

## Equity Owners Collaborative:

### Using share ownership to promote change through shareholder initiatives.

The Equity Owners Collaborative is a joint effort of Aperio Group and As You Sow to give clients the opportunity to join shareholder initiatives that promote change in corporate practices. Clients use shares they already own to either sponsor or join shareholder resolutions that address significant ESG issues. By sponsoring or joining these initiatives, investors can take action on topics that are important to them. This program allows investors to increase impact without constraining investment decisions.

#### Opportunities to Join Initiatives:

#### Energy, Environmental Health, Waste, and Human Rights

For clients interested in advocacy around environmental and human rights issues, the Equity Owners Collaborative offers a method to align investments with a given client's core values or a foundation's mission. The process set up by Aperio Group and As You Sow allows clients to easily lend support to change corporate behavior.

#### EQUITY OWNERS COLLABORATIVE PROCESS

|   |  |
|---|--|
| 1 | <b>Interest</b><br>Client indicates interest in the program. Aperio will notify advisors when opportunities are available.   |
| 2 | <b>Notification</b><br>Participants will be notified of resolution opportunities ONLY if they hold the requisite shares (\$2,500 in fair market value) for the requisite time (at least one year prior to filing date.) Notification will include a briefing on the issue and a draft of the resolution that will be filed. As You Sow issue area experts are available to discuss the issue and the goal of the resolution. |
| 3 | <b>Sponsorship</b><br>If a participant elects to sponsor the filing of a resolution, Aperio activates a "do not trade" status on the shares. As You Sow files on the shareholder's behalf and provides proof of ownership paperwork. As You Sow handles all filings.   |
| 4 | <b>Communications</b><br>As You Sow provides periodic updates on the progress and outcome of the resolution.   |
| 5 | <b>Restriction Removal</b><br>After the shareholder meeting, Aperio will remove the ticker restriction on the account.   |

#### As You Sow: Shareholder Advocacy Leaders

Most wealth advisory firms do not have the resources to staff an in-house team of shareholder advocacy specialists. Aperio has partnered with the non-profit organization As You Sow, a leader in shareholder advocacy since 1992. As You Sow has created systemic corporate environmental and social change through hundreds of engagements over the past 20 years with some of the world's largest public companies. The Equity Owners Collaborative was developed to minimize work for both advisors and clients while creating the opportunity for advisors to further engage their clients and maximize the impact of their shares. Wealth management professionals can easily add this service which engages clients on ESG issues in a compelling and sustained way, but does not affect investment decisions.

#### Key Industry Victories

#### Electronic Waste

Millions of pounds of e-waste recycled annually from:

- Hewlett-Packard
- Dell
- Apple
- Best Buy

#### Plastic Bottle Recycling

Over 18 billion plastic bottles recycled annually by:

- Coca-Cola
- PepsiCo
- Nestle Waters

#### GMOs

GMO victories include:

- Whole Foods labeling policy
- General Mills reformulates Cheerios without GMOs

#### Child Labor

More than 300 apparel brands and retailers pledge to not source cotton produced by Uzbek forced child labor.

#### Greenhouse Gas

Idaho utility IDACORP to reduce greenhouse gas emissions as a result of the first-ever majority shareholder vote on a climate change resolution.

## Frequently Asked Questions

**Q: Is this only available for clients with SRI screened accounts?**

A: No, any Aperio account holder may elect to participate.

**Q: Do you put a “Do Not Trade” on all of the shares or just the required \$2500?**

A: A hold is placed on all of the existing shares and a “do not buy” ticker restriction is placed on the account to avoid any new purchases.

**Q: Do I need to complete new paperwork for each resolution or can I provide a blanket agreement to support all resolutions?**

A: The SEC requires that separate paperwork be filed for each resolution to prove ownership and to authorize As You Sow to file on your behalf.

**Q: If there is a company I want to engage with, can I request that shares be purchased in my account to allow me to participate?**

A: Yes, however a shareholder resolution cannot be filed until shares are held for one year.

**Q: How long does a shareholder need to hold their shares to be eligible?**

A: In order to file a resolution, shares must be held for one year prior to the filing deadline. After filing, the shareholder must commit not to sell the shares until after the annual meeting (usually 6 months after filing).

**Q: Will the Shareholder’s name be made public?**

A: Yes, it will appear in the Proxy filing, which is an official SEC document. The proxy statement will be worded in approximately this way: “This proposal was submitted by John Shareholder, c/o As You Sow, 1611 Telegraph Avenue, Suite 1450, Oakland, CA 94612.”

**Q: Can multiple shareholders file on the same resolution?**

A: Yes, there is generally one lead filer and multiple co-filers on a resolution.

**Q: Does the Shareholder have to show up at the annual meeting or do press interviews?**

A: No. As You Sow will send a staff member or representative to present (read aloud) the resolution at the annual meeting. As You Sow undertakes all communications.

**Q: Is As You Sow the exclusive partner for Aperio’s Shareholder Engagement program?**

A: No. While we have worked closely with As You Sow, there are many groups working on a wide array of shareholder issues. Owning an indexed SMA allows investors to participate. If your client wants to partner with another organization on a specific issue, Aperio Group can apply the same holds on the account to allow the client to participate in resolutions. If you are interested in learning about other potential partners working on particular issues areas, Aperio Group is happy to try to help.

As You Sow  
1611 Telegraph Avenue  
Suite 1450  
Oakland, CA 94612  
[www.asyousow.org](http://www.asyousow.org)

Aperio Group LLC  
Three Harbor Drive, Suite 315  
Sausalito, CA 94965

415.339.4300  
[info@aperiogroup.com](mailto:info@aperiogroup.com)  
[www.aperiogroup.com](http://www.aperiogroup.com)

Disclosure: The program of providing voting authority of shares to be used as described in this document is new and untested by Aperio Group. While no fees are expected to be charged for this service, the locking up of shares for a period of time would cause a loss of flexibility for the shareholder in terms of their inability to sell shares during the period resolutions are being presented to companies. The impact, if any, resulting from the share lockup is expected to be negligible. Aperio supports the work of As You Sow through a charitable donation made to the organization.