

The **Women's Inclusion Project (WIP)** uses shareholder engagement to increase gender diversity and equal pay in corporations. This program, led and sponsored by an Aperio Group client committed to deploying impact investment capital with a gender lens to address society's market failure to fully value women and girls, gives investors the opportunity to join shareholder initiatives that promote change in corporate practices.

Shareholder engagement may involve writing letters to the company, engaging the company in dialogue, participating in shareholder resolutions, speaking at the annual meeting, and using media outreach. We also educate shareholders and the investor community by publishing reports, speaking at conferences and webinars, and actively participating in investor coalitions and networks. While not every client will sponsor a shareholder resolution, we believe that there is real power in numbers—the more people available to become sponsors, the greater the resources available to effect corporate change. We will be expanding the program in 2018–2019 to enable more Aperio clients to participate and will share more information on planned initiatives in the third quarter.

This update provides highlights of the 2017–2018 initiatives.

Gender Pay Gap

- Proxy Impact in partnership with [Arjuna Capital](#) published its first annual [Gender Pay Scorecard](#), which ranks 33 of the world's largest financial, technology, and retail companies on their current gender pay disclosures, performance, and commitments. The *Gender Pay Scorecard* is a means to help establish best practices on corporate gender pay disclosure. The common set of questions and guidelines also serves as an organizing tool for the various shareholder groups participating in the expanding gender pay shareholder campaign.
- **Google** (Alphabet): Proxy Impact in partnership with Arjuna Capital, filed a [shareholder resolution](#) that called for "a report on the risks to the company associated with emerging public policies on the gender pay gap, including associated reputational, competitive, and operational risks, and risks related to recruiting and retaining female talent."
- Outcomes:
 - Institutional Shareholder Services (ISS), the world's largest proxy advisory service, recommended voting for this resolution, stating that: *"The equal pay for equal work statistic does not address the reported systemic bias and segregation into lower-paying jobs. That systemic bias could make it harder for Google to recruit and retain women in its workforce and could increase its exposure to regulatory risk as more jurisdictions seek to pass laws and regulations to close the gender pay gap. Disclosing more information about the risk that it faces in different jurisdictions related to a gender pay gap would provide shareholders with useful information about how effectively management is assessing and mitigating that risk. Therefore, support for this resolution is warranted."* [NOTE: All Aperio SRI clients who held Alphabet at the time of the vote voted in support of this resolution.]
 - The resolution received 15% of the vote. This represents more than 100 million shares, \$119 billion in share value, and 48% of the non-management-controlled votes.
- **Google** released its first detailed US gender pay gap report, and improved its gender pay (UK only) and diversity disclosure.

Board Diversity

In collaboration with the [Thirty Percent Coalition](#), WIP 'adopted' five companies for engagement. The "**Adopt a Company**" campaign sends letters to companies with no women or just one woman on the board, asking each to:

- Have a minimum of 30% female board members.
- Have language in its charter or a policy embedding a commitment to board gender and racial diversity.
- Include women and other diverse candidates in every pool from which board nominees are chosen.
- Expand director searches to include nominees from both corporate positions and non-traditional environments, including government, academia, and nonprofit organizations. (Companies often cite a lack of women with corporate executive experience as the main barrier to nominating female board candidates.)
- Report annually on progress, challenges, steps to be taken, and a timeline for implementing that policy.

WIP Outcomes

- **Bristol-Myers Squibb** and **Humana** each added an additional female board member.
- **Praxair** will have three female board members (25% of the board) by 2019.
- **Skyworks Solutions** did respond but has made no changes to date.
- **Citrix Systems** has not yet responded to our letter and WIP will reengage with them this fall.

Workplace Diversity

WIP joined with [Trillium Asset Management](#) for a successful resolution and dialogue with **Citrix Systems** in which the company agreed to release publicly their last two years of EEO-1 data; set metrics and benchmarks for improved recruitment and hiring; develop mentoring and career development programs for women and minorities; and review community organizations and partnerships (i.e., what boards they are on and how those organizations are advancing women). **Microsoft** and **Google** also have increased their diversity and inclusion programs to improve the hiring and advancement of women and minorities, the expansion of talent pipelines for software engineers and related tech jobs, and employee trainings in unconscious bias.

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