socially impactful, YETI fundraises with various local and national organizations through event sponsorships.

YETI does not have any publicly-outlined future goals regarding environmental sustainability, social sustainability or governance. However, YETI consistently implements initiatives that give back to the community and protect the environment. For these reasons, Hamilton Point assigns YETI a Sustainability Matrix classification of **Neutral**.

## Sustainability Matrix



## Sustainalytics



## Sustainability Accomplishments and Initiatives

### Accomplishments:

- Partners with over 25 organizations that aim to conserve wildlife habitat and improve the environment.
- Organized a "Film Tour" event across nine locations that raised money solely for wildlife conservation.
- Partnered with USA Climbing in 2020 to integrate YETI's sustainable products into international climbing tournaments and training.
- 100% of YETI's suppliers are required to comply with YETI's Supplier Code of Conduct.

### New/Continuing Initiatives:

- Gives select product discounts to qualified non-profit organizations through the YETI fundraising program.
- Incorporates recyclable and responsibly-sourced materials into its products.
- Partners with local and national organizations to donate products and provide financial assistance to underserved populations.
- Produces coolers and drinkware to reach their goal of reducing single-use plastics.

## Board Data

Independent Directors: 75.0%

Female Board Members: 37.5%

Average Tenure: 3.3 years

# 2021 Sustainability Report



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[Introduction](#)

[Global Core Analyses](#)

**[Equity Income Analyses](#)**

[S&P Top 50](#)

[Firm Overview](#)

[Glossary](#)

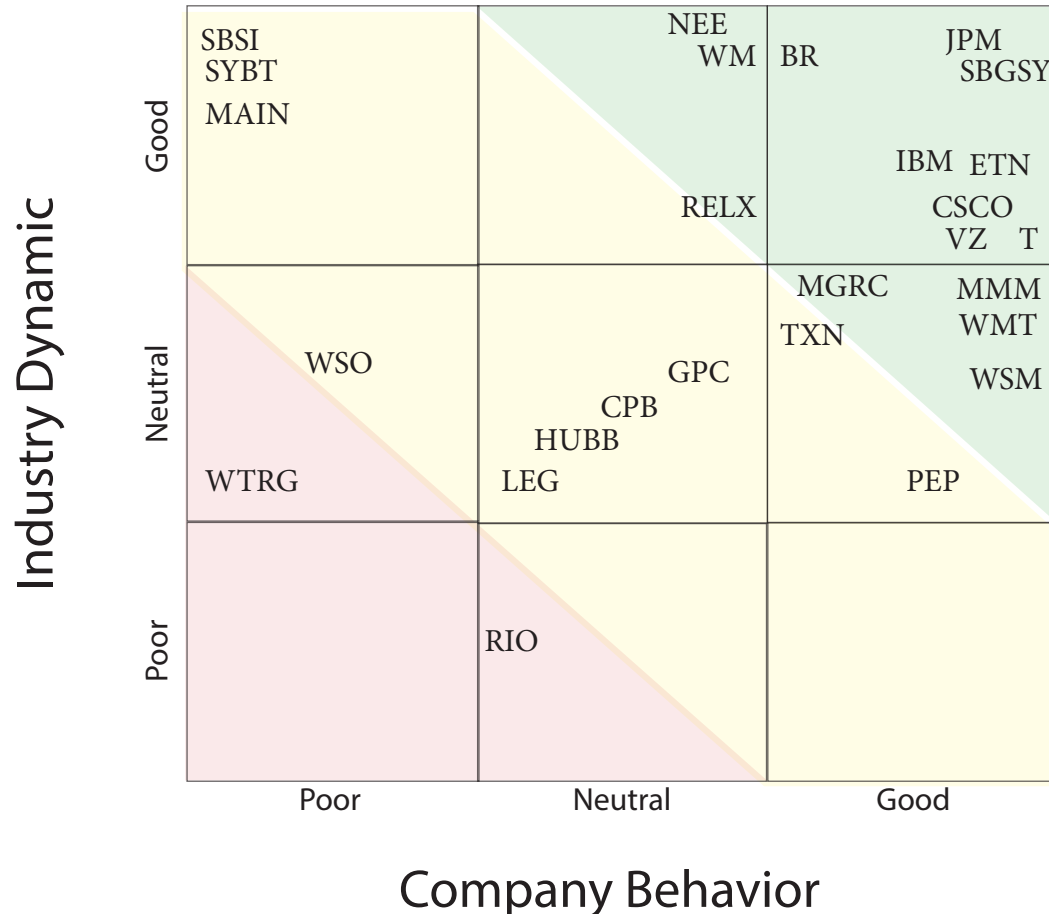
[Disclosure](#)



# The Hamilton Point Sustainability Matrix



This chart is a graphic representation of all companies in our Equity Income Strategy as of June 30, 2021. 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.



## Good Companies

MMM	The 3M Company	NEE	NextEra Energy Inc.
T	AT&T Incorporated	RELX	RELX PLC
BR	Broadridge Financial Solutions, Inc.	SBGSY	Schneider Electric
CSCO	Cisco Systems, Inc.	VZ	Verizon Communications Inc.
ETN	Eaton Corp. PLC	WMT	Walmart Inc.
IBM	International Business Machines Corp.	WM	Waste Management, Inc.
JPM	JPMorgan Chase & Co.	WSM	Williams-Sonoma, Inc.
MGRC	McGrath RentCorp		

## Neutral Companies

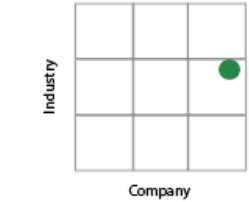
CPB	Campbell Soup Co.	WSO	Watsco Inc.
GPC	Genuine Parts Company		
HUBB	Hubbell Incorporated		
LEG	Leggett & Platt, Inc.		
MAIN	Main Street Capital Corp.		
PEP	PepsiCo, Inc.		
SBSI	Southside Bancshares, Inc.		
SYBT	Stock Yards Bancorp, Inc.		
TXN	Texas Instruments Inc.		

## Poor Companies

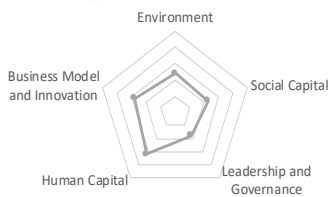
WTRG	Essential Utilities Inc.
RIO	Rio Tinto PLC



### HP Sustainability Matrix



### Sustainalytics



## The 3M Company (MMM)

**The 3M Company (MMM)**, headquartered in St. Paul, Minnesota, is an American multinational conglomerate corporation operating in the fields of industry, worker safety, U.S. health care and consumer goods. 3M manufactures products in its respective industries under an extensive list of brand names, which are then sold to consumers.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$32.2B

Net Income: \$5.4B

### Business Segments:

- Safety & Industrial: \$11.8B (37%)
- Transportation & Electronics: \$8.8B (27%)
- Health Care: \$8.3B (26%)
- Consumer: \$5.3B (17%)
- Corporate & Unallocated: -\$1M (-1%)
- Elimination of Dual Credit: -\$2.1B (-6%)

## Evaluation and Board

3M is in the manufacturing industry, which typically faces issues with natural resource and energy use. Although 3M uses large volumes of natural resources, they publish a detailed sustainability report each year with current progress and future goals. In addition to their dedication to sustainability, 3M responded very well to the COVID-19 pandemic, creating and donating products to treat those infected. Although 3M excels in many areas of sustainability, it has faced multimillion dollar lawsuits, such as claims concerning PFAS and a Minnesota town's cleanup of toxic chemicals.

### Board Data:

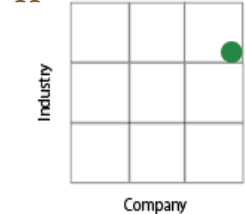
- Independent Directors: 92.3%
- Female Board Members: 23.1%
- Average Tenure: 8.4

## ESG Progress

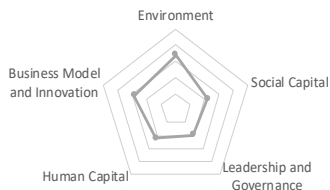
- In 2020, 3M products helped customers avoid 16.6M tons of GHG emissions.
- Donated \$87.9M since 2015, achieving their 2025 goal five years ahead of schedule.
- Produced 2B N95 respirators by the end of 2020.
- Expects to achieve a 10% reduction in water use by 2022 and a 25% reduction by 2030, saving 2.5B gallons of water annually.
- Will invest approximately \$1B over the next 20 years towards sustainable development.
- Aims to double diverse talent in management by 2025 from a 2015 baseline.



### HP Sustainability Matrix



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## AT&T Inc. (T)

**AT&T Inc. (T)** is an American multinational conglomerate that is Delaware-registered and headquartered in Dallas, Texas. As the world's largest telecommunications company by revenue, AT&T is most widely known for their cellphone services. In addition to this, the company also offers products and services related to data, internet, web conferencing and network security.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$171.8B

Net Income: -\$5.4B

### Business Segments:

- Communications: \$138.9B (81%)
- WarnerMedia: \$30.4B (18%)
- Latin America: \$5.7B (3%)
- Corporate & Other: \$1.9B (1%)
- Eliminations: -\$5.2B (-3%)

## Evaluation and Board

AT&T is in the telecommunications industry, which has been taking steps to reduce its energy usage and GHG emissions. AT&T supports this trend through their annual sustainability reports and consistent progress updates. The company does well with both social and environmental initiatives, as it creates ambitious future climate goals and seeks to improve company-wide diversity.

### Board Data:

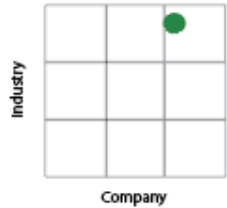
- Independent Directors: 81.8%
- Female Board Members: 18.2%
- Average Tenure: 9.1

## ESG Progress

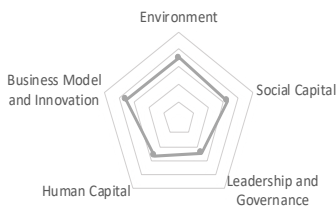
- Will be carbon neutral by 2035.
- Has refurbished or recycled 229M devices since 2007.
- Has committed more than \$600M to educational programs since 2008.
- Spent \$3B with black-owned suppliers across the United States in 2020.
- Spent \$13.2B with businesses owned by minorities.
- 9,800 schools across eight Latin American countries have been positively impacted by AT&T's ESCUELA+ initiative.



**HP Sustainability Matrix**



**Sustainalytics**



**Broadridge Financial Solutions, Inc. (BR)**

**Broadridge Financial Solutions, Inc. (BR)** began as the brokerage services division of ADP. Since its independence in 2007, it has grown into a global fintech company recognized as an invaluable partner for many of the world's leading institutions. Broadridge generates value for its clients by creating solutions for enriching client engagement, navigating risk, optimizing efficiency and increasing revenue.

**Revenue Statistics (As of FY ended 6/30/2020):**

2020 Revenue: \$4.5B

Net Income: \$230M

**Business Segments:**

Recurring Fees: \$3B (67%)

Event Driven Fees: \$178M (4%)

Distribution: \$1.5B (33%)

Currencies: -\$34M (-1%)

Other: -\$102M (-3%)

**Evaluation and Board**

Broadridge is a public corporate services company, which falls into the software & services industry. The software & services industry is relatively sustainable, with the exception of energy usage at data centers. Broadridge publishes a sustainability report each year outlining their values, initiatives and progress. Although their benchmarks and goals are less ambitious than other companies in this report, their environmental impact is relatively low, thus keeping them at minimal risk for environmental issues.

**Board Data:**

Independent Directors: 92.3%

Female Board Members: 30.8%

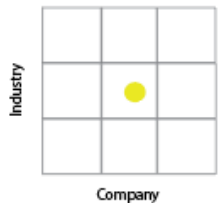
Average Tenure: 10.6

**ESG Progress**

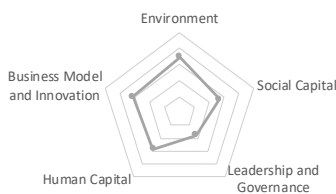
- Has eliminated over 80% of clients' fund and issuer paper communications.
- Reduced GHG emissions 24.2% from 2013 to 2019.
- 100% of paper products produced and sold are sourced from responsibly managed forests.
- Aims to reduce GHG emissions 15% by 2025 from a 2019 baseline.
- Has a variety of associate networks that promote diversity, such as the MultiCultural Associate Network, the Women's Leadership Forum and B.Pride.



**HP Sustainability Matrix**



**Sustainalytics**



**Campbell Soup Co. (CPB)**

**Campbell Soup Co. (CPB)**, based in Camden, New Jersey, is an American food company that produces and sells various meals, beverages and snacks. Campbell is traditionally known for its soup products, but through mergers and acquisitions, Campbell has grown into one of the largest processed food companies in the United States. Approximately 95% of American households have a Campbell brand item in their home.

**Revenue Statistics (as of FY ended 7/31/2020):**

2020 Revenue: \$8.6B

Net Income: \$1.6B

**Business Segments:**

Meals & Beverages: \$4.6B (53%)

Snacks: \$4B (47%)

**Evaluation and Board**

Campbell is in the consumer industry, which is historically unsustainable, especially with waste disposal and energy usage. Despite industry disadvantages, Campbell publishes an annual sustainability update outlining its current initiatives, progress and future goals. Especially with social sustainability, the company sets ambitious goals far above the industry standard. However, Campbell failed to reach multiple sustainability goals in 2020. It will take more efforts from Campbell to reach the goals it has set for 2025.

**Board Data:**

Independent Directors: 72.7%

Female Board Members: 36.4%

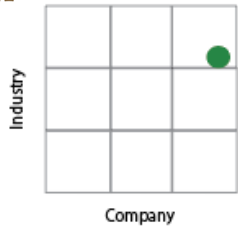
Average Tenure: 8.7

**ESG Progress**

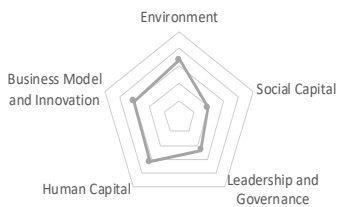
- Donated \$9M in food and funds towards COVID-19 relief.
- Reduced GHG emissions by 26% since 2012.
- Committed to increasing food access for 100K residents and providing nutrition education to 50K residents in various communities by 2025.
- Aims to engage 70% of employees in community-based activities by 2025.
- Will responsibly source 100% of priority raw materials by 2025.



**HP Sustainability Matrix**



**Sustainalytics**



**Cisco Systems, Inc. (CSCO)**

**Cisco Systems, Inc. (CSCO)**, based in San Jose, California, is an American multinational technology conglomerate that develops, manufactures and sells networking hardware, software and other high-technology services and products. Cisco seeks to deliver innovative solutions to transform the businesses of corporations, government agencies, utilities and educational institutions.

**Revenue Statistics (As of FY ended 7/25/2020):**

2020 Revenue: \$49.3B

Net Income: \$11.2B

**Business Segments:**

- Infrastructure Platforms: \$27.1B (55%)
- Services: \$13.3B (27%)
- Applications: \$5.6B (11%)
- Security: \$3.2B (6%)
- Other: \$135M (<1%)

**Evaluation and Board**

Cisco is in the software & services industry, which has a relatively low environmental impact. In addition to the low impact of its industry, Cisco is a large advocate for ESG awareness. The company publishes an annual Corporate and Social Responsibility Report, where it talks about its progress within the ESG space. In addition to explaining its substantial progress, Cisco outlines future goals concerning diversity targets, climate change and supply chain excellence.

**Board Data:**

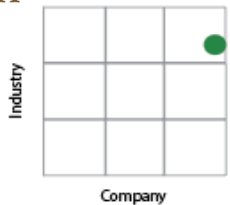
- Independent Directors: 75.0%
- Female Board Members: 33.3%
- Average Tenure: 6.3

**ESG Progress**

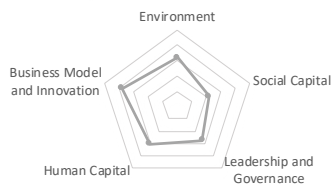
- Donated \$458M in cash and in-kind contributions to community programs in 2020.
- Ranked No. 1 in The Gartner Supply Chain Top 25 in 2020.
- 83% of Cisco's global electricity and 100% of Cisco's U.S. electricity was generated by renewable sources in 2020.
- Committed to incorporating Circular Design Principles in 100% of new Cisco products and packaging by 2025.
- Aims to positively impact 1 billion people through social impact grants and signature programs by 2025.



**HP Sustainability Matrix**



**Sustainalytics**



**Eaton Corporation PLC (ETN)**

**Eaton Corporation PLC (ETN)** is an American, Irish-domiciled multinational power management company with corporate headquarters in Dublin, Ireland and operational headquarters in Beachwood, Ohio. Eaton helps their customers work more safely, be more energy efficient and live more sustainably with their industry-leading electrical, aerospace, hydraulic and vehicle products and services.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$17.9B

Net Income: \$1.4B

**Business Segments:**

- Electrical: \$11.4B (64%)
- Hydraulics: \$1.8B (10%)
- Aerospace: \$2.2B (12%)
- Vehicle: \$2.1B (12%)
- eMobility: \$292M (2%)

**Evaluation and Board**

Eaton has a wide variety of products and services, but is best classified as part of the industrial industry. Many companies in industrials incorporate sustainability through energy and waste conservation. Eaton addresses both of these issues while simultaneously working towards carbon neutrality, increased diversity & inclusion and a highly sustainable supply chain.

**Board Data:**

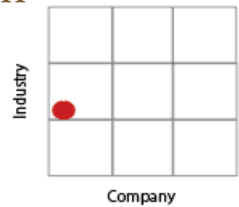
- Independent Directors: 77.8%
- Female Board Members: 33.3%
- Average Tenure: 6.5

**ESG Progress**

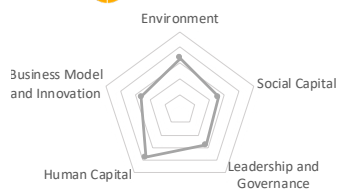
- 90% of suppliers have affirmed Eaton's Code of Conduct.
- Recycles approximately 99% of copper process scraps.
- Recognized in the FTSE4Good Index, 100 Best Corporate Citizens and Prime Employer for Women in 2020.
- Committed to reaching carbon neutrality, making 100% of manufacturing sites zero waste-to-landfill certified and making 10% of manufacturing sites zero water discharge certified by 2030.
- Aims to invest \$3B in sustainability R&D by 2030.



### HP Sustainability Matrix



### Sustainalytics



## Essential Utilities Inc. (WTRG)

In March of 2020, Aqua America acquired Peoples Gas and was renamed Essential Utilities, thus creating one of the largest water, wastewater and natural gas providers in the United States. **Essential Utilities Incorporated (WTRG)** serves approximately 5M people across ten states under the Aqua and Peoples brands. The company seeks to improve the reliability and safety of existing infrastructure, ensuring efficient United States water and natural gas transportation.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$1.5B

Net Income: \$285M

### Business Segments:

Water: \$939M (64%)

Natural Gas: \$507M (35%)

Other: \$18M (1%)

## Evaluation and Board

Essential Utilities is in two industries: wastewater management and natural gas. Wastewater management is clean and seeks to help the environment, while natural gas is extremely controversial. Essential Utilities hasn't published a sustainability report since 2019 and rarely updates their progress. In addition to this concern, the company has very few specific goals or plans for the future. Consistency and a clear course of action would improve Essential Utilities' rating.

### Board Data:

Independent Directors: 84.6%

Female Board Members: 30.8%

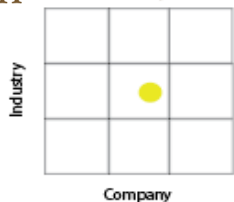
Average Tenure: 8.2

## ESG Progress

- Aims to reduce Scope 1 and 2 GHG emissions 60% by 2035 compared to a 2019 baseline.
- Improved fleet mileage by 19% in 2019 compared to the previous 3-year average.
- Has invested over \$2B in infrastructure improvements and replaced more than 800 miles of aging water main since 2012.
- Wastewater systems achieve greater than 90% removal of regulated elements during the treatment process.



### HP Sustainability Matrix



### Sustainalytics

\*ESG data was not available for Genuine Parts Company on FactSet for the year 2020\*

## Genuine Parts Company (GPC)

**Genuine Parts Company (GPC)** is a global service organization engaged in the distribution of automotive and industrial replacement parts. Headquartered in Atlanta, Georgia, Genuine Parts has customers across 10,000 locations in 14 countries. The company's revenue segments include Automotive and Industrial.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$16.5B

Net Income: -\$29M

### Business Segments:

Automotive: \$10.9B (66%)

Industrial: \$5.7B (34%)

## Evaluation and Board

Genuine Parts is in the automotive industry, which is highly unsustainable due to heavy resource use and excessive waste. Genuine Parts fights these issues through various initiatives, such as waste and water conversion programs. Although the company releases a sustainability report each year, their future goals and current progress are vague. The company's decision to publish sustainability reports is a good step, but it may take years for Genuine Parts to make a substantial environmental impact.

### Board Data:

Independent Directors: 90.0%

Female Board Members: 20.0%

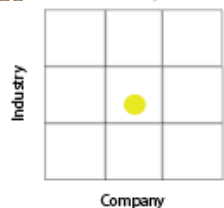
Average Tenure: 7.3

## ESG Progress

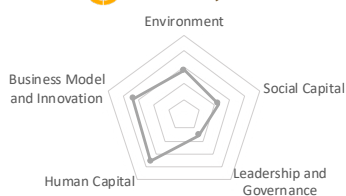
- Recycled thousands of tons of waste through their comprehensive recycling program.
- Donated to a plethora of philanthropic organizations in 2020.
- Reduced GHG emissions by 5.3% in 2020.
- Completed 398 social compliance audits since 2015.
- Saved 7.51M gallons of water since inception.
- Enforces sustainable supply chain policies among its vendors.
- Seeks to increase diversity in management through recruiting more women and people of color.



### HP Sustainability Matrix



### Sustainalytics



## Hubbell Inc. (HUBB)

**Hubbell Inc. (HUBB)**, based in Shelton, Connecticut, manufactures electrical and electronic products for commercial, industrial, utility and telecommunications markets. The company's products include plugs, connectors, fixtures, measurement equipment and more. Hubbell has 19,100 employees across ten countries, but conducts most of its business in the United States.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$4.2B

Net Income: \$407M

Business Segments:

Electrical Solutions: \$2.3B (55%)

Utility Solutions: \$1.9B (45%)

## Evaluation and Board

Hubbell is part of the electrical manufacturing industry, which has had issues historically with natural resource and energy use. Hubbell is a fairly average performer in its industry, as it implements decent ESG practices. Hubbell updates its website annually with ESG progress, which is a great way to promote company and industry-wide sustainability. Despite its transparency and improvements over the past decade, Hubbell's goals lack ambition and rarely effectively combat the damage done by electrical manufacturing.

### Board Data:

Independent Directors: 91.7%

Female Board Members: 16.7%

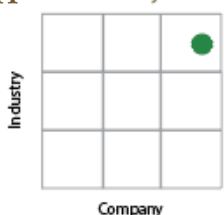
Average Tenure: 8.2

## ESG Progress

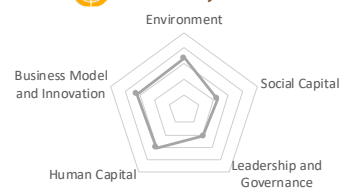
- Has a 42% ethnically and racially diverse workforce in the United States.
- Reduced total recordable incident rate by 42% since 2015.
- Donated \$1M to science, technology, engineering, math programs and charities in 2020.
- Offers products powered by solar and wind, promoting renewable energy use among its clients.
- Works closely with commercial and residential customers to provide low-energy lighting fixtures, saving customers over 100M kWh of electricity annually.



### HP Sustainability Matrix



### Sustainalytics



## International Business Machines (IBM)

**International Business Machines Corp. (IBM)** is an American multinational technology company headquartered in Endicott, New York. As one of the most well-known computer companies in the world, IBM produces and sells computer hardware, middleware and software and provides technology consulting services.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$73.6B

Net Income: \$5.6B

Business Segments:

Cloud & Cognitive Software: \$23.4B (32%)

Global Business Services: \$16.2B (22%)

Global Technology Services: \$25.8B (35%)

Systems: \$7B (10%)

Global Financing: \$1.1B (1%)

Other: \$169M (<1%)

## Evaluation and Board

Because IBM is in the technology industry, they have the power to create innovative sustainable solutions. In addition to consistently improving the ESG practices of both themselves and their clients, IBM applied science and technology to the COVID-19 response in 2020 through creating and donating supercomputing devices. Although IBM has a large environmental footprint due to its global scale, it effectively mitigates its negative environmental impact through a wide range of solutions and initiatives.

### Board Data:

Independent Directors: 70.0%

Female Board Members: 40.0%

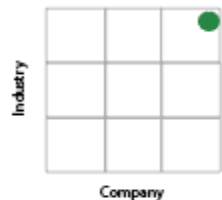
Average Tenure: 8.7

## ESG Progress

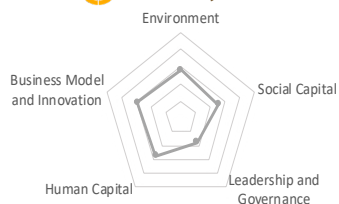
- Made over \$395M in global corporate contributions.
- Reduced carbon emissions by 56.6% against a 2005 baseline.
- Helped form OneTen to create one million jobs for Black Americans over ten years.
- Committed to net zero GHG emissions by 2030.
- Will create an additional 3,000 conservation projects across IBM by 2025 compared to 2019.
- Aims to use 75% renewable electricity by 2025 and 90% renewable electricity by 2030.
- Publishes an annual Diversity & Inclusion Report in addition to their Corporate Responsibility Report.

# J.P.Morgan

## HP Sustainability Matrix



## Sustainalytics



## JPMorgan Chase & Co. (JPM)

JPMorgan Chase & Co. (JPM), based in New York, New York, is a global leader in financial services, offering solutions to corporations, governments and institutions across more than 100 countries. JPMorgan's most popular services include investment banking, financial services for consumers and small businesses, commercial banking, financial transactions processing and asset management.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$119.5B

Net Income: \$29.1B

### Business Segments:

- Consumer & Community: \$51.3B (43%)
- Corporate & Investment: \$49.3B (41%)
- Commercial Banking: \$9.3B (8%)
- Asset & Wealth Management: \$14.2B (12%)
- Corporate: -\$1.2B (-1%)
- Other: -\$3.4B (-3%)

## Evaluation and Board

JPMorgan is in the financial services industry, which is fairly environmentally clean across the board. JPMorgan is one of the industry's leaders in ESG progress, as it makes consistent contributions towards environmentally and socially significant causes. The company has many previous accomplishments regarding ESG and continues to set ambitious future goals. Although it is an ESG leader, JPMorgan had a recent settlement regarding trading practices that amounted to a record \$920M, indicating a potential governance issue.

### Board Data:

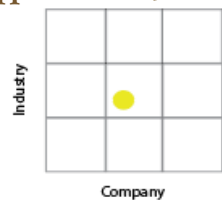
- Independent Directors: 81.8%
- Female Board Members: 27.3%
- Average Tenure: 12.8

## ESG Progress

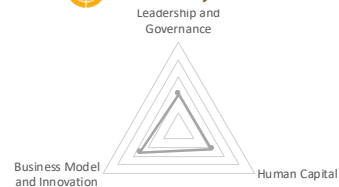
- Scored a 100 on Human Rights Campaign's Corporate Equality Index.
- #1 bank for COVID-19 response according to JUST Capital.
- Provided over \$200M in philanthropic capital towards small businesses in the past five years, including \$20M in COVID-19 relief.
- Will deploy \$1.75B in philanthropic capital worldwide by 2023.
- Committed \$30B to advance racial equity.
- Aims to donate \$350M to grow black, Latinx, women-owned and other underserved small businesses by 2026.

# Leggett & Platt

## HP Sustainability Matrix



## Sustainalytics



## Leggett & Platt, Inc. (LEG)

Leggett & Platt, Inc. (LEG) is a multibillion dollar company that innovates in a variety of industries, such as automotive, aerospace, adjustable beds, machinery and furniture. Leggett & Platt's primary business model is based on innovating ordinary products to make them more efficient and helpful for consumers.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$4.3B

Net Income: \$248M

### Business Segments:

- Bedding Products: \$2B (47%)
- Specialized Products: \$891M (21%)
- Furniture, Flooring & Textile: \$1.3B (32%)

## Evaluation and Board

Leggett & Platt is in the manufacturing and industrials industry, which has had issues historically with waste and natural resource use. Leggett & Platt publishes a detailed sustainability report each year, which is a great step in promoting transparency. Despite their efforts, Leggett & Platt lacks ambition in comparison to the rest of the companies in this report. As a multibillion dollar company, Leggett & Platt needs to set clear future goals, especially within corporate governance.

### Board Data:

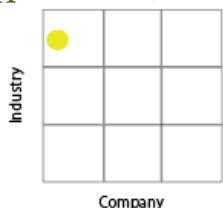
- Independent Directors: 77.8%
- Female Board Members: 22.2%
- Average Tenure: 8.5

## ESG Progress

- Has been named to Fortune's Most Admired Companies list every year since 2013.
- Contributed over \$600K in cash or in-kind donations to more than 100 agencies in 12 countries.
- Evaluates suppliers with the Leggett & Platt Supplier Code of Conduct.
- Over 90% of steel used is produced from recycled steel scrap.
- Its automotive sector designs and engineers lightweight components that reduce overall vehicle weight, improve fuel efficiency and reduce noise.



HP Sustainability Matrix



Sustainalytics

\*ESG data was not available for Main Street Capital Corporation on FactSet for the year 2020\*

## Main Street Capital Corp. (MAIN)

**Main Street Capital Corporation (MAIN)**, based in Houston, Texas, has helped over 200 private companies grow or transition by providing flexible private equity and debt capital solutions. Main Street Capital is unique from Wall Street and other firms because of its emphasis on relationship-building and goal of creating tailored solutions for its clients. The company prides itself on its flexible and long-term capital, operational autonomy and efficient execution.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$223M  
 Net Income: \$138M  
 Business Segments:  
 Investments: \$223M (100%)

## Evaluation and Board

Main Street Capital is in the financial services industry, which is relatively clean in nature. Because Main Street Capital is a smaller firm, they haven't had a large environmental impact to date. The company does not publish an annual sustainability report, but does publish ESG and CSR strategy reports each year. Although it is a good first step to state company values, Main Street Capital's strategy reports only total to three pages of vague information. Main Street Capital needs to publish reports with specific benchmarks and future goals.

**Board Data:**

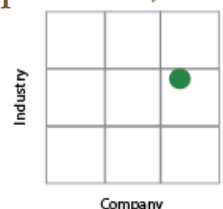
Independent Directors: 75.0%  
 Female Board Members: 37.5%  
 Average Tenure: 10.9

## ESG Progress

- Has committed over \$700K to their scholarship program and paid out nearly \$300K in scholarships since its creation in 2017.
- Approaches ESG with respect to corporate activities, including the evaluation of investments.
- Supports Child Advocates, Friends for Life, Ronald McDonald House, Star of Hope and Houston Arboretum with financial donations and employee volunteer hours.
- Aims to develop a more diverse and inclusive workforce through their Women's Initiative.



HP Sustainability Matrix



Sustainalytics

\*ESG data was not available for McGrath RentCorp on FactSet for the year 2020\*

## McGrath RentCorp (MGRC)

**McGrath RentCorp (MGRC)**, headquartered in Livermore, California, is a business-to-business rental company that rents and sells relocatable modular buildings, storage containers & offices, electronic test equipment and liquid & solid containment tanks and boxes. Additionally, McGrath sells portable classrooms and modular school buildings for growing education systems. With 40 years of experience, McGrath serves a broad spectrum of industries including telecommunications, construction, education, petrochemical and environmental.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$573M  
 Net Income: \$102M  
 Business Segments:  
 Rental Operations: \$444M (77%)  
 Sales: \$125M (22%)  
 Other: \$4M (<1%)

## Evaluation and Board

McGrath RentCorp is in the rental & leasing services industry, which has mixed information on sustainability. McGrath has a low company scale and low environmental impact, but still publishes an annual sustainability report to evaluate potential initiatives to mitigate its damage. McGrath's main shortcoming in sustainability is its lack of social and corporate governance initiatives.

**Board Data:**

Independent Directors: 91.7%  
 Female Board Members: 25.0%  
 Average Tenure: 10.4

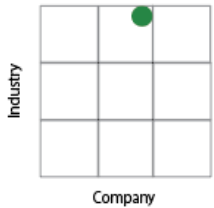
## ESG Progress

- Reduced total injuries by 70% since 2016.
- Had a record low Total Recordable Incident Rate in 2020.
- Has an ESG committee that meets monthly and reports directly to the CEO and Board of Directors.
- Incorporates energy-saving technologies and systems in their operations, such as high-efficiency HVAC and energy systems.
- Working to implement an Energy Management System to mitigate climate change risks.

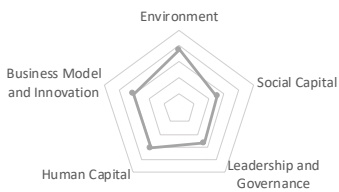




HP Sustainability Matrix



Sustainalytics



## NextEra Energy Inc. (NEE)

**NextEra Energy Inc. (NEE)**, based in Juno Beach, Florida, is the world's largest utility company. NextEra Energy is proud to be the world's largest producer of wind and solar energy and hopes to lead in the next era of global energy use. The company is recognized among the "top 25 in the world for innovation" according to Fortune magazine and has a market capitalization and entrepreneurial spirit that continues to expand.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$18B

Net Income: \$2.4B

Business Segments:

NextEra Energy: \$18B (100%)

## Evaluation and Board

NextEra is in the electric power industry and has a focus on renewable energy. As the world's largest producer of wind and solar energy with plans to increase its output, NextEra helps to lower emissions directly through its products. In addition to its sustainability in production, NextEra publishes a sustainability report each year that expands on their future goals and current progress. NextEra also helped to combat the COVID-19 pandemic, donating over \$5M in 2020.

**Board Data:**

Independent Directors: 85.7%

Female Board Members: 21.4%

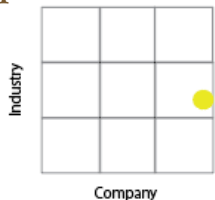
Average Tenure: 11.3

## ESG Progress

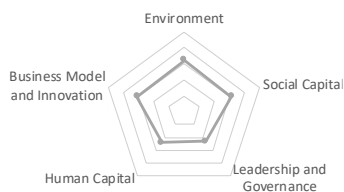
- Invested \$14.6B in American energy infrastructure in 2020.
- 82% improvement in overall company safety performance since 2003.
- Recognized by Forbes as one of America's Best Employers for Diversity for the fourth consecutive year in 2020.
- Plans to deploy more than \$1B in capital to the renewable energy sector in 2021.
- Aims to reduce its carbon emissions rate 67% by 2025 from a 2005 baseline.
- Invested more than \$34B in wind and solar over the past decade.



HP Sustainability Matrix



Sustainalytics



## PepsiCo, Inc. (PEP)

**PepsiCo, Inc. (PEP)**, based in the town of Purchase in Harrison, New York, is a multinational food, snack and beverage corporation. Mainly known for its soft drinks, PepsiCo oversees the manufacturing, distribution and marketing of its products. The company encompasses nearly all areas of the food, snack and beverage market and has a portfolio of 22 brands including Frito-Lay, Gatorade and Quaker Oats.

**Revenue Statistics (as of FY ended 12/26/2020):**

2020 Revenue: \$70.4B

Net Income: \$7.1B

Business Segments:

Food: \$38.7B (55%)

Beverage: \$31.7B (45%)

## Evaluation and Board

PepsiCo is in the food, snack and beverage industry, which is very harmful towards the environment. Although the company's industry is one of the worst, PepsiCo acknowledges the issue and implements a variety of initiatives to mitigate its impact. Especially in the areas of sustainable sourcing, safe water and social justice, PepsiCo excels compared to its competitors. In addition to its impressive progress, PepsiCo has many long-term ambitious goals.

**Board Data:**

Independent Directors: 45.5%

Female Board Members: 45.5%

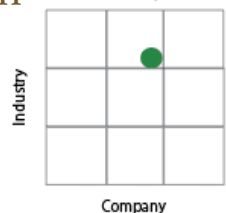
Average Tenure: 5.6

## ESG Progress

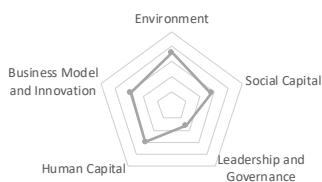
- Plans to spread regenerative farming practices across 7M acres globally and save at least 3M tons of GHG emissions by 2030.
- Through Pepsi's SodaStream business, 78B single-use plastic bottles will be avoided by 2025.
- Invested over \$55M in safe water access programs and catalyzed nearly \$700M in funding from other donors.
- Aims to reach net zero emissions by 2040.
- Achieved 100% renewable electricity for U.S. direct operations in 2020.
- Committed to investing more than \$570M by 2025 to support black and Hispanic businesses and communities.



### HP Sustainability Matrix



### Sustainalytics



## RELX PLC (RELX)

**RELX PLC (RELX)**, headquartered in London, United Kingdom, provides information-based analytics and decision tools for professional and business customers. Serving clients in more than 180 countries, RELX has a large impact on global technological solutions. The company develops its tools for customers in four main sectors: Scientific, Technical & Medical, Risk, Legal and Exhibitions.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: £7.1B

Net Income: £1.2B

### Business Segments:

Scientific, Technical & Medical: £2.7B (38%)

Risk: £2.4B (34%)

Legal: £1.6B (23%)

Exhibitions: £362M (5%)

## Evaluation and Board

RELX is in the technology & software industry, which is generally environmentally friendly. RELX has been recognized by multiple organizations for its sustainable practices and investments. Although the company has been funding sustainable projects for years, RELX could improve its ratings by benchmarking specific progress and setting quantitative future goals.

### Board Data:

Independent Directors: 70.0%

Female Board Members: 40.0%

Average Tenure: 3.2

## ESG Progress

- 1st percentile out of 12,000+ companies in Sustainalytics' ESG Risk Rating.

- Included in Bloomberg's Gender Equality Index.

- Has over 100 Employee Resource Group networks.

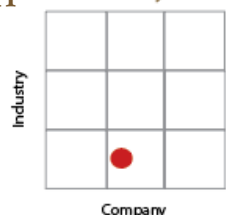
- Invested \$11M in training in 2020.

- Purchased renewable energy equal to 100% of global consumption in 2020.

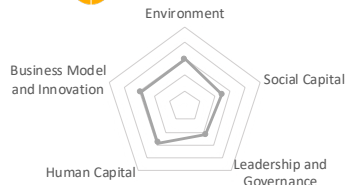
- 93% of waste diverted from landfills from reporting locations through recycling, composting and energy generation from waste in 2020.



### HP Sustainability Matrix



### Sustainalytics



## Rio Tinto PLC (RIO)

**Rio Tinto PLC (RIO)**, headquartered in London, United Kingdom, is an Anglo-Australian multinational mining group that focuses on finding, mining and processing mineral resources. As the world's second largest metals and mining corporation, Rio Tinto supplies great amounts of iron, aluminum, copper, diamonds and more to 35 countries globally.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$44.6B

Net Income: \$9.8B

### Business Segments:

Iron Ore: \$27.5B (62%)

Aluminium: \$9.3B (21%)

Copper & Diamonds: \$5.4B (12%)

Energy & Minerals: \$5B (11%)

Equity & Intra-Subsidiary Units: -\$2.4B (-6%)

## Evaluation and Board

Rio Tinto is in the mining industry, which has an extremely negative impact on the environment. Rio Tinto directly depletes the environment of its natural resources and destroys wildlife habitat. The company updates their sustainability metrics on their website each year and continues to set goals for the future. Although these goals are not ambitious enough to offset the damage of their continuing operations, they are still very helpful for communities.

### Board Data:

Independent Directors: 69.2%

Female Board Members: 38.5%

Average Tenure: 8.7

## ESG Progress

- Donated \$1B from 2015-2020 for climate related projects.

- Invested \$47M in communities in 2020.

- 75% of electricity used at managed operations in 2020 was from renewable sources.

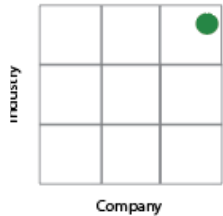
- Ranked third globally in the 2020 Corporate Human Rights Benchmark.

- Aims to have net zero emissions by 2050.

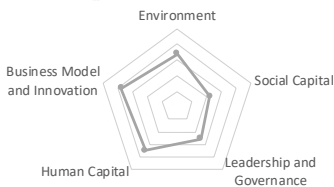
- Invested \$25M to support community COVID-19 preparedness across the globe, mostly with in-kind contributions.



HP Sustainability Matrix



Sustainalytics



## Schneider Electric (SBGSY)

**Schneider Electric (SBGSY)** is a multinational company that provides energy and automation digital solutions. Based in Rueil-Malmaison, France, Schneider Electric serves homes, buildings, data centers, infrastructure and industries across more than 100 countries. The company engineers efficiency and sustainability into each of their products.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: €25.2B

Net Income: €2.1B

**Business Segments:**

Energy Management: €19.3B (77%)

Industrial Automation: €5.8B (23%)

## Evaluation and Board

Schneider Electric is in the energy industry, which is fairly environmentally friendly. Schneider Electric publishes a sustainability report annually, in addition to their unique quarterly evaluations. The company is an industry leader in the ESG space and has a profound impact on its customers and community through large donations, diverse leadership and ambitious climate initiatives. Schneider Electric's industry doesn't pose many risks, but the company still sets and reaches many sustainable goals.

**Board Data:**

Independent Directors: 87.5%

Female Board Members: 18.8%

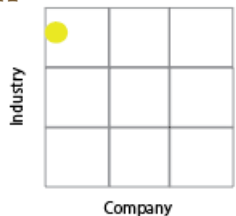
Average Tenure: 13.3

## ESG Progress

- Aims to be carbon neutral in operations by 2025.
- All products will be carbon neutral by 2040.
- Working towards a net zero emissions supply chain by 2050.
- Reached 80% renewable electricity in operations in 2020.
- Invested €20M in local communities in 2020.
- Recognized for the second year in a row by the Financial Times as a Diversity Leader.
- Trained over 280K underprivileged people in energy management.



HP Sustainability Matrix



Sustainalytics

\*ESG data was not available for Southside Bancshares, Inc. on FactSet for the year 2020\*

## Southside Bancshares, Inc. (SBSI)

**Southside Bancshares, Inc. (SBSI)** is a bank holding company for Southside Bank, which is based in Tyler, Texas. With facilities in East, North, Central and Southeast Texas, Southside Bank is a community-focused financial institution that offers services to individuals, businesses and nonprofit organizations. The bank has approximately \$7B in assets and offers various services such as personal banking, business banking, commercial and wealth management.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$240M

Net Income: \$82M

**Business Segments:**

Southside Bank: \$240M (100%)

## Evaluation and Board

Southside Bank is in the financial services industry, which is environmentally clean across the board. Southside publishes an annual report each year and delegates a section for their volunteer and community efforts, but it is typically only one page and has not included any future goals to date. Additionally, Southside has not mentioned any progress nor plans to mitigate its environmental impact. As a company that has been well-established for decades, Southside has not met the standard set by other companies in this report.

**Board Data:**

Independent Directors: 61.5%

Female Board Members: 23.1%

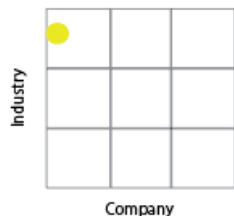
Average Tenure: 13.3

## ESG Progress

- Helped nonprofits to apply for the Partnership Grand Program with FHLB Dallas, helping six nonprofits to receive funding for communities affected by COVID-19.
- Partnered with the Texas Bankers Association to make contributions to Texas food banks in 2020.
- Southside employees organized multiple toy, food and coat drives for nonprofits such as United Way and Salvation Army in 2020.
- Created Southside Serves in 2019 - an internal program dedicated to promoting employee volunteer efforts.



HP Sustainability Matrix



Sustainalytics

\*ESG data was not available for Stock Yards Bancorp, Inc. on FactSet for the year 2020\*

## Stock Yards Bancorp, Inc. (SYBT)

**Stock Yards Bancorp, Inc. (SYBT)** is a bank holding company headquartered in Louisville, Kentucky. Stock Yards Bank & Trust Corporation is a wholly owned subsidiary of Stock Yards Bancorp, Incorporated, with assets over \$4.3B across Louisville, Kentucky; Indianapolis, Indiana; and Cincinnati, Ohio. It has been providing services within financial planning, investment management, retirement planning and trust & estate since its founding in 1904.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$200M  
 Net Income: \$59M  
 Business Segments:  
     Stock Yards Bank & Trust: \$200M (100%)

## Evaluation and Board

Stock Yards is in the financial services industry, which typically does well in the ESG space. Contrasting its peers, Stock Yards does not publish any data about their environmentally or socially sustainable impact. The company's poor transparency and lack of effort to help its community creates an ESG risk, despite their traditionally clean competitors.

**Board Data:**

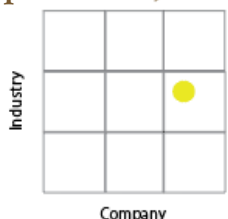
Independent Directors: 90.9%  
 Female Board Members: 36.4%  
 Average Tenure: 11.2

## ESG Progress

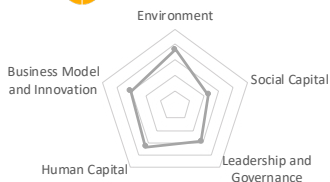
- Recognized on Piper Sandler's "All Star" list for small-cap banking in 2020.
- Selected by Newsweek as "One of America's Best Banks" in 2020.
- Recognized by American Banker as one of the "Best Banks to Work For" in 2020.



HP Sustainability Matrix



Sustainalytics



## Texas Instruments Inc. (TXN)

**Texas Instruments Inc. (TXN)**, headquartered in Dallas, Texas, designs and manufactures various analog and embedded processing chips, which it then sells to global electronics designers and manufacturers. More than 80,000 products are offered at TI, helping customers to efficiently manage power, transmit data and process designs.

**Revenue Statistics (as of FY ended 12/31/2020):**

2020 Revenue: \$14.5B  
 Net Income: \$5.6B  
 Business Segments:  
     Analog: \$10.9B (75%)  
     Embedded Processing: \$2.6B (18%)  
     Other: \$1B (7%)

## Evaluation and Board

TI is in the semiconductors industry, which has historically faced issues with waste water management and resource use. Although TI is exposed to these issues, it does a great job of managing their risk through ambitious initiatives and frequent targets, especially in waste water management. TI could improve its rating by publishing more data about improving its corporate governance.

**Board Data:**

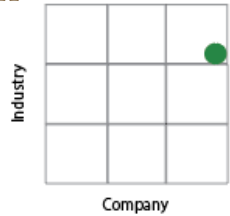
Independent Directors: 80.0%  
 Female Board Members: 30.0%  
 Average Tenure: 6.5

## ESG Progress

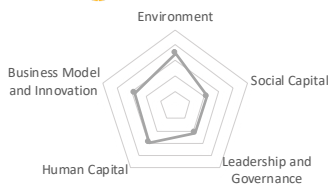
- Recognized on Barron's "100 Most Sustainable U.S. Companies" in 2020.
- Implemented 474 water conservation projects since 2015, saving more than 33.3B gallons of water.
- Reduced GHG emissions 15% from 2015-2020.
- Donated \$45.1M to education, communities and arts & culture in 2019.
- 100% of suppliers complete environmental and social responsibility assessments.



### HP Sustainability Matrix



### Sustainalytics



## Verizon Communications Inc. (VZ)

**Verizon Communications Inc. (VZ)**, based in New York, New York, is one of the largest communication technology companies in the world. As a holding company, Verizon provides communications, information and entertainment products and services to customers, businesses and government agencies through its subsidiaries.

### Revenue Statistics (as of FY ended 12/31/2020):

2020 Revenue: \$128.3B

Net Income: \$7.1B

### Business Segments:

Services & Other: \$109.9B (86%)

Wireless Equipment: \$18.3B (14%)

## Evaluation and Board

Verizon is in the telecommunications industry, which has been taking steps to reduce its energy usage and GHG emissions. Verizon is a leader in sustainability within its industry and publishes extensive annual sustainability reports. The company has a wide range of initiatives concerning the environment, volunteerism and employee support, which is far above what the typical telecommunications company presents.

### Board Data:

Independent Directors: 66.7%

Female Board Members: 25.0%

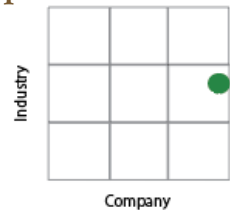
Average Tenure: 10.5

## ESG Progress

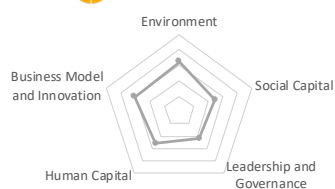
- Reduced carbon intensity by 53% from 2016-2019.
- Issued first \$1B green bond in 2019 and a second \$1B green bond in 2020.
- Aims to source renewable energy equivalent to 50% of annual electricity consumption by 2025.
- Committed to having net zero operational emissions by 2035.
- Recycled more than 35.6M pounds of e-waste in 2020.
- Invested \$203.6B in learning and development initiatives for employees in 2020.
- Will donate 2.5M employee volunteer hours by 2025.



### HP Sustainability Matrix



### Sustainalytics



## Walmart Inc. (WMT)

**Walmart Inc. (WMT)**, headquartered in Bentonville, Arizona, is an American multinational retail corporation that operates a chain of discount department stores, hypermarkets and grocery stores. As the largest company in the world by revenue, Walmart is known for its discounted prices and loyal customer base.

### Revenue Statistics (as of FY ended 1/31/2021):

2020 Revenue: \$559B

Net Income: \$13.7B

### Business Segments:

Fuel & Other: \$7.8B (12%)

Grocery & Consumables: \$42.2B (66%)

Health & Wellness: \$3.8B (6%)

Home & Apparel: \$7.1B (11%)

Technology, Office & Entertainment: \$3B (5%)

## Evaluation and Board

Walmart is in the consumer and retail industry, which oftentimes faces issue with waste and natural resource use. The company has a very large operational scale, creating a number of historical ESG issues. To mitigate their impact, Walmart publishes an annual sustainability report with their ESG progress and future goals. With a wide range of initiatives, Walmart has been helping the environment and various communities for over a decade.

### Board Data:

Independent Directors: 88.9%

Female Board Members: 33.3%

Average Tenure: 9.5

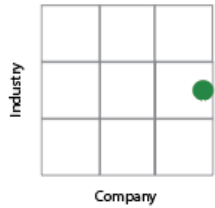
## ESG Progress

- Committed \$100M over five years to create the Center for Racial Equity.
- Aims to reach zero emissions across the company's global operations by 2040.
- Will restore 50M acres of land and 1M square miles of ocean by 2030.
- 81% of Walmart's waste was diverted from landfills and incineration in 2020.
- Supported more than 500 COVID-19 testing sites in the United States in 2020.
- Donated over 745M pounds of food in 2020.

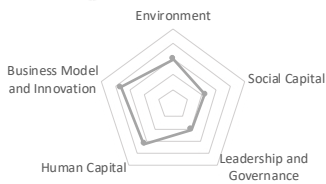


## WILLIAMS-SONOMA

### HP Sustainability Matrix



### Sustainalytics



## Williams-Sonoma, Inc. (WSM)

**Williams-Sonoma, Inc. (WSM)** is an American consumer retail company with headquarters in San Francisco, California. Largely known for its home furnishing and kitchen ware, the company has 625 brick and mortar stores and distributes to more than 60 countries. Williams-Sonoma sells its products under many well-known brands such as Pottery Barn, Williams Sonoma, West Elm and Rejuvenation.

### Revenue Statistics (as of FY ended 1/31/2021):

2020 Revenue: \$6.8B

Net Income: \$681M

Business Segments:

Pottery Barn: \$2.5B (37%)

West Elm: \$1.7B (25%)

Williams Sonoma: \$1.2B (18%)

Pottery Barn Kids & Teen: \$1B (15%)

Other: \$290M (5%)

## Evaluation and Board

Williams-Sonoma is in the retail industry, which frequently deals with issues like waste and natural resource use. Williams-Sonoma publishes a detailed annual sustainability report with a wide range of ESG initiatives. The company is transparent and does a great job at following through on its commitments, making it above-average in company sustainability.

### Board Data:

Independent Directors: 86%

Female Board Members: 57%

Average Tenure: 4

## ESG Progress

- Paid \$7M in Fair Trade Premiums to workers from 2014-2020.

- Aims to be carbon neutral in Scope 1 and 2 emissions by 2025.

- Will label 75% of products with one or more of their ESG initiatives by 2030.

- Will plant 3M trees by 2023 through Pottery Barn's partnership with the Arbor Day Foundation.

- Sources 65% responsible wood and 89% responsible cotton as of 2020.

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[Introduction](#)

[Global Core Analyses](#)

[Equity Income Analyses](#)

[S&P Top 50](#)

[Firm Overview](#)

[Glossary](#)

[Disclosure](#)



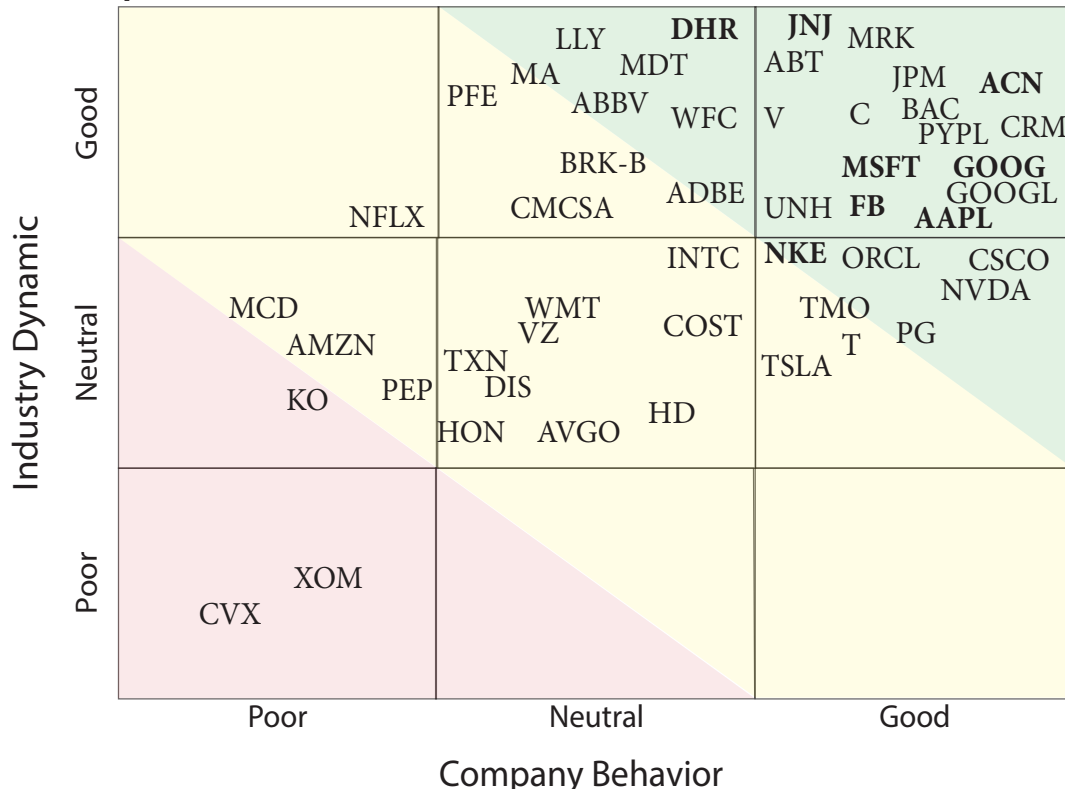
# S&P 500 Top 50 Analysis



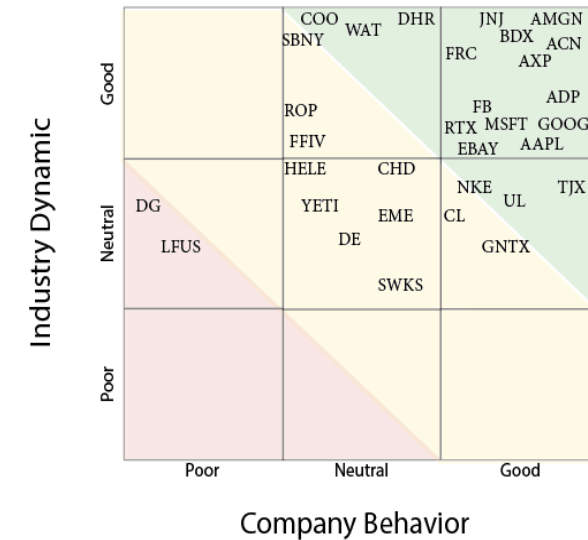
Included below is a Hamilton Point Sustainability Matrix analysis for the S&P 500 Top 50 companies. The Top 50 represents approximately 50% of the market cap of the 500 companies, making it highly representative of what shareholders own. This analysis was completed in the same manner in which Hamilton Point analyzes its Global Core and Equity Income companies in the Sustainability Report.

The results of the analysis show that while there are plenty of "good" companies, where largely technology firms dominate the upper right section, there are also plenty of "poor" companies. Hamilton Point's "poor" companies consist largely of small to medium cap companies that do little to report on sustainability measures in their operations. This contrasts to the Top 50 as the "poor" category consists of large companies whose operations center around fossil fuels, public health concerns, plastic byproducts and the production of copious amounts of packaging waste. This shows that while Hamilton Point owns "poor" companies, it contrasts with other popular indices, such as the S&P 500, where many of the "poor" companies are operating in environmentally and socially harmful industries.

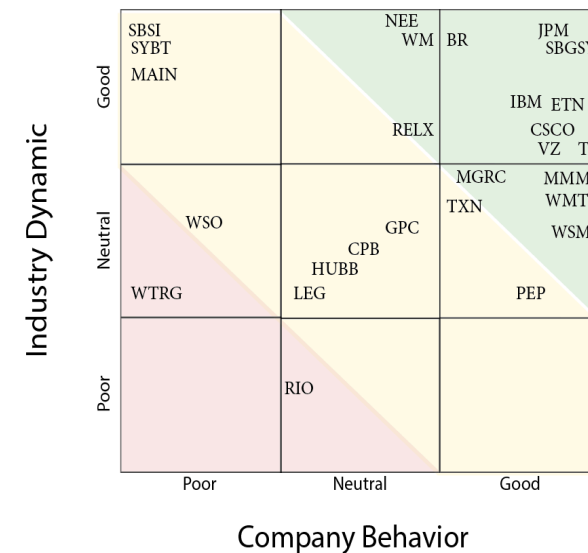
## S&P Top 50



## Global Core



## Equity Income



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[Introduction](#)

[Global Core Analyses](#)

[Equity Income Analyses](#)

[S&P Top 50](#)

**[Firm Overview](#)**

[Glossary](#)

[Disclosure](#)

# Firm Overview



## Largest Relationships<sup>1</sup> in millions as of June 30, 2021

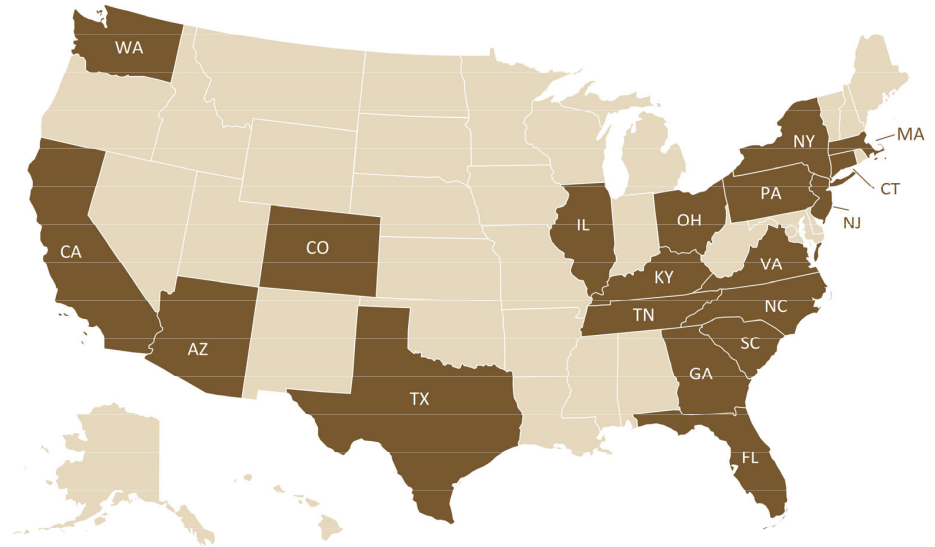
<b>\$88.0 M</b>	NC Hospital
<b>\$56.9 M</b>	Relationship A
<b>\$37.1 M</b>	Relationship B
<b>\$34.2 M</b>	Relationship C
<b>\$21.1 M</b>	Retirement Community
<b>\$18.5 M</b>	Relationship D
<b>\$18.3 M</b>	Relationship E
<b>\$16.8 M</b>	Relationship F
<b>\$15.8 M</b>	Relationship G
<b>\$15.7 M</b>	Relationship H
<b>\$15.4 M</b>	Research Organization
<b>\$15.0 M</b>	Relationship I

Source of capital:

- Non-Profit Endowment
- Private Business
- Family Wealth

Assets Under Management<sup>2</sup>  
**\$708M**

Regional Dispersion  
**19 States**



Highlighted states indicate locations in which Hamilton Point maintains client relationships. Our physical office is in Chapel Hill, NC.



Fiduciary Standard



At Hamilton Point, we believe a company's willingness to evaluate, innovate and streamline its operations 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.

Read our full Global Core Sustainability Report here:

[hamiltonpoint.com/sustainability-report](https://hamiltonpoint.com/sustainability-report)

(1) The relationships listed above represent the largest institutional portfolios by net asset value serviced by Hamilton Point and were not chosen based on any performance-based criteria.

(2) As of 6/30/2021



# The Hamilton Point Difference

Because we are not affiliated with any banks, brokerage firms, or insurance companies, Hamilton Point is able to focus exclusively on managing money and not on selling financial “products.” Our legal and fiduciary obligation is to put the interests of our clients first. The firm’s principals align their interests with those of their clients by “eating their own cooking,” i.e. the firm’s principals manage their personal portfolios in the same fashion as Hamilton Point does for clients.

Our boutique size and in-house research allow us to be more selective than large financial institutions that control far more money than we believe can be invested with a high-quality focus. This problem is often compounded by an excessive marketing and investment focus on benchmarks by industry participants. At Hamilton Point, our foremost concern is the preservation of capital -- not benchmarks. We also believe our hybrid approach, which combines individually-purchased securities with selective use of outside managers and funds, is the best way to fulfill the investment objectives of our clients. Hamilton Point’s approach strives to maximize control over critical factors such as quality, diversification and expenses.

Our investment approach has been tested by major market and world events including the Asian Financial Crisis, Internet Bubble, 9/11, Iraq War, the U.S. Real Es-

tate & Financial Crisis and the COVID-19 Recession. For more than 25 years, Hamilton Point’s late cofounder Andrew Burns built investment portfolios with high-quality holdings and an emphasis on meticulous client service. Naturally, quality – in all facets of the business – became the cornerstone on which Hamilton Point was founded. Though future performance cannot be guaranteed based on past results, Hamilton Point’s goal is to meet or exceed relevant diversified benchmark returns on an after fee basis, while taking less risk by quantifiable measures such as standard deviation and down-market performance. We have actual clients who have experienced these returns and we are happy to provide references.

Finally, we have built a strong reputation around our firm culture, which emphasizes client service in tangible ways that larger firms struggle to match. Clients are always serviced by highly experienced investment professionals, not marketing personnel operating as “relationship managers.” During business hours, calls are answered by a human being – not a machine. We pride ourselves on developing close relationships with all of our clients, so that our interaction leads to productive and proactive conversations.

## GUIDING PRINCIPLES

**SUNSET RULE**  
Every attempt will be made to resolve a customer inquiry or request on the same day that it was received. If the issue cannot be resolved that day, they will still receive notification that we are working on it and the status.

**MONKEY-ON-THE-BACK RULE**  
At any given time, a specific task to be completed will be the sole responsibility of one individual. Under no circumstances will team members be collectively unclear as to which individual has full responsibility (i.e. the monkey is on their back) for a given task.

**PHONE SERVICE**  
During business hours, our phone will be answered by humans, not a machine.

**PERSONAL INFORMATION**  
Once a client provides personal information, it remains on file for future reference so that the client is not asked to provide it again. This information is not shared or sold.

**CONFIDENTIALITY**  
Confidentiality is paramount at Hamilton Point. With the exception of public entities, no one learns about who our individual clients are unless they are either told by the client or we have specific permission to provide as a reference.



# Our Team



**RICK WOODS, CFA, CPWA®**  
PRESIDENT & CEO  
rwoods@hamiltonpoint.com

Co-founder of Hamilton Point and member of the Investment Committee, Rick provides wealth management services with a focus on working with entrepreneurs and private business owners. He has invested in private businesses; advised on mergers, acquisitions and corporate finance; and holds a Certified Private Wealth Advisor® designation with experience providing complex wealth planning strategies for high-net-worth clients.

Rick serves on the Board of the Methodist Home for Children, the Chapel Hill country club and the Advisory Board for the Applied Investment Management Program at the UNC Kenan-Flagler Business School.

**DUKE UNIVERSITY**  
Durham, NC  
AB Public Policy Studies  
**DUKE UNIVERSITY**  
Durham, NC  
MBA



**NATE BYRD, CFA, CFP®**  
DIRECTOR  
nbyrd@hamiltonpoint.com

In addition to providing investment management and financial planning services to Hamilton Point clients, Nate is a member of the Investment Committee and a portfolio manager. His experience includes serving as a co-portfolio manager for a mutual fund and various separately managed account strategies.

Nate volunteers on the Rotary District 7710 grants committee, as Program Chair for the Southwest Durham Rotary and as the Treasurer for the North Carolina Botanical Garden Foundation.

**WAKE FOREST UNIVERSITY**  
Winston-Salem, NC  
BS Mathematical Economics  
**UNIVERSITY OF NORTH CAROLINA**  
Chapel Hill, NC  
MBA



**K.C. NELSON**  
CHIEF INVESTMENT OFFICER  
knelson@hamiltonpoint.com

As Director of Research and member of the Investment Committee, K.C. focuses on monitoring current market conditions and optimizing the firm's investments to seek to achieve long-term results for the firm's clients. Over the course of his career, K.C. has built and managed multi-billion dollar funds that focus on fixed income and event driven strategies. His views on the markets have been regularly reflected on CNBC, Bloomberg, the Wall Street Journal and the Financial Times.

Outside of the office, K.C. volunteers as a youth sports coach and teaches yoga in the Chapel Hill community. In addition, he serves on the Duke Children's Hospital National Leadership Council.

**VANDERBILT UNIVERSITY**  
Nashville, TN  
BA Economics  
**DUKE UNIVERSITY**  
Durham, NC  
MBA



**TRACY DAVIES**  
ASSOCIATE  
tdavies@hamiltonpoint.com

With investment operations and trading expertise, Tracy provides analysis, reporting and financial planning support at Hamilton Point. She is a candidate for CFP® certification and previously held Series 7, Series 66 and Series 31 licenses.

Tracy is a member of the 100 Women in Finance chapter of NC and serves on the Associates Board for the Nantucket Conservation Foundation.

**BUCKNELL UNIVERSITY**  
Lewisburg, PA  
BSBA Management



# Our Team



**MARTHA FORD**  
ASSISTANT VICE PRESIDENT  
mford@hamiltonpoint.com

Leading the daily client service and operations of Hamilton Point, Martha's experience includes portfolio accounting, management and regulatory reporting. She previously held Series 7, Series 66 and Series 63 licenses.

Martha is a member of Central Carolina Women in Business and the Triangle and Sandhill chapters of the LPGA Amateurs.

**GARDNER-WEBB UNIVERSITY**  
Boiling Springs, NC  
BS Business Management



**DAVID STEPHAN, CFA**  
ASSISTANT VICE PRESIDENT  
dstephan@hamiltonpoint.com

Providing research, analysis and trading expertise, David is a member of the Hamilton Point Investment Committee and a portfolio manager. He also assists the firm in reporting, operations and technology implementations.

David serves as Treasurer of OCASL Foundation Board and is a member of the Oakwood Garden Club.

**DUQUESNE UNIVERSITY**  
Pittsburgh, PA  
BS Business Administration



**MEGAN TARRANT**  
ASSOCIATE  
mtarrant@hamiltonpoint.com

Megan brings data analysis and project management experience to Hamilton Point, providing reporting services to the firm as well as leading communications initiatives.

She is a member of Central Carolina Women in Business, the University UMC Board of Trustees and the Leadership Team of University United Methodist Preschool.

**UNIVERSITY OF NORTH CAROLINA**  
Chapel Hill, NC  
BA Communication Studies

## Contact

[www.hamiltonpoint.com](http://www.hamiltonpoint.com)

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[Introduction](#)

[Global Core Analyses](#)

[Equity Income Analyses](#)

[S&P Top 50](#)

[Firm Overview](#)

**[Glossary](#)**

[Disclosure](#)

**Carbon Dioxide (CO<sub>2</sub>)** - 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.

**FTSE4Good Index Series** - measures the performance of companies demonstrating strong Environmental, Social, Governance (ESG) practices.

**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.

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.

**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.

**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.

# 2021 Sustainability Report



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[Introduction](#)

[Global Core Analyses](#)

[Equity Income Analyses](#)

[S&P Top 50](#)

[Firm Overview](#)

[Glossary](#)

[Disclosure](#)

# 2021 Sustainability Report Disclosure



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 2021 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 and Equity Income strategies 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, are also the ones that we believe will create the solutions for the problems of tomorrow through their in-sight, 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. These analyses attempt to highlight the sustainability policies and accomplishments of our Global Core and Equity Income 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 and Equity Income Strategy holdings as of June 30, 2021. 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. For a full list, free of charge, of all recommendations made by Hamilton Point during the last year, please contact Hamilton Point using the contact information provided herein. 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.

The CFA® charter is a credential awarded by the CFA Institute to individuals who meet its education, examination, sponsorship, experience and ethics requirements. To earn a CFA® charter, eligible candidates must have four years of qualified investment work experience, become a member of the CFA Institute, adhere to the Code of Ethics and Standards of Professional Conduct, and complete the CFA® program, which requires the passage of three separate six-hour examinations. Topics tested by the CFA Institute include ethical standards, quantitative methods, economics, financial reporting, corporate finance, equities, fixed income, derivatives, alternative investments, and portfolio management. For additional information about this credential, please refer directly to the website of the issuing organization.

The Certified Private Wealth Advisor® (CPWA®) certification is awarded by the Investments & Wealth Institute™, formerly the Investment Management Consultants Association®. To attain the certification, candidates must meet all eligibility requirements, including a minimum of five years experience in financial services or delivering services to high-net-worth clients, complete a six month online pre-study, successfully complete an education program, pass a four-hour examination, sign a license agreement and satisfy ongoing renewal requirements. For additional information about this credential, please refer directly to the website of the issuing organization.

The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination and experience requirements set forth by CFP Board. Certain designations, such as the CPA®, CFA® and others may satisfy the majority of the education component, and allow a candidate to sit for the CFP® Certification Examination upon completion of a Capstone Course. The 6-hour exam is administered in a computer-based-testing format. Three years of qualifying full-time work experience are required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process. In order to use the designation, CFP® professionals are required to complete 20 hours of CFP board certified continuing education annually.

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