2018-19 Impact Report
Heartland Capital Strategies
Front Cover Photos
Top Left: Majestic Lane, City of Pittsburgh and PA State Representative Sara Innamorato.
Top Right: John Adler, New York City and Sandra Puetate, LCS Fellow
Bottom Left: Pennsylvania State Treasurer Joseph Torsella
Bottom Right: Heartland Labor Capital Strategies Fellowship, Class of 2019
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First, thank you for your gracious support and incredible contributions in building the Heartland Network. We’re thrilled to provide our Heartland 2019 Impact Report!

As you know, the Network is on a long-term quest to mainstream and scale up responsible institutional investments that achieve positive economic impacts. Heartland has set a unique “table” that includes pension leaders, investment consultants, asset managers, capital stewards, labor leaders, academic and policy advocates. We’ve convened over sixty prestigious thought leaders who comprise the boards of our Heartland Governing body and the Georgetown Summer Fellowship. If you haven’t joined one of our essential initiatives, we hope this report spurs you to help us “pay it forward.” We need your help.

Through our four books, chapters and publications, field work, blogs and social media, webinars, research, and educational programs, the Network connects the labor, finance, and pension “aviators” who have led the growth of responsible capital strategies. Since our founding, Heartland has provided testimony or policy advice to the White House, Congress, and federal agencies and with states and communities. We’ve participated in prestigious national and international institutions, such as the PRI, CII, CWC, UN, and the WEF.

Since Leo Gerard and I launched the Heartland Network almost 25 years ago, we have all witnessed the pain of too many recessions and left behind people and communities. We want to thank Leo, past International President of the Steelworkers, for his heart-felt commitments to our cause, and wish him the best in his retirement.

Over these years, Heartland has played a breakthrough role as an advocate for reclaiming workers’ capital. We did that by reporting on and broadcasting the amazing things that you accomplished in your own work. Together, we have built a united front in rebuilding cities, renewing industrial enterprises, growing the clean economy, and making the “boss” more accountable.

In addition to our signature work streams in the following pages, let me point out a few of our strategic plans for 2020:

**Heartland Collaboratory:** Heartland will convene a distinguished group of consultants, asset managers and labor unions to lead a new research working group on private asset monitoring. Subject: How can we rationalize guidelines to navigate the multitude of responsible investment frameworks in the marketplace, and push on a labor standard that strengthens the “S” in ESG.

**National Responsible Investment Policies:** Heartland was asked by long-time friend Congressman Andy Levin to pull together a group of policy leaders to discuss his interest in authoring a national responsible investment bill focused on pension funds. Andy’s interests were sparked by our Thursday Expresso Blog, reaching 5,000 people, which posted an exclusive on the Illinois legislative victory to pass the first state ESG bill.

**New Heartland Literature:** HCS authors anticipate the release of a new chapter on U.S. co-determination and the stakeholder economy, a topic that has exploded, in a new corporate governance book in 2020-21. In 2020, we will release our sixth mini-book on responsible investment, and will package the series for national distribution. And our collaboration with the Century Foundation, after a two-year Heartland Tour that reached 1,000 folks, has yielded a catalogue of the first serious sustainable industrial policies in a generation.

We’re also grateful to the Steel Valley Authority (SVA), a regional municipal authority in Pittsburgh, that administers the Heartland program. The SVA manages five offices and the most successful industrial turnaround program in the U.S., saving some 30,000 jobs. The Authority’s staff are affiliated with the USW.

Thanks again, and we look forward to a great 2020 together, as we fly the Heartland Network to new heights!

Tom
Heartland fosters a Community of Practice for responsible investments (RI). Heartland’s advocates are working in a united front to rebuild our cities, renew our industrial commons, grow the clean economy and make the “boss” more accountable. Established in 1995 by the SVA, Steelworkers, and AFL-CIO to explore and promote capital strategies for labor’s capital, Heartland is, today, a leader in responsible investing. Heartland’s members are, themselves, investment aviators in innovative capital stewardship and corporate governance.

Heartland’s Mission: To mobilize responsible investments by capital stewards in the real economy, achieving competitive financial returns and positive ESG impact. Heartland’s achievements fall into four main categories: thought leadership, education, field work, and communications.

**THOUGHT LEADERSHIP**

*Suggestions Toward Commonwealth Companies*, a paper commissioned for the 2017 “Many Futures of Work Conference,” has been selected to be part of an upcoming compendium on corporate governance. The paper makes the case that shareholder value and stakeholder rights should be balanced. The U.S. Congress has introduced legislation that make the case for stakeholder governance, and they called for companies to add workers to corporate boards and other proposals to increase workforce participation.

In July 2016, the Heartland Network released its fourth book on capital stewardship, *The Responsible Investor Handbook: Mobilizing Workers’ Capital for a Sustainable World*, was published by Routledge/Greenleaf (UK) and commissioned by the AFL-CIO. This book is an essential read for capital stewards seeking a better understanding of the importance of responsible investment and its impact on capital markets.
HEARTLAND EDUCATIONAL PLATFORM
Heartland and Georgetown's Kalmanovitz Initiative (KI) recently completed the third year of a remarkable new student fellowship program to “pay it forward.” The Summer 2019 Class was the most successful to date, attracting a stunning class of eleven new fellows from GU, Howard, NYU Stern, Fairfield, Charleston, CUNY, Cornell. The kids were placed at ten responsible investors and unions. The mission of the Fellowship is to educate a new generation of capital stewards and construct a diverse talent pipeline (See more on page 6).

HEARTLAND FIELD WORK
In 2019, Heartland hosted, in Pittsburgh, our tenth “capital roundtable.” Our field work events bring together Heartland investors with local, state and federal elected leaders, labor and industry, treasurers and pension funds, banks, and developers. We aim to explore transformational responsible investment partnerships and new training pipelines to create family-sustaining jobs. (See more on page 7).

In the last two years, Heartland and the Century Foundation convened five economic summits in three Midwest cities and DC, and co-designed new, sustainable industrial policies. This drew 1,000 participants, including a former Vice President, three U.S. Senators, a Congresswoman, union president and state treasurer, and attracted local and national media.

BROADCASTING
In 2019, our popular Thursday Espresso blog and www.heartlandnetwork.org, featured 70 articles on responsible investments across the country and critical investment and policy developments, part of a social media platform designed to promote our books and the workers’ capital POV. In 2017-18, we kicked off a RI webinar series to break down some common and persistent barriers to the greater integration of responsible investing practices among labor’s pension plans. We also created six free Heartland mini-books, tracking chapters in the Handbook.
Heartland’s Labor Capital Strategies (LCS) Fellowship at Georgetown University welcomed their largest group of students in 2019. Hailing from 8 prestigious universities, the Fellows were hosted at responsible investment organizations including AFL-CIO Housing Investment Trust, LiUNA, Ullico, KPS Capital Partners, Segal Marco Advisors, GCM Grosvenor, Change to Win, The Sterling Organization, and the Teamsters with additional support from Amalgamated Bank and Blue Wolf Capital Partners.

Over their 8-week program, they participated in Brown Bag Lunch sessions meeting with national investment and policy leaders. A trip to New York City provided an audience with representatives from Amalgamated Bank (above), New York City Mayor’s Office, and Blue Wolf Capital (both below).
in 2018, PNC Bank commissioned the SVA/Heartland Network to launch a Steel Cities Capital Roundtable project. The goal of this effort is to foster impact capital and public partnerships to invest in advanced manufacturing, technology, smart buildings and affordable housing, civic infrastructure, wind and solar energy, and efficient transportation initiatives. The Pittsburgh region including the Mon, Ohio, and River Valleys were targeted.

Throughout the year, staff met with representatives from all levels of government, transportation, development agencies, labor, policymakers, banks, housing, workforce, education, and economic development to educate them on responsible investing and determine their capital gaps. Once those meetings and surveys were complete, investors were invited to participate in the project.

On August 6, 2019, more than 80 representatives from these groups met at the USW Building for a day-long roundtable. Attendees heard presentations from prominent Heartland Network investment managers, economic development, banking, and labor leaders. A keynote luncheon presentation from PA State Treasurer Joe Torsella (below bottom left) touched on efforts he is making in the Commonwealth to invest taxpayer dollars responsibly. The afternoon focused on regional investment opportunities located in the targeted regions.
The staff wishes to thank our Governing Board and Fellowship Advisory Board for your generous support to our common cause; we express our deepest gratitude to you and the institutions that have sponsored our earnest endeavors. You have all made a difference in this great fight...we are forever indebted!

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