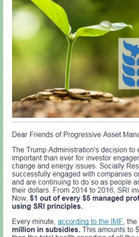
(781) 239-1187 epacker@progressiveassetmanagement.com PAMBoston.com



Dear Friends of Progressive Asset Management,

The Trump Administration's decision to exit the Paris Accord makes it more important than ever for investor engagement to press companies on climate change and energy issues. Socially Responsible Investment firms have successfully engaged with companies on these issues throughout their history, and are continuing to do so as people are increasingly deciding to vote with their dollars. From 2014 to 2016, SRI investing grew over 33% to $6.72 trillion. Now, **$1 out of every $5 managed professionally in the U.S. are invested using SRI principles.**

Every minute, according to the IMF, the **fossil fuel industry receives $10 million in subsidies.** This amounts to $5.3 trillion per year, which is greater than the total health spending of all the world's governments. Comparatively, renewable energy receives $120 billion per year in subsidies. By divesting from fossil fuels and investing in clean energy targeted portfolios, our clients are helping to direct capital away from companies destroying our planet for short-term profits and towards those benefiting society.

We're excited to share a few of the impacts that our clients' investments have recently made, including environmental protection, women's health protection and education, and affordable housing. We've also included a PAM impact made in the 1960's, a time when Progressive Asset Management was one of the few Socially and Environmentally Responsible Investment offices in the country.

If you would like more examples of the great progress taking place, please don't hesitate to contact us.

David Zwick Eric Packer Karen Shapiro

Financial Advisors 781-239-1187 PAMBoston.com

Recent Investment Impacts

Women Investing in Women

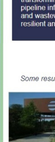
Calvert launched Women Investing in Women Initiative (WIN-WIN) in 2012. They have made more than $20 million in loans for organizations that empower women, and now specifically focus on increasing clean energy access. Through increased access to products like clean cookstoves and solar lanterns, women benefit from reduced indoor air pollution, avoid dangerous trips to collect firewood, and have more time to spend on their education. In the past year, their WIN-WIN borrowers served 14,146,411 women around the world.

Corporate Impact

The following companies are invested in by mutual funds in PAM's portfolio:

Unilever helped to establish the UN's WASH4Work. This program aims to mobilize businesses to improve access to water, sanitation and hygiene in the workplace, in the communities where workers live, and across supply chains.

Xylem's Saaphi Stepping Pump is designed to help small farmers in rural areas irrigate their land more efficiently using human weight and motion. The pump was an Edison award finalist in 2015.



Aegion has become a pioneer in transforming the world's aging pipeline infrastructure for water and wastewater to make it more resilient and less corrosive.

Royal Boskalis Westminster N.V., a marine contractor, announced that it is working with the Dutch government and The Ocean Cleanup Foundation to test floating barrier technology to remove plastic bottles from the ocean. Boskalis' Ocean Cleanup Array is 1'900x faster and 33x cheaper than conventional methods.

Shareholder Advocacy

Some results of 28 shareholder resolutions Calvert filed or co-filed in 2016:

H.B. Fuller Headquarters

Polaris and OGE Energy will prepare reports which address human rights, safety, and environmental stewardship.

Adhesive manufacturer H.B. Fuller announced a goal to reduce greenhouse gas emissions by 20% by 2025. The company carefully manages its toxic waste, and it was honored as one of The 2013 World's Most Ethical Companies.

Amazon Solar Farm U.S. East

Amazon Web Services announced a goal to be powered by 50% renewable energy by the end of 2016 and ultimately utilize 100% renewable in the future. Amazon was the leading corporate purchaser of renewable energy in the United States in 2016.

Affordable Housing

Community Capital has financed over 345,000 affordable housing units tailored to the needs of their communities.

The Catherine H. Gallagher Cooperative in Jamaica Plain, MA (34 units) was part of a grassroots, community-led planning and development effort.

The Congress Building in Miami, FL (128 units) has on-site tenant activities such as financial counseling, educational courses, and job training, plus financial incentives for tenants wishing to move into homeownership.

Harlem River Point North in Harlem, NY (173 units) meets the Enterprise Green Communities criteria and gives preference for 43 units to households displaced by Hurricane Sandy.

Harlem River Point North, Harlem, NY

Reducing the Impact of Climate Change

The costs of failing to address climate change are estimated to have an average value at risk of **$4.2 trillion** globally—representing 6% of the current market capitalization of all the world's stock markets.

Millennials are expected to lose around **$126,000** in lifetime income due to climate change effects including soaring food, energy, insurance, and water costs. NextGen Climate found that the generation as a whole is expected to lose **$8.8 trillion** in lifetime income.

To help reduce the impacts of climate change, Pax World held approximately $112.5 million in direct impact investments in the following areas:

For example, Pax provides mortgage financing to apartment buildings and cooperatives to finance energy and water efficiency property improvements, and they support SolarCity's solar installations.

The History of PAM: Shareholder Activism at Disney

Not many investment advisors have their work enshrined at the Smithsonian Institution. In 1997, PAM filed shareholder resolutions challenging Walt Disney Company to improve their suppliers' labor practices. Shareholders voted in support of the resolutions and due to the resulting publicity, Disney posted a contractor code of conduct and pledged to ensure suppliers met certain standards.

In 1997, these 101 Dalmatians pajamas were exhibited in the Smithsonian to raise awareness regarding the downside of global apparel production. The Walt Disney Corporation was paying Haitian workers only $0.06 per piece ($0.42 per hour) for these pajamas ($19.99 at retail). In contrast, Chairman Michael Eisner defended his 10-year contract which was valued at as much as $771 million, as well as the $120 million severance package of Disney's former president. One protester at Disney's 1997 annual shareholder meeting estimated it would take a Haitian 16.8 years to earn Eisner's hourly income of $9,783.

Despite Disney's efforts to keep the issue off its proxy vote, Progressive Asset Management brought to a vote a shareholder resolution governing suppliers' labor practices. Although the resolution did not pass, it received surprisingly strong shareholder support (39 million shares, or 8.3%). Subsequently, Disney pledged to issue and post a contractor code of conduct and authorize audits and inspections of all contract facilities. Disney garment contractor H.H. Cutler then pulled out of production in Haiti.

PAM on the Road

Recently, we have been spreading the word of Socially and Environmentally Responsible Investing at events like Wake Up the Earth Festival in Jamaica Plains and the Local Environmental Action 2017 Conference sponsored by the Toxics Action Center and the Massachusetts Climate Action Network.

We have also participated in protests against the use of fossil fuels and in support of divestment, such as the People's Climate March in Washington DC and 350.org's Billionaire Bash.

Next, we are headed to the NOFA Summer Conference in August. We hope to see you there!

In the News

One of our Financial Advisors, Eric Packer, has been featured in a Green Alliance publication. We are very excited to share with you our story as well as our take on the current political climate. Check out the article:

Green Alliance publication

Tracking instructions sent via Email will not be honored. Please contact my office at 781-239-1187. Securities America, Inc. at 800-747-6111 for all buy/sell orders. Please be advised that communications regarding trades in your account are for informational purposes only. You should continue to rely on confirmations and statements received from the custodian(s) of your assets.

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