

The UN Sustainable Development Goals seek to end poverty, protect the planet and ensure prosperity. In this year's Impact Report, we highlight the impact of several Appleseed Capital holdings with regard to these important goals.



SHAREHOLDER ADVOCACY FOR IMPACT

Appleseed Capital acts as a shareholder advocate to encourage boards and management teams to become more transparent and responsible with regard to environmental, social and governance (ESG) matters. We believe investors can have significant influence on their portfolio companies through informal engagement, proxy voting, and shareholder resolutions.

VERIZON GREENHOUSE GAS EMISSIONS

Appleseed Capital co-filed a shareholder proposal with Verizon Wireless, asking the company to report on the feasibility of adopting science-based greenhouse gas (GHG) emission reduction targets consistent with the 2-degree scenario. Unfortunately the proposal was excluded from Verizon's proxy statement on technical grounds, so it was not put to a vote. However, we expect to file a similar proposal with Verizon in the future.



THE MOSAIC COMPANY EXECUTIVE COMPENSATION TIED TO SUSTAINABILITY RESULTS

We submitted a shareholder proposal with The Mosaic Company requesting that the company prepare a report assessing the feasibility of integrating sustainability metrics into the performance measures of senior executives under the company's compensation incentive plans. The proposal opened a constructive dialog with the company, and management has agreed to consider input from Appleseed Capital regarding specific sustainability metrics that will be used to measure future performance of key executives at the company. This positive development led to the withdrawal of our proposal.



TITAN INTERNATIONAL COMMENTARY ON BOARD COMPENSATION STRUCTURE

We engaged with Titan International regarding the compensation structure and shareholding requirements of its Board of Directors. We filed a proposal asking that Directors be compensated entirely in company stock in order to better align Director incentives with those of shareholders. The company agreed to implement a shareholding requirement for Directors prior to the end of 2018, resulting in the withdrawal of our proposal.



OUR PORTFOLIO IMPACT

Appleseed Capital seeks long term investments with companies who have aligned corporate actions with the SDGs. We believe value is not created in a single quarter or even in a single year. Long-term, enduring value is created over years of hard work with smart decisions and prudent long-range planning.



BMW

MASS-PRODUCTION OF ELECTRIC VEHICLES

BMW is a global leader in the development and integration of electrified mobility technology. The company enjoys substantial market share in both hybrid and fully-electric automobile markets while also continuing to reduce CO2 emissions and fuel consumption across its conventional drivetrain fleet. With a stated corporate goal of sustainable mobility, the company plans to offer 25 electrified automobile models by 2025.



STAGECOACH

SUSTAINABLE TRANSPORT

Stagecoach provides accessible, affordable public transportation to millions of customers in the United Kingdom and North America. The company has implemented multiple initiatives to improve accessibility for customers with disabilities and special needs while increasing capacity in order to serve ever greater numbers of customers in the United Kingdom, the United States, and Canada. The company also invests heavily in reducing its environmental footprint through renewable energy sourcing and reductions in emissions and fuel consumption. Stagecoach is the biggest single investor in hybrid vehicles in the UK and they are reduced their overall carbon intensity by 30% from 2009 to 2014.



HUDSON

CHEMICAL LIFECYCLE MANAGEMENT

Hudson Technologies helps customers improve energy efficiency and reduce the environmental impact of heating and cooling systems. The company provides complete lifecycle management of ozone-depleting HCFC refrigerant chemicals through the recovery, reclamation, and reuse of used gases. The largest refrigerant reclamation company in the United States, Hudson also provides environmentally responsible final disposal services for used refrigerants and participates in carbon credit trading.



COMMUNITY INVESTING FOR IMPACT

Besides Appleseed Capital advocating on behalf of our investors for increased corporate responsibility, we seek out appropriate community investing vehicles as a tool for directing capital to environmental projects, low income communities, and local businesses and non-governmental organizations (NGOs) that are driving sustainability at a local level.



In addition to the deposits we have in community banks around the country, in 2018, Appleseed Capital has added to its community investment portfolio by investing in the Benefit Chicago program. The program is mobilizing \$100 million in impact investments to finance the growth of impact enterprises throughout the Chicago region to support community-based entrepreneurs. Powered by deep philanthropic commitment and impact investing experience, Benefit Chicago is a collaboration of The Chicago Community Trust, MacArthur Foundation and Calvert Impact Capital.

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