Example 1: Apple

Sustainable Investment Scorecard - Corporate

Use this form to rate firms based on financial strength and a commitment to social responsibility All information can be found in the links provided, on company websites and in annual reports

		orrada, orradin pani, messices		
Regarding AB 1887	(Travel Ban)			
SCVWD generally	will not invest in any mur	icipal, state, or corporate ent	ity located in any state	
named by the CA Attorney General as subject to the state-funded travel ban outlined in AB 1887				
Currently prohibit	ed states include:			
Alabama	North Carolina	Company:	Apple	
Kansas	South Dakota	Headquartered in:	California	
Kentucky	Tennessee	Status:	ОК	
Mississippi	Texas			
List can be found a	at https://oag.ca.gov/ab18	<u>887</u>		
Section 1 - Qualita	tive	Points Pos	sible Points Awarded	
If firm is located in	n: San Jose-San	Francisco MSA 2		
	California	1		
	Outside CA	0	2	
Employee Satisfac	tion			
Fortune best 100 c	companies to work for	1		
			0	
Glassdoor reviews	s average score			
3.9 to	5.0	3		
3.5 to	3.8	2		
3.0 to	3.4	1		
2.6 to	2.9	0		
0.0 to	2.5	-1	3	
Environment			<u> </u>	
Newsweek Green Company Rankings (World)				
0 to	50	3		
51	100	2		
101 to	250	1		
251 to	500	0		
Not on Li	st	-1	3	
Commitments				
Use below criteria	in conjunction with chec	k boxes to determine score		
8 to	10	3		
6 to	7	2		
4 to	5	1		
2 to	3	0		
0 to	1	-1		
Emissions Reducti	on 🗹 Ethics & Legal	Compliance		
Equal Pay & Fair W	/ages 🗹 Resource Mai	nagement		
Human Rights	Responsible I	_abor Practices		
Workplace Diversi	ty 🗹 Transparency	& Accountability 🗹		
Sustainable Sourc	ing 🗹 Community Ir	nvestment	2	
Section 1 Total			10	

Section 2 - Quantitative

2016 Ratio YOY Inc./Dec.

Increase

Increase

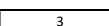
Decrease

Points Awarded

Firm can receive up to 3 points per section, as reviewed and affirmed by Investment Committee

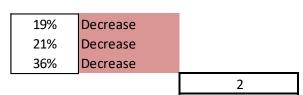






Profitability

EBITDA/TA	
Return on Revenue	
Return on Equity	



Valuation	
MV/TA	
P/E	
P/B	

1.88	Decrease	
13.26	Increase	
4.72	Decrease	
		2

Bond Ratings

SCVWD typically does not invest in any security receiving a rating of less than AA/Aa2 Per policy the minimum requirement for investment is AA- from 2/3 agencies

Moody's	Aa1	AAA/Aaa receives 3 points		
Fitch	None	AA+/Aa1 receives 2 points		
S&P	AA+	AA/Aa2 receives 1 poin		
		2		
Section 2 Total		9		

Total Score	Recommend Investment if score > 12	19/24

Analyst Comments

Apple has 4.0 glassdoor ranking and is on glassdoor's best employers list

Apple ranked #26 on Newsweek Green Company rankings

Apple is a leader in corporate social responsibility and has voiced strong support for the indicated CSR issues

Although Apple has expressed support for fair labor practices, it should not receive a mark due to well known SCM and foreign labor issues

Increasing D/E is not a concern. Apple has been issuing debt because is it cheaper to borrow and Current Ratio is increasing and while interest coverage is decreasing it is still incredibly strong Roughly 40% of Apple's value is in cash. Liquidity and solvency are non-issues

Though Return on Revenue and EBITDA/TA decreased slightly from 2015 to 2016, the ratios indicate that the company still effectively utilizes assets to generate profits

2016 was Apple's first year of declining profits since 2001. Sales decreased due to stagnant design and increased competition. Firm is still extremely profitable

Although Apple experienced negative growth in 2016, fundamentals are still strong P/E is increasing and reflects a reasonable valuation (p/e < 20)

Example #2: Wells Fargo

Sustainable Investment Scorecard - Corporate

Use this form to rate firms based on financial strength and a commitment to social responsibility All information can be found in the links provided, on company websites and in annual reports

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Regarding	AB 1887 (Tı	ravel Ba	n)			
SCVWD ge	nerally will	not inv	est in any municipal,	state, or cor	porate entity lo	cated in any state
named by	the CA Atto	orney G	eneral as subject to th	e state-fund	led travel ban o	utlined in AB 1887
Currently	orohibited:	states i	nclude:			
Alabama	N	orth Ca	rolina	Company:		Wells
Kansas	Sc	outh Da	kota	Headquarte	red in:	California
Kentucky	Te	ennesse	e	Status:		ОК
Mississipp	i Te	exas				
List can be	found at ht	tps://o	ag.ca.gov/ab1887			
Section 1 -	Qualitative	9		ĺ	Points Possible	Points Awarded
If firm is lo	cated in:		San Jose-San Francis	co MSA	2	
			California		1	
			Outside CA		0	2
Employee	Satisfaction	n				
			to work for		1	
						0
Glassdoor	reviews av	erage so	core			
3.9	to	5.0			3	
3.5	to	3.8	3		2	
3.0	to	3.4			1	
2.6	to	2.9			0	
0.0	to	2.5			-1	2
Environme					_	
		mpany I	Rankings (World)			
0	to	50			3	
51		100			2	
101	to	250			1	
251	to	500			0	
	lot on List				-1	0
Commitme					-	Ū
		coniunc	tion with check boxes	s to determi	ne score	
8	to	10		to acternin	3	
6	to	7			2	
4	to	5			1	
2	to	3			0	
0	to	1			-1	
Emissions		✓	-	lianco		
	& Fair Wage	_	Ethics & Legal Comp Resource Manageme			
Human Rig	_	=3 <u>▼</u>	Responsible Labor P		□	
Workplace		✓	·			
•	•	✓	Transparency & Acco			1
Sustainabl		*	Community Investm	ent		1
Section 1	Total					5

Section 2 - Quantitative

2016 Ratio YOY Inc./Dec.

Points Awarded

2

Firm can receive up to 3 points per section, as reviewed and affirmed by Investment Committee

Solvency/Liquidity			
Debt to Equity	9.81	Increase	
Current Ratio	0.73	Increase	
Interest Coverage	6.41	Decrease	
			2
Profitability		_	
EBITDA/TA	2%	Decrease	
Return on Revenue	25%	Decrease	
Return on Equity	13%	Decrease	
			2
Valuation		_	
MV/TA	0.15	Increase	
P/E	12.62	Increase	
P/B	1.59	Increase	

Bond Ratings

SCVWD typically does not invest in any security receiving a rating of less than AA/Aa2

Per policy the minimum requirement for investment is AA- from 2/3 agencies

Section 2 Total		7		
		1		
S&P	AA-	AA/Aa2 receives 1 point		
Fitch	0	AA+/Aa1 receives 2 points		
Moody's	Aa2	AAA/Aaa receives 3 points		

Total Score	Recommend Investment if score > 12	12/24

Analyst Comments

Not on list

Glassdoor score 3.5

Green company ranking = 283

Wells Fargo has voiced a commitment to workplace issues such as equal pay and diversity

WF has been plagued by a string of scandals including the fraudulent accounts scandal

Firm is not at all transparent. Much of the activity firm was/is engaged in was only reported due to whistleblowing and dogged reporting

 $Although \ the \ ratios \ appear \ unfavorable, they \ are \ standard \ for \ depositary \ institutions$

Firm receives high marks from HRC; strong support for LGBT issues

They actually fare better than other banks and managed to increase their current ratio

The firm is not making an efficient use of assets

Though the metrics are decreasing the firm still shows strong ROR and ROE

Values signal a good buy but again a lack of asset efficiency

This may be a good value investment, but investing while litigation is pending is risky

Has been targeted by activist investors for pay gaps/disparities

Example #3: Texas A&M University

Sustainable Investment Scorecard - Municipal

Use this form to rate entities based on financial strength and a commitment to social responsibility Information can be found using the links provided, on company websites and in annual reports

	using the links provided, on cor	npany websites and	i in annual reports
Regarding AB 1887 (Travel	•		
	invest in any municipal, state, c	•	·
named by the CA Attorney	y General as subject to the state	-funded travel ban	outlined in AB 1887
Currently prohibited state	Entity:	Texas A&M	
Alabama	North Carolina	Located in:	Texas
Kansas	South Dakota	Status:	Do Not Invest
Kentucky	Tennessee		
Mississippi	Texas		
List can be found at:	https://oag.ca.gov/ab1887		
Section 1 - Qualitative		Points possible	Points Awarded
If entity is located in:	San Jose-San Francisco MSA	2	
	California	1	
	Outside CA	0	0
Stated commitment to:			
Diversity		1	0
Emissions		1	1
Healthy Lifestyles		1	1
Community Outreach		1	1
Information Security		1	1
Transparency/Accountability		1	0
	Sincy	-	<u> </u>
Pending litigation?			
If outcome is:	Favorable	1	
	Unknown	0	
	Unfavorable	-1	-1
Section 1 Total			3
Section 2 - Quantitative		Points possible	Points Awarded
OPEB contribution:	32%		
If contribution is:	81-100%	3	
	61-80%	2	
	41-60%	1	
	21-40%	0	
	0-20%	-1	
		_	0
Pension Funded Ratio	78.4%	_	
If funding level is:	81-100%	2	
	61-80%	1	
	41-60%	0	
	21-40%	-1	
	0-20%	-2	
			1

Liquidity				
Debt Ratio	0.54		1	1
Debt Coverage	1.00		1	0
Current Ratio	1.55		1	1
Credit Rating:	AAA		3	3
AAA gets 3 points				
AA+ gets 2 points				
AA gets 1 point				
Earnings				
Spread	_	0.291%		
Interest Difference	\$	40,865.76	2	2
Section 1 Total				8
Total Score	Recommend investment if score > 11			11/22

Analyst Comments

Have diversity plan but chose not to use affirmative action in admissions

Have undertaken study of agricultural emissions reduction

Launched OneHealth Initiative and Healthy South Texas

Have dedicated Office of community outreach; host youth job fairs and training sessions

University itself is transparent in finances and governance

However, many student organizations and sports teams have faced scrutiny for opacity

Currently in the midst of Title IX lawsuit; Was recently defendant in trial with LSU over athletic coac

OPEB contribution could be higher but pension funded ratio is strong

Debt and Current ratios are strong; Debt coverage is ok but has declined YOY

Strong credit rating and spread over comparable treasury