

Corporate Social Responsibility Report

DECEMBER 2021

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Letter from Our CEO



To say the past two years have been challenging would be a huge understatement. Millions of lives were tragically lost to COVID-19 and countless others were harmed by its devastating effects. Add in social unrest, extreme weather caused by climate change, and a presidential election that was more divisive than any in recent memory, and I think it's safe to say it was a time we'd all like to forget.

But to forget would mean to ignore how we persevered through those difficult times, the courage of so many who risked their lives to keep us safe, and the outpouring of support for those in need. In a nation that so often appeared divided, it was inspiring to see so many come together to lift others up, champion for change, and strive for a better world.

Here at Commonwealth, we were fortunate to keep our business running while many others were forced to close. We learned to quickly adapt to a remote work environment. Our robust technology suite and strong business continuity plan—coupled with a staff that proved more flexible in the wake of change than I ever could have

imagined—meant we were able to provide the kind of support our advisors and their clients have come to expect and deserve. And to deliver what they needed when they needed it most.

We also recognized the need to put even more of a focus on our commitment to corporate social responsibility. There are many things we do well: reducing our carbon footprint through recycling programs and a more eco-friendly workplace; creating a culture of inclusion for our staff, advisors, and those in nearby communities; going above and beyond what's required of us by industry regulators; and giving back to the community through our charitable organization, Commonwealth Cares. But we know we've only scratched the surface; there is so much more we can do.

We've taken some steps, including hiring a chief diversity and inclusion officer to achieve our commitment to building an organization that attracts, retains, and develops an exceptionally diverse workforce. We're also working to create an eco-friendly office by eliminating excess waste, investing in compostable materials, and expanding our remote work offerings. And, in 2020, we nearly doubled the number of client accounts invested in our ESG/SRI model portfolios.

At Commonwealth, we've always been committed to doing what's best for those around us, creating a supportive environment where all can thrive, and making a profound difference in our world. The events of 2020 reinforced the need to continue doing what we're doing and opened our eyes to what more we can and must do. I'm happy to share our inaugural Corporate Social Responsibility report with you. I look forward to providing updates in the future, detailing the steps we've taken and successes we've had in bringing this vision to life.

With warm regards,

Wayne Bloom
CEO

Corporate Social Responsibility Vision

Incorporating sustainable business practices isn't a onetime investment—it's a dynamic commitment that requires constant attention and improvement. It's our firm belief that there is an interconnectedness between our environmental, social, and governance (ESG) commitment and our success—two outcomes that shouldn't be viewed as mutually exclusive. Rather, by embracing sustainable principles and continuously improving upon our existing practices, we hope to enhance the physical, emotional, and financial well-being of all stakeholders in the Commonwealth community.

Throughout this report, we provide a quantitative and qualitative overview of Commonwealth's efforts to have a positive impact on all aspects of society, including economic, social, and environmental. As responsible corporate citizens, we are proactively furthering our social responsibility principles and practices to create value for our stakeholders and the community around us.

Our COVID-19 Response

COVID-19 presented a tremendous challenge for governments, companies, and individuals around the world—and our industry was no exception. While much of the work we do can be accomplished remotely, there were logistical challenges to overcome. And, with some workers at Commonwealth considered essential, we needed to consider how to accommodate those working on-site.

Health and safety. Throughout the pandemic, our main priority has been ensuring the safety and well-being of our advisors, their staff, our employees, and the communities where we live and work. To help our staff best adjust to a new way of working, we did the following:

- Adopted a temporary virtual work environment for nonessential employees and ceased business travel
- Established new measures for essential, on-site employees that included social distancing, requiring facial coverings, and implementing diligent hygiene and handwashing protocols
- Thoroughly sanitized our buildings every day and carried out frequent deep cleanings
- Communicated our safety protocols to all employees and adjusted our policies throughout the year, following guidance provided by the Centers for Disease Control and our state governors



Benefits and flexibility. We supported our employees' newfound responsibilities of juggling work and home life and offered them more flexibility through these initiatives:

- Allotted additional days of paid time off to spend recharging
- Provided a monthly stipend to purchase equipment that would allow for more effective work-from-home setups
- Adopted a cash-out policy for excess personal time off (PTO) accrual, as the pandemic altered or canceled many travel and vacation plans
- Offered additional PTO to get vaccinated or to accompany a loved one to an appointment

Advisor engagement. Our advisors are the lifeblood of our firm, so remaining transparent and keeping them informed was a top priority. We amplified our communications and engagements throughout the pandemic in the following ways:

- Provided advisors with yearlong access to Zoom to stay connected with their offices, clients, and our home office staff
- Introduced a series of weekly calls to offer timely analysis of the pandemic's impact on the markets and economy, guidance on the Paycheck Protection Program (PPP), and thoughts on key regulatory topics
- Tapped industry experts for their insights on navigating client conversations during market turmoil, finding silver linings throughout the pandemic, and harnessing opportunities with next-gen clients
- Hosted our annual National Conference virtually, as social distancing and lockdown restrictions were still in place (Despite not being physically together, we were still able to engage with our community of advisors and employees and create an experience that attendees found to be exceptional, especially considering the circumstances.)



ESG Commitment

As a firm, we are committed to making a profound difference in our world. By aligning that mission with environmental, social, and corporate governance standards, we can create actionable, measurable goals that will help us deliver on that promise.

- Environmental
- Social
- Governance

Environmental

As sound corporate citizens, we strive to reduce our environmental impact by pursuing sustainable alternatives and understanding where we can improve as a firm, such as creating more energy-efficient office buildings and reducing waste. We are also focused on addressing the environmental impact of our business travel and finding ways to reduce energy usage and carbon emissions in the process. By instilling a grassroots approach, we can enact small, yet significant, changes in our ongoing operations.

Going paperless. Companies like ours rely on paper documentation, hard-copy mail and statements, and account paperwork to do business. Going paperless has been—and continues to be—a firm-wide priority. Digital platforms, vendors, and technological improvements allow us to reduce our paper usage, while also cutting costs. By using applications such as DocuSign, we allow clients to sign and send forms electronically, thereby reducing the need to print paper copies of multipage forms. In addition, with e-notification, clients can choose to view statements, confirms, shareholder reports, and tax documents online through our Investor360® client platform instead of receiving them through the mail. Our paperless statistics are encouraging: 3,640 active DocuSign users (advisors and staff members) and electronic notification in use in 54 percent (nearly 350,000) of all accounts.

Reduce, reuse, and recycle programs. Through our eco-friendly office initiatives, we've instituted numerous programs to reduce our carbon footprint and limit waste. These programs include:

- Installing recycling containers, composting bins, and compostable products in all kitchens
- Distributing reusable, stainless-steel mugs to all employees for use throughout the day and installing single-serve coffee dispensers
- Replacing all office overhead lighting with energy-efficient, timer-controlled, dimmable LED bulbs and installing UV filtering in the air control system
- Ordering paper products certified by the Forest Stewardship Council whenever possible
- Conducting remote inspections of our branch offices—where regulatory flexibility exists—limiting our travel footprint

Commonwealth's Environmental Savings

October 2020 to September 2021



1.1 million pounds
of wood
(3,294 trees)



3.2 million gallons
of water
(2,332 washing machines)



2.6 million pounds
of carbon
(234 cars)



178,409 pounds
of waste
(2,973 trash cans)

Source: DocuSign. Graph reflects activity from 10/1/2020 through 9/15/2021. Some environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 4.0. You can find more information at www.papercalculator.org. Paper usage habits and manufacturing processes can change over time, and DocuSign reserves the right to periodically update the assumptions used to estimate the environmental impacts from using DocuSign's products, which may increase or decrease the environmental impact estimates presented. Other data used in determining environmental impact estimates and equivalencies are as follows:

- Annual CO₂ emissions of a refrigerator (A++ rated): Carbonfootprint.com
- Gallons of water in a bathtub: EPA Watersense Newsletter
- The weight of solid waste in a 20-gallon garbage bin: City of Portland Planning and Sustainability

- Using a mobile application to deliver comprehensive event materials to limit the amount of print media used at our conferences and educational events
- Partnering with local food banks in the communities of our conferences and educational events to provide leftover food to those in need and limit our physical waste
- Eliminating 50 percent of our virtual desktop environment, reducing energy consumption
- Offering used technology hardware for purchase to home office employees, reducing demand for new technology consumption

Carbon emissions and climate change. We are assessing ways in which we can adapt our operational policies to positively contribute to both carbon emissions reduction and climate change impacts. With most of our staff working remotely throughout the pandemic, we significantly reduced our in-office electricity and energy consumption. In the future, we want to understand where we can make conscious changes to how we operate our business. We have identified the following opportunities:

- Reinstating a biannual electronics recycling event for our local Massachusetts advisor offices and home office employees
- Evaluating the benefits of using electric or hybrid vehicles for business-related trips
- Discovering opportunities to work with environmentally focused charities during company events
- Working with existing energy providers to understand available pricing options to reduce our footprint
- Identifying areas of wasted processes during the migration of our technology infrastructure to the cloud and eliminating them to reduce energy consumption

Business travel and commuting. As a firm, we are continuously looking for ways to reduce our carbon footprint. This includes evaluating opportunities for remote audit programs, conferences, and events, as well as offering employees more remote work opportunities. By our estimates (800 employees X average commute of 32 miles X average per-mile carbon emission of 411 grams X 260 working days in a year), we can significantly reduce our 2.736 billion grams of carbon emissions by allowing employees to work from home more frequently.

National Bike to Work Day. For Commonwealth employees who live near the office, bicycling can be a feasible and fun way to get to work. To reduce our collective carbon footprint and promote healthy, active lifestyles, our employees participated in National Bike to Work Day, an annual event held each May. Employees on both coasts have embraced this tradition since 2015. If enough of our employees switched from four wheels to two and we reached 200 gallons of gasoline saved, we could reduce our carbon dioxide emissions equivalent to any one of these:¹



**4.1
barrels**
of oil

**1,910
pounds**
of coal burned

**74.1 propane
cylinders**
used for grilling

3 months
of a household's
electricity use

¹Source: EPA and Stanford University

Social

At Commonwealth, we aim to create a dynamic and collaborative environment in which all advisors and employees can grow throughout their careers. They shape the fabric of our culture, our values, and, ultimately, our ability to make a profound difference in the world. Through unique perspectives, meaningful dialogue, and everlasting relationships, we can support the livelihood of everyone connected to our community.

Our Employees

Employee engagement plays a pivotal role in developing our uncommon culture. Creating a diverse, inspiring work environment that enables everyone to grow and succeed is paramount to our ongoing success. We want to ensure that everyone feels valued and included at work and supported from a professional development perspective. With the help of available resources, relevant programs, and tailored training opportunities to promote ongoing development, we can continue to invest in and retain a diverse, talented workforce.



Employees

869



Breakdown

41 percent women
59 percent men



Average Tenure

6.24 years



Embrace individuality and differences.

“Our commitment to creating an environment where everyone is treated with dignity and respect makes this a place where you can bring your whole self—head, heart, and hands.”

Jane Moyer
Senior Vice President,
Chief Human Resources Officer

Benefits. We aim to provide our employees with the flexibility and support they need to maintain healthy lifestyles at work, while also keeping a desirable work-life balance. Our competitive benefits include:

- **401(k):** We support our employees’ long-term financial goals by matching 401(k) deferrals at a rate of \$0.50 for every dollar contributed, up to 10 percent.
- **Time off:** We encourage employees to maintain a healthy work-life balance by offering paid time off that includes holidays, personal time off, volunteer time off, and sick leave.
- **Bonus plan:** We offer an annual incentive bonus plan based on individual, department, and corporate goals, with the objective of recognizing and rewarding outstanding service to advisors and contributions to the company’s success.
- **Stock option plan:** To allow employees to share in our success, eligible full-time and part-time employees are granted stock options that vest over time and can be exercised at a participant’s discretion.
- **Access to investment management:** Employees are invited to invest in Commonwealth’s Preferred Portfolio Services® (PPS) Select program, which offers discretionary model portfolios managed by our in-house Investment Management team. It allows employees to use our managed account solution without incurring the fees associated with it.
- **Perks:** Employees are offered additional perks that include discounts on insurance, wireless service, and movie tickets; corporate rates for car rentals and fitness clubs; and access to vacation properties, golf courses, and concert and sports tickets.
- **Employee health and wellness:** The health and well-being of our employees and their families are very important to us. In addition to offering comprehensive medical and insurance benefits, we encourage healthy lifestyles by providing access to yoga classes, group workouts, mental health resources, and more.

Professional development. We want to empower employees at all levels to achieve their full potential, thus strengthening the overall caliber, quality, and performance of Commonwealth as a whole. Employees may leverage our programs to pursue ongoing education, training, and professional development opportunities.

In addition, with our in-house training programs, subject-matter experts throughout the organization can assist colleagues on a variety of topics, including relevant industry knowledge, firm-specific trainings, or even everyday life tips. We also encourage employees to sit for industry exams and designations, receive tuition reimbursement, and attend industry seminars.

Mentor program. Our mentor program connects employees with members of Commonwealth’s leadership team, empowering individuals to receive insight, knowledge, and career development guidance. It is designed to help employees navigate career transitions or opportunities, build a personal brand, and determine which licenses, certificates, or graduate courses might be right for a given career path.

| Professional Development Participation | | | |
|--|-------------------------|-----------------|---------------|
| | Participating Employees | Hours Completed | Average Hours |
| 2019 | 687 | 6,254 | 9.0 |
| 2020 | 772 | 5,735 | 7.5 |

Advisor Engagement

In addition to supporting our advisors' businesses, we deliver an array of advisor engagement, learning and development, and training offerings. Each year, our conferences, events, and educational programs allow our advisors to connect with one another, share ideas, and learn valuable insights from industry experts and home office staff to help them grow and evolve their business. We believe it's this kind of commitment to our advisors that led J.D. Power to rank us "#1 in Independent Advisor Satisfaction Among Financial Investment Firms" eight straight times.²

Conferences, Events, and Educational Programs

- **National Conference:** Our trademark educational event, with a host of keynote speakers, breakout sessions, networking opportunities, and engaging evening events designed to deliver the most comprehensive experience available in the industry
- **Invitation-only conferences:** Intimate experiences at which advisors can network, share ideas, and gain inspiration while unwinding in some of the most inviting settings around the world
- **Retirement Symposium:** A chance for retirement plan advisors to gain valuable insights and enhance their skills as prudent plan fiduciaries with presentations and breakout sessions from leading industry specialists, as well as our own Retirement Consulting Services team
- **Commonwealth 101:** A nuts-and-bolts course designed to help bring new staff up to speed on what's available from Commonwealth and how to best use our resources
- **Advisor 101 and Advisor 101 On Demand:** An opportunity for new-to-firm advisors to discover Commonwealth's resources and culture and kick off their career development as they grow in their role
- **Advisor Live:** An intensive, three-day development program intended to help newer advisors acclimate to their role, their new firm, and Commonwealth

² Commonwealth received the highest score in the independent advisor segment of the J.D. Power 2010, 2012, 2013, 2014, 2018, 2019, 2020, and 2021 Financial Advisor Satisfaction Studies of customers' satisfaction among financial advisors. Visit [jdpower.com/awards](https://www.jdpower.com/awards).



- **Be Our Guest:** An invitational program designed to bring attention to the many diverse tools and resources available through Commonwealth
- **Leveraging Commonwealth to Grow Your Business:** A quarterly webinar series that provides education to advisors and staff on how best to leverage Commonwealth resources and departments for top-line growth.
- **Revenue Jolt:** A one-day dive into client-facing activities—introductions, client events, and networking—that are most likely to boost advisor revenue
- **Succession Preparation Workshop:** A program designed to assist advisors planning to transition out of their practices in 18–24 months
- **The New Sophistication of HR:** A focused, one-day program designed to help advisors navigate the changing face of human resources within their firm

Advanced Learning and Development Programs

- **Power in Practice:** Our exclusive, in-house business coaching program for advisors who want a systematic plan for increasing revenue and embracing the role of CEO
- **Associate/Senior Mentor Program:** A yearlong program featuring workshops, coaching calls, and charted development to help associate advisors learn and grow in their role
- **Strategic Edge:** An intensive, eight-month program that allows advisors to assess their firm's underlying needs and create goals and strategies for growing and evolving their business
- **Production groups:** Conference call-based groups connecting advisors who are interested in growing their top line and want ongoing support from peers
- **Staff Road Shows:** These one-day events, offered across the U.S. every two years, present the ideal opportunity for field staff members to take a strategic view of their firm, its vision, and its strengths. Together, they discuss how to infuse the client experience with the power of that vision and create a clear process to take back to their offices to further refine. Attendees learn about new technology, get updates on compliance, and provide feedback to Commonwealth about their experiences working with the home office.
- **Evolve | A Biennial Conference for Staff:** An educational program for staff to help them discover what's new and upcoming at Commonwealth, sharpen their knowledge base, and expand their network among peers and Commonwealth staff



Diversity, Equity, and Inclusion

At Commonwealth, we believe change starts from within. By fully integrating diversity, equity, and inclusion (DEI) into the core DNA of our firm, we can achieve our commitment to building an organization that attracts, retains, and develops an exceptionally diverse workforce.

As an organization, we are committed to having the tough, must-have conversations. We strive to understand community issues and share experiences both at the firm level and as part of our broader community. Perhaps most important, we look introspectively and align on behaviors that yield equitable benefits for our people, our customers, our partners, our work, and the communities we serve. By fostering a culture that values inclusivity in the workplace, we can achieve equity while setting an example not only within our own organization, but the communities around us.

Our DEI pillars. We are committed to working toward greater inclusion—especially among our diverse communities. As a preliminary step, we recently sought anonymous, candid feedback from employees in our first-ever DEI survey, establishing a baseline to help shape our underlying DEI strategy at Commonwealth. The survey helped solidify the following four pillars that we have begun to focus on and will make a priority over the next three years and beyond:

- 1. Inclusive hiring:** Commonwealth is committed to hiring and attracting a diverse pool of applicants, which includes increasing the representation of women and minorities in our employee and advisor populations. The greater the diversity in the top talent we attract, the greater our collective decision-making process, productivity, and overall outcome as a firm and community. We will be relying on the following to support long-lasting success:
 - Conducting an HR audit of policies and practices to ensure equity
 - Cultivating relationships with strategic partners who are invested in diverse candidates
 - Restructuring our internship program to attract diverse talent, while fostering meaningful relationships and engaging with that talent beyond the internship
 - Adding inclusive language to our job descriptions and job applications to invite diverse candidates and track demographic data
 - Increasing Commonwealth’s overall visibility within key communities
- 2. Talent enablement:** We are committed to strengthening in-house employee development and ensuring diversity among our pipeline of top performers. We will rely on:
 - Conducting regular internal talent reviews to identify top performers for further development
 - Aligning talent reviews with key and forecasted leadership roles
 - Developing and implementing a diverse senior leadership pipeline strategy

Key Takeaways from Our Inaugural DEI Survey of Staff

88%

feel a sense of belonging
at Commonwealth

92%

feel included on their team

84%

feel that their manager
creates a work environment
where differences are embraced
and celebrated

3. **Inclusion and belonging:** We want to create opportunities to strengthen education, cultural awareness, and engagement. We will do this by:
 - Developing a DEI education curriculum and resources to provide information on a wide variety of topics and provide ways we can all make a difference
 - Creating a DEI culture calendar to build awareness and understanding of the important holidays of the diverse groups of our community
 - Infusing DEI into internal and external Commonwealth branding
4. **Marketplace and community:** We will honor our commitments publicly and pave the way for others through thought leadership. We plan to achieve this by:
 - Forging a consistent partnership with marketing to ensure that all communication is developed with an inclusive lens
 - Delivering DEI business strategies to advisors and their communities
 - Assessing recruitment, retention, and sense-of-belonging opportunities with our advisor group

Recent accomplishments. As part of our inclusion and belonging pillar, we've already developed several initiatives to help inform and educate our employees and drive our mission of greater inclusion:

- **DEI online hub:** We recently launched a DEI hub to centralize information and resources, while empowering employees to share their thoughts, stories, and experiences. Visitors can learn about DEI definitions and race in America or get details on our Multicultural Week or Employee Resource Groups.
- **DEI Speaker Series:** The rollout of our DEI programming and resources includes the recent launch of a quarterly speaker series. Our first event featured a fireside chat with Beth Chandler, president and CEO of YW Boston, an organization dedicated to eliminating racism and empowering women.
- **Employee Resource Groups (ERGs):** Thanks to employee feedback, we've formed several ERGs to allow colleagues with commonalities to meet, support each other, and work toward a particular outcome that helps improve overall inclusion, business goals, and job satisfaction.



Governance

At Commonwealth, we do not view governance as simply meeting industry regulations—rather, it is embedded in our corporate DNA. We believe we can be leaders in this space based on a culture of business ethics shared by every employee who works here and every advisor we affiliate with.

Code of Ethics/Conduct. Our Code of Ethics/Conduct provides an avenue for helping ensure that the conduct of supervised individuals is consistent with the firm’s corporate responsibilities, goals, and overall mission. It also provides general guidance on the ethical principles that supervised individuals must follow. Because no guideline can anticipate all situations, every supervised individual is expected to act with basic honesty, good judgment, ethics, and integrity and to be sensitive to the way others see us and may interpret our actions.

Our commitment to customer privacy. Commonwealth distributes a variety of financial products and services to its clients through its network of independent registered representatives, investment adviser representatives, and insurance agents. We have always valued the trust our customers have placed in us and are committed to the responsible management, use, and protection of our customers’ personal data as outlined in our [online privacy policy](#).

Our commitment to corporate privacy. Commonwealth’s [Privacy Notice](#) sets out how we, together with our subsidiaries and affiliates, collect, process, use, store, disclose, and protect customer and employee personal data. This privacy policy applies to customers, clients, applicants, current employees, and former employees.

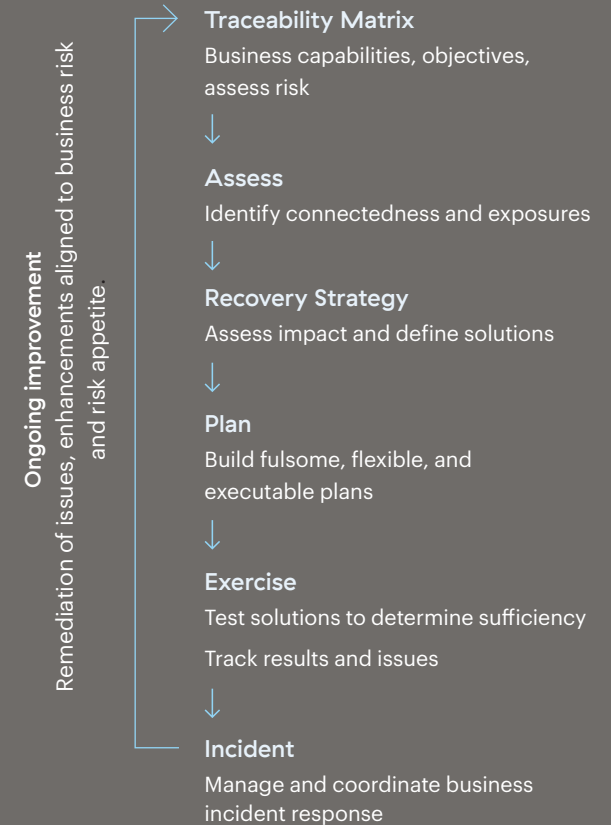
Business continuity and disaster recovery. To ensure that we are prepared to maintain a high level of service in the event of any business disruptions, Commonwealth has established a comprehensive and forward-looking [Business Continuity Plan](#). This will allow us to be flexible in our response to events, manage recovery of critical operations quickly, and increase transparency to all those affected.

Operational Resilience

Governance and Compliance

- Policy, Standards, and Guidelines
- Roles and Responsibilities
- Compliance and Risk Reporting

Framework



Sustainable Investing Practices

Sustainable investing empowers investors to achieve their financial goals with the intent of generating financial return alongside positive environmental or social impact. Commonwealth has provided educational resources, research, and insight since 2008 and continues to expand upon sustainable investing practices and offerings to meet investors' evolving preferences.

From mutual funds and ETFs to separately managed accounts (SMAs) and managed model portfolios, Commonwealth offers a variety of sustainable investing solutions. Through our managed portfolio offerings, we aim to provide investors the flexibility to select the portfolio that best suits their financial goals, risk tolerance, and time horizon.

PPS Select SRI/ESG model portfolios. As a pioneer in the socially responsible investing (SRI) and ESG model portfolio space, we launched a dedicated suite of SRI/ESG model portfolios on our discretionary model platform, PPS Select, back in 2010. These models seek to deliver long-term wealth to shareholders while factoring ESG criteria into the investment decision-making process.

Over the past decade, adoption of these models has grown steadily, with a 93 percent increase in new accounts in 2020 alone. Currently, more than 500 advisors use these models to meet clients' ESG interests, with a total commitment of more than \$500 million in assets under management (AUM).³

³Data as of November 26, 2021.

2008

Investment Management and Research team begin covering the SRI space

2010

Investment Management launches PPS Select SRI/ESG Models

- Track record of more than 10 years
- Help clients build wealth in a socially responsible manner
- Proactively integrate ESG criteria into the investment decision-making process

2019

Investment Management launches PPS Select ESG All-Cap SMA

- Delivering on advisors' demand for an individual equity portfolio with an ESG mandate

2020

Investment Management develops resources such as the ESG Reference Guide, Sustainability Newsletter, and Educational Resource Center

PPS Select ESG All-Cap SMA. In 2019, we launched an SMA equity solution: the PPS Select ESG All-Cap SMA. This program offers investors the benefit of direct ownership of the individual securities they invest in, while also receiving active management, lower platform costs, and greater tax efficiency compared with most mutual funds. The PPS Select ESG All-Cap SMA seeks to provide long-term capital appreciation while identifying leading corporations with proven track records of integrating ESG factors throughout their organization. Currently, over 50 advisors leverage the ESG SMA, with client investment totaling \$67 million.⁴

Research. Each member of Commonwealth’s Investment Management and Research team of analysts incorporates ESG assessments within their respective areas of coverage, while using a rigorous investment evaluation methodology and disciplined due diligence process to assess the available products and parent firms. We seek to pursue tried-and-true ESG strategies with stated sustainable investing mandates, typically included in the prospectus, while ensuring that a manager’s commitment level is tangible and plays an integral part in the investment process.

ESG resource development. Over the past few years, we have significantly increased our ESG investment offerings and educational resources. Our goal is to provide advisors with educational opportunities and industry-leading insights on generating wealth sustainably, while assisting those advisors who wish to broach this topic with their clients. So far, we have:

- Launched a quarterly ESG Reference Guide to provide recommendations on dedicated ESG mutual funds, ETFs, and asset managers
- Introduced a client-facing, sustainable investing newsletter that provides educational handouts and timely articles to help clients understand the impact of their investments
- Provided advisors with ESG education and insights from industry experts during conferences, seminars, and educational sessions

This report is intended for informational/educational purposes only and should not be construed as investment advice, a solicitation, or a recommendation to buy or sell any security or investment product. Investments are subject to risk, including the loss of principal. Environmental, social, and governance (ESG) criteria are a set of non-financial principles and standards used to evaluate potential investments. The incorporation of ESG principles provides a qualitative assessment that can factor heavily into the security selection process. The investment’s socially responsible focus may limit the investment options available to the investor. Past performance is no guarantee of future results.

⁴Data as of November 26, 2021.

Sustainable Investing at a Glance

As of August 2021, Commonwealth provides clients access to the following sustainable investment options:

230
mutual funds

88
ETFs

5
Commonwealth-managed models

1
Commonwealth-managed SMA

3
third-party SMAs

4
community investment notes

Our Giving Back Initiatives

Commonwealth Cares Foundation was established in 2010 as a 501(c)(3) charity. Employees and affiliated advisors generously contribute time and talents to many volunteer events sponsored by Commonwealth. The financial support granted by Commonwealth Cares goes to a wide range of philanthropic efforts aimed at relieving human suffering, promoting social and economic growth, and sustaining and protecting our planet's resources. We particularly support nonprofit organizations in communities where we work, live, and visit.

In a typical year, Commonwealth sponsors 30–60 volunteer events for employees and advisors. Each event not only supports a nonprofit organization, but also contributes to building a culture of giving back within Commonwealth—one of our founding organizational pillars. Since its formation, Commonwealth Cares has supported causes such as Locks of Love, Run to Home Base, Habitat for Humanity, Boys & Girls Clubs, and Read to a Child. One of our biggest initiatives, Chemo Caps for Kids, has seen volunteers from throughout the Commonwealth community knit and donate more than 3,000 hats to children fighting cancer at hospitals across the country.

In addition to ongoing programs, Commonwealth Cares raises money and supplies to support organizations that provide disaster relief wherever it's needed most. This includes areas affected by hurricanes, wildfires, and other natural disasters, as well as food banks and hospitals during the COVID-19 pandemic. And, though COVID-19 reduced the number of volunteer events we sponsored in 2020 and 2021, we still contributed to numerous nonprofits when many were so desperately in need.



COMMONWEALTH CARES
A FOUNDATION FOR COMMUNITY

NAACP Empowerment Programs. In June 2020, Commonwealth donated to the National Association for the Advancement of Colored People (NAACP) Empowerment Programs that engage primarily in the training, education, and advocacy at both national and local levels. More than 100 employees donated and a total of \$63,500 was raised.

The Patriots Foundation medical mask and PPE donation. Commonwealth Cares donated \$50,000 to support the New England Patriots' efforts to procure medical masks, personal protective equipment (PPE), and medical supplies to protect our frontline and health care workers.

The San Diego Foundation. Commonwealth Cares also contributed \$50,000 to the San Diego Foundation's COVID-19 Community Response Fund to support our West Coast office community. The foundation makes emergency grants and interest-free loans to nonprofits that are working on the frontlines to provide the region's most vulnerable communities with assistance, such as food security, other essential living expenses, and rent and utility payment support.

Masks for health care professionals. Commonwealth employees sewed and delivered more than 1,000 face masks in support of local hospitals and communities.

Virtual talent show. Commonwealth's Women's Leadership Network—along with OneCommonwealth, an internal initiative committed to keeping the firm connected during the pandemic—hosted a virtual talent show that raised more than \$20,000 to support the Greater Boston Food Bank and the San Diego Food Bank.



About Commonwealth

Commonwealth Financial Network,[®] Member FINRA/SIPC, a Registered Investment Adviser, provides business solutions that give emerging and established financial advisors the flexibility to run their business in a way that best serves their clients—whether dually registered, 100 percent advisory, or something in between. That, coupled with our unwavering commitment to indispensable service and a passion for people, means our advisors have everything they need to build and grow a successful practice while being part of a community that strives to make a profound difference in our world.

Commonwealth supports more than 2,000 successful advisors across the country from offices on both coasts. Those advisors, in turn, serve nearly 400,000 clients—real people with dreams of financial independence. Our support has led to Commonwealth being named “Highest in Independent Advisor Satisfaction Among Financial Investment Firms” eight straight times by J.D. Power.⁵ And, our supportive culture has resulted in Commonwealth being recognized as one of the Best Places to Work 43 times between our two locations. To learn more about us, visit www.commonwealth.com.

⁵Commonwealth received the highest score in the independent advisor segment of the J.D. Power 2010, 2012, 2013, 2014, 2018, 2019, 2020, and 2021 Financial Advisor Satisfaction Studies of customers’ satisfaction among financial advisors. Visit jdpower.com/awards.

⁶Financial Advisor magazine, April 2021

Our Advisors

2,012

producing advisors

10 years

average tenure

1.38 million

client accounts

\$814,000

average gross revenue per advisor⁶



Strive to make a difference.

“We’re leaders, we’re financial planners, but at the core, we’re a home. A place where people can come and be themselves, where our aspirations can be nurtured, and where we can help make a better world.”

Joe Deitch
Founder and Chairman



Challenge the status quo and promote innovation.

“We challenge ourselves to not conform and commit to driving an inclusive culture and innovative results. We aim to maximize the benefits of diversity, and ensure equitable experiences and processes in the benefit of all employees, our advisors and the communities we serve.”

Scarlett Abraham Clarke
Vice President,
Chief Diversity and Inclusion Officer



Support advisors today and tomorrow.

“Across the firm, our people are the cream of the crop—and for our advisors, there’s a confidence that comes with having an entire team of specialists standing behind them.”

John Rooney
Managing Principal,
San Diego