



Honoring Hiroshima & Nagasaki by working to defund the military-industrial complex

PAT MIGUEL TOMAINO, DIRECTOR OF SOCIALLY RESPONSIBLE INVESTING



This month we remember the United States bombing of Hiroshima and Nagasaki 75 years ago. On August 6 and August 9, 1945, those cities were destroyed, instantly killing or injuring at least 200,000 people. The bombings scarred the lives of the survivors, the hibakusha — many of whom succumbed to

related diseases years later and the last of whom mark this anniversary with us. The bombings also shaped the last 75 years of global politics and forced us to question our belief in a positive future for humankind.

As responsible investors, we confront the dark lessons of the destruction of Hiroshima and Nagasaki, and we puzzle after that very question. Left to our own devices, is it possible for humans to build a sustainable future? Can we avert Armageddon in a global system based on economic competition, externalized costs, and national rivalries? We are on the brink of failing the COVID-19 test, with governments bungling the response, countries hoarding resources, and vaccine research devolving into spy games rather than cooperation. As investors, we pay attention to a range of systemic risks — from pandemics to nuclear war and ecosystem destruction — and the headlines are not encouraging.

Our answer as responsible investors is that in order to save the future, we must actively fight against the way that society is organized. We acknowledge that the capital markets fund and enable war

profiteers, companies that not only produce the world's deadliest weapons, but also lobby to convince governments that ever-more-terrifying weapons are needed. We know that this is not limited to the largest military contractors like Lockheed Martin and BAE Systems, but also includes less dangerous-sounding conglomerates.

And we act. As a first step, Zevin Asset Management **avoids investing** our clients' money in destructive companies. Divestment is the answer for several reasons: like tobacco and gun companies, weapons firms actively bring harm into the world, and they are generally not willing or able to change their business models. As reviewed in our [2020 Impact Report](#), our approach to responsible investment relies on the power of shareholder advocacy and engaging with companies for positive change. However, the issue of nuclear weapons demonstrates the limits of engagement and the value of principled research and exclusion.



Hiroshima Peace Memorial Park © Flickr user BriYYZ

Divestment is also a way for investors to publicly oppose the destructive cycle of the military-industrial complex while ending their support for the makers of nuclear weapons. When large groups of investors come together in divestment campaigns, major systemic change is possible. We saw this in action as a campaign of responsible investors pushed big Wall Street banks to end their relationships with private prison companies, potentially [limiting that harmful sector](#). And we note the successful efforts of PAX, ICAN and the [Don't Bank on The Bomb project](#) to analyze and highlight investment and banking institutions that are working to de-fund the military-industrial complex.

We believe nuclear divestment is a minimum step for investors, and we are proud to avoid investing in any companies producing weapons — including nuclear, chemical and biological weapons, cluster munitions, anti-personnel landmines, and small arms. We encourage other asset managers and asset owners, such as individuals, foundations, faith-based institutions, and pension funds, to follow suit and divest from companies that produce nuclear weapons.

As an additional benefit, divesting from weapons producers also helps to manage risk within portfolios. In our

view, producing weapons and relying on warfare for profit is inherently risky. Nuclear weapons also increase the level of systemic risk at large. Weapons companies, which cultivate close relationships with militaries and often seek other ways to build the war machine, have also been implicated in questionable activity and human rights violations. For instance, General Dynamics, a massive government contractor that is best known for building nuclear submarines and missiles, has contracted with U.S. authorities to administer the [detention of immigration detainees](#), including children. As in many other areas of responsible investing, tuning into one area of social risk helps us to avoid other potential hidden dangers.

We hope you will join us in reflecting on this solemn anniversary. We all must act so that never again will people suffer like the people of Hiroshima and Nagasaki. Please consider asking your financial advisors and the institutions in your life (churches, non-profits, cities, etc.) whether they invest in the military-industrial complex, and then press them toward change.

Our team is ready to help with support and answers: invest@zevin.com.

DISCLOSURES

1. Registration with the SEC should not be construed as an endorsement or an indicator of investment skill, acumen or experience.
2. Investments in securities are not insured, protected or guaranteed and may result in loss of income and/or principal.
3. Investment process, strategies, philosophies, allocations and other parameters are current as of the date indicated and are subject to change without prior notice.
4. Nothing in this communication is intended to be or should be construed as individualized investment advice. All content is of a general nature and solely for educational, informational and illustrative purposes.
5. Unless stated otherwise, any mention of specific securities or investments is for hypothetical and illustrative purposes only. Adviser's clients may or may not hold the securities discussed in their portfolios. Adviser makes no representations that any of the securities discussed have been or will be profitable.



Zevin Asset Management

