

GIIN GENDER LENS INVESTING CASE STUDY

Glenmede



GLENMEDE

OVERVIEW OF ORGANIZATION

Glenmede was founded in 1956 to serve in perpetuity as corporate trustee of the Pew family trusts. With this founding mission, the firm has been built and cultivated to act as a responsible steward of client assets and remains committed to an independent and privately-held ownership structure. At Glenmede, impact investing is defined as aligning values with investments, across both public and private markets, while seeking market-rate returns. The firm partners with individuals, family offices, endowments, foundations, and institutional clients to build lasting relationships and tailored investment portfolios. Glenmede's services, solutions and innovations are developed with a long-term perspective, while investing in its people, infrastructure and resources for permanency and future organic growth. In 2018, to foster and generate discussion around impact investing, Glenmede launched Impactivate®, an independent website featuring news and trends on sustainable and impact investing. In 2019, Glenmede became a signatory of the UN-supported Principles for Responsible Investment (PRI) and a member of the GIIN to further its commitment to sustainable and impact investing.

OVERVIEW OF GLI APPROACH

At Glenmede, we view gender lens investing as a strategy, which enables investors to overlay rigorous financial analysis with gender characteristics in alignment with each client's risk and return objectives. Gender lens investing may seek to achieve a range of outcomes, including increasing women's access to capital, developing products and services beneficial to women and girls, and promoting diversity and equality throughout the workplace. We offer access to impact-oriented strategies across multiple asset classes and investment vehicles in public and private markets. Our approach to gender lens investing relies on three critical tools:

- 1. Positive Impact Investments:** Glenmede offers positive screening strategies, which seek to enable investors to weight their portfolios toward more socially aware and gender equitable companies while offering competitive financial returns.
- 2. Shareholder Engagement:** Glenmede considers shareholder engagement in our impact evaluation process. We seek to identify external managers who consistently vote proxies that promote female representation on boards and who regularly file shareholder resolutions requesting disclosure of diversity policies and pay parity.

- 3. Thought Leadership:** Glenmede seeks to raise awareness by training our professionals to engage clients in purposeful discussions about their wealth, by publishing research and by partnering with like-minded investors and thinkers. Most recently, Glenmede partnered with the Intentional Endowments Network to publish a [gender lens investing primer for college and university endowments](#). Annually, we host an *Investing in Women* conference which explores public and private market strategies committed to improving the lives of women. Additionally, we host other impact-oriented events throughout the year, including a recent event focused on the role of women in philanthropy.

The proliferation of data in the last 10-15 years has enabled us to assess the risk and return ramifications of integrating environmental, social or faith-based values into our investment process. Especially within the realm of gender lens investing, the growth of gender-focused data providers has enabled us to create investment strategies with a gender mandate. Our investment team has been at the forefront of creating highly customized impact investment programs for our clients, which can include products developed by our affiliate, Glenmede Investment Management LP (GIM). In 2015, we introduced two U.S. large cap strategies, *Responsible ESG*, which utilizes ESG momentum, and *Women in Leadership*, a gender lens strategy which seeks to invest in large cap companies with a minimum of one of the following characteristics:

- a. The Chair of the Board is a woman
- b. The Board of Directors is more than 25% female
- c. The CEO is a woman and/or women comprise more than 25% of management team

MOTIVATION FOR THE STRATEGY

Glenmede views impact investing as a highly personal expression of an investor's deeply-held beliefs. In an era of increased transparency and access to data, we believe research demonstrates that integration of ESG factors can be obtained while achieving competitive performance. A growing body of credible research suggests that companies with high ESG scores exhibit higher profitability with generally less risk and that diverse leadership teams may lead to more thoughtful and dynamic decision-making. Unable to find an appropriate vehicle to invest in gender diverse companies that would meet its rigorous financial criteria, Glenmede's GIM-based Quantitative Research team researched what factors affected gender

diversity, risk, and performance. Founded on these findings, the *Women in Leadership* strategy launched in 2015.

Internally, gender lens investing aligns naturally with Glenmede's history of supporting and promoting the influence of women in the firm:

- Two of Glenmede's four founders in 1956 were women. Today, 50% of our Management Committee is comprised of women, four of whom head key business practices within the firm. Additionally, the Chairman of Glenmede's Board of Directors is Rhonda R. Cohen, the first woman to hold this position.
- 50% of Glenmede's employees are women, and more than one-third of our client-facing staff are women. This commitment to supporting the success of women in our workplace extends through coaching, development, and a family-friendly work environment. Glenmede is proud to have institutionalized the Women Investing Network of Glenmede, an internal forum which provides opportunities for networking, education, and professional development.
- Women are expected to control two-thirds of private wealth by 2020. Therefore, bolstering our efforts in the area of gender lens investing was and continues to be imperative in response to growing demand from the families with whom we work. Our female clients, in particular, are attracted to this investment strategy and the potential that it has to empower both women and girls on a domestic and global scale.

IMPACT MEASUREMENT AND MANAGEMENT (IMM)

Glenmede's impact strategies rely on a range of data providers tracking gender equity among board members and senior management, as well as proxy voting track records of fund managers, including MSCI, Bloomberg, Sustainalytics, and ISS. Innovation within gender-focused data providers is growing and we're continuing to track this space closely. Most recently, GIM's *Women in Leadership* was [recognized](#) for voting its proxy votes in favor of diversity and pay equity resolutions 100% of the time.

LESSONS LEARNED

For all of our impact strategies, including *Women in Leadership*, two primary understandings guide our approach: first, we seek to understand where a client is in their impact investing process, and second, we seek to demonstrate the rigor of our investment process. Nonprofit boards and investment committee members demonstrate varying levels of familiarity with gender lens investing and it is critical we develop tailored educational opportunities and programs, and introduce data early in the process. For these investors, we facilitate high-level discussion around fiduciary obligations as well as varying phases of planning and decision-making through to reporting and ongoing assessment. Today, nearly 20% of our endowment and foundation relationships have taken some steps toward mission-aligned investing, which may include a gender diverse component.

With our family relationships, impact and gender lens investing often provide parents an opportunity to engage children in discussions about wealth and the alignment of family values and legacy. Social and environmental issues tend to appeal to younger generations and for many families, impact and gender lens investing provide an entry point to financial literacy and decision-making.

Glenmede's corporate values and leadership are an important factor in the success of this strategy. Our leaders continually strive to create an environment where women have the developmental opportunities and resources that they need to succeed. Ingrained in our culture is a commitment to promoting and empowering women, which bolsters our advocacy of gender lens investing.

ORGANIZATIONAL SNAPSHOT

Organization Type	Glenmede is an investment and private wealth management firm.
Geography / Jurisdiction	Glenmede is headquartered in Philadelphia, PA and has offices in Washington, DC; Wilmington, Delaware; Cleveland, Ohio; Morristown and Princeton, New Jersey; New York City, New York; and West Palm Beach, Florida. The company is classified as a limited purpose trust bank regulated by the Office of the Comptroller of the Currency (OCC).
Size – AUM Impact Investments	US \$800 million as of December 31, 2018
Direct or Indirect Investments	Both direct and indirect investments
GLI Strategy Structure	We work to align investments with a gender lens focus across asset classes where possible, with a specific focus on coupling investment strategies with proxy voting policies that promote gender diversity.
Geographic Focus	U.S.A.
Impact Themes	<p>Glenmede has a history of partnering with individuals, families, and institutions to align their social and environmental goals with their financial objectives. We can seek to tilt portfolios toward companies with exemplary or improving environmental, social, and governance factors, known as ESG integration; divest or exclude industries or companies that clients deem objectionable, referred to as divesting; or emphasize thematic issues. In the context of gender lens investing, Glenmede offers the ability to focus investments through thematic lenses.</p> <p>Society: From a societal perspective, Glenmede approaches gender lens investing in a manner that seeks to increase gender equity within boards and senior management but also further women's rights on a global scale. Additionally, we seek to address issues under broader themes that can disproportionately affect women, such as human rights and social inequality.</p> <p>Planet: Glenmede explores the connection between empowering women and reducing the impact of climate change. As climate change disproportionately affects women, we believe that investing to have a positive environmental impact can simultaneously raise the global standing of women.</p> <p>Faith: Faith-based organizations are empowered to do more than just refrain from supporting the objectionable. As investors and markets have evolved, so has interest in expressing values through investments. Glenmede builds portfolios for clients that can divest from companies based on social or environmental practices while at the same time emphasizing – or positively tilting toward – companies that have exemplary values in alignment with beliefs.</p>
SDGs Targeted	While the strategies offered touch upon all of the SDGs, approved strategies intentionally focus on SDG 1: No Poverty, SDG 3: Good Health and Well Being, SDG 4: Quality Education, SDG 5: Gender Equality, SDG 7: Affordable and Clean Energy, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, SDG 10: Reduced Inequalities, and SDG 13: Climate Action.
Target Return	At or above market-rate return.



ABOUT THE GIIN'S GENDER LENS INVESTING INITIATIVE. The GIIN's Gender Lens Investing Initiative supports impact investors, who are actively integrating, or interested in integrating, a gender lens strategy into their investment portfolio through a Working Group, educational webinars, and guidance resources.

ABOUT THE GLOBAL IMPACT INVESTING NETWORK (GIIN). The Global Impact Investing Network (GIIN) is the global champion of impact investing, dedicated to increasing the scale and effectiveness of impact investing. The GIIN focuses on reducing barriers to impact investing so more investors can allocate capital to fund solutions to the world's most intractable challenges. For more information please visit www.thegiin.org