



Zevin Asset Management

IMPACT UPDATE



MARCELA PINILLA, DIRECTOR OF SUSTAINABLE INVESTING

This quarter, Zevin Asset Management continued to share our perspective on racial equity investing, filed our first resolution of the season, and sent letters to pharmaceutical companies and their trade associations to advance health equity. In other news, we continue to defend corporate diversity, equity, and inclusion (DEI) initiatives against political headwinds and have joined global efforts to protect our fragile biodiversity.

STRIKE WHILE IT'S HOT!

This year, state-level anti-ESG efforts and the Supreme Court's rollback on affirmative action stymied efforts to create positive social and environmental change. Meanwhile, movements to advance workers' freedom of association, Black Lives Matter, and sustained corporate diversity and inclusion efforts persist.

The labor strikes over the last 18 months — the looming then averted nationwide railroad workers' strike last December, recent hard-won gains by United Parcel Service (UPS) workers, Hollywood writers strike, and walkouts by the United Auto Workers underline the discontent and frustration of workers.

For now, union negotiations at UPS, Starbucks, Apple, and others have prevailed on the side of workers, in what is only the beginning of a more protracted fight. As we approach the end of the year, Zevin Asset Management will continue to support and build on workers' momentum to push for quality jobs and equal treatment for contracted and temporary workers.

500 DAYS OF WAR AND COUNTING

Meanwhile, as the Russian invasion of Ukraine grinds on, we partnered with the human rights experts at Heartland Initiative to engage Analog Devices, a global chip maker whose components were among those **most frequently found in Russian weapons systems** that targeted civilians and civilian infrastructure.

While Analog Devices noted that their products were illegally sold to Russia, the severe human rights abuses and impacts associated with the use of the company's products cannot be overlooked. We co-filed a resolution alongside United Church Funds seeking a dialogue with Analog Devices that urges the adoption of heightened

human rights and know-your-customer due diligence processes. As the brutal and inhumane war continues, we seek to have a clear line of sight into Analog Devices' plan to avoid complicity in Russia's war in Ukraine.

A LETTER TO OUR ESG RESEARCH PROVIDER

As sustainable investing continues to grow, we like to put our money where our mouth is. To help make sustainable investing more credible, we wrote a letter to our firm's ESG research provider, Sustainalytics, to express our concern regarding the politicization of their research.

We were disappointed to learn that Morningstar (which operates Sustainalytics) removed its Controversy ratings from several companies that are exposed to conflict-affected and high-risk human rights areas. While not a panacea, these ratings can help investors identify companies that are complicit in human rights violations through their products or services. We pressed Sustainalytics to reconsider its framework to ensure that investors around the globe are accessing the nuanced and credible information they expect.

A LIGHT ON PHARMA

Americans pay more for prescription drugs than anywhere in the world and the U.S. is one of the few countries whose government is not empowered to negotiate drug pricing. As a direct result, in the past year **three in ten** Americans report not taking their medicine as prescribed due to the cost.

Over the last decade, there have been numerous hearings and bills introduced in Congress attempting to address this problem. Behind the pharmaceutical sector's powerful resistance, expansive and opaque lobbying and political donation networks pervade in our legislative and regulatory systems. Led by ICCR (Interfaith Center on Corporate Responsibility), investors released a **statement** voicing deep concern about lawsuits brought by pharmaceutical companies and trade groups like the U.S. Chamber of Commerce to block the U.S. government's ability to negotiate fair drug prices for Medicare beneficiaries.

From "extortion" to "compulsory speech," according to ICCR's statement, these corporate grievances share

a common theme: that the government's attempt to negotiate drug prices is "unconstitutional."

We wholeheartedly disagree with these corporate sentiments. The right to health access should not be burdened by exorbitant and inaccessible prices.

LETTERS AND STATEMENTS

As investors, we believe that there are both moral and business cases to support corporate DEI initiatives. The Supreme Court's decision to reverse race-conscious admissions could potentially contribute to companies pulling back on their racial justice commitments, and lead to setbacks to corporate DEI and racial equity efforts.

With the Racial Justice Investing coalition, we roundly rejected the premise of an Attorney General's letter to chief executives at the largest U.S. companies equating corporate programs in support of DEI with "reverse racism." Their letter describes equitable hiring as "explicit racial hiring quotas," wrongly suggesting that DEI initiatives, policies, and practices are discriminatory. We believe our companies and the economy as a whole benefit when workplaces are designed to attract, retain, and engage employees from a wide range of backgrounds. Learn more about [how we assess corporate racial equity progress](#).

BIODIVERSITY PROTECTION THROUGH COLLECTIVE ACTION

More than half of the world's GDP relies directly on natural systems like forests, farmlands, and oceans. While we have been acutely aware of the harm that human activities have on ecosystems when their resources or services are overused, corporate performance data on these impacts is not widely available. [Nature Action 100](#) is an investor engagement effort that aims to drive ambition to halt and reverse the damaging impacts of biodiversity and nature loss around the world. For example, Nature Action 100 pursues alternatives to damaging chemicals and more sustainable food systems. Zevin Asset Management joined this initiative and will engage portfolio companies to align with Nature Action 100's ambitions in the coming quarters.

Thank you for reading and sharing. For more on this work and our broader advocacy, visit our [website](#), and join us on [LinkedIn](#) and [Twitter](#). And please don't hesitate to contact Marcela Pinilla, Zevin Asset Management's director of sustainable investing, at marcela@zevin.com with your questions, thoughts, and suggestions.

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