



## Unleashing Impact Through Gender Lens Investing



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### What is Gender Lens Investing?

**Gender lens investing** offers investors a process for identifying and weighing issues pertaining to gender-based issues — pay equity, gender diversity, and career advancement, to name a few. We integrate these findings into our investment decision-making with the goal of mitigating risk, identifying opportunities, and creating positive social impact.

Gender equity, while an important aspect of Zevin Asset Management’s research and impact process, is a part rather than the sum of our approach. Given the overlap between the issues we work on in addition to gender equity, such as racial equity and climate change mitigation, we do not view these issues in isolation. Instead, we employ multiple lenses in our investment approach and look for intersectionality between these areas to help us better understand and address inequities in our systems and institutions.

When unleashing impact through gender lens investing, it is vital that we view women as more than numbers. Efforts to improve gender diversity, such as having women in leadership positions or at the board level, are important, but do not go far enough to address systemic issues pertaining to gender. Looking beyond representation, we focus on inclusion — how women are valued and treated — in our approach to gender equity.

### Walking the Talk of Gender Lens Investing

Much like putting your oxygen mask on first before assisting others, we prefer to lead by example. As a sustainable investment firm, we feel it is important to hold ourselves to the same standards and scrutiny that we use when analyzing companies for potential investment.

Only about **12.5% of portfolio managers** across U.S.-based funds in 2022 were women, almost unchanged from the previous ten years, according to Morningstar. The financial services industry has historically been unwelcoming to women given toxic working environments stemming from a culture of bullying, misogyny, and sexual harassment. Changing that culture is one aspect of our approach to gender lens investing.

As a majority women-owned and led firm, women are instrumental in shaping the culture and investment decision-making at Zevin Asset Management. As of this writing, women make up 50% of our staff and 44% of our investment team. We invite you to [meet our talented team](#), which has been intentionally built to represent diverse backgrounds, educational and professional experiences.

### Where Intersectionality Fits into Gender Lens Investing

In our investment process, we apply a gender lens to businesses and their behaviors to account for, and ultimately help remedy, the compounded discrimination experienced by women based on their race, class, ability, sexual orientation, gender identity, and other characteristics. Integrating gender issues into investment decision-making should not happen in a vacuum, given that gender patterns are complicated by other identities along which power structures and discrimination operate. For example, we see patterns of disproportionate impact at the intersection of race and gender, and environment and worker health. Investors can go further to identify and examine all factors at play to make informed investment decisions and meaningfully improve corporate behavior.

**“All inequality is not created equal.”**  
—KIMBERLÉ CRENSHAW ON INTERSECTIONALITY

Across the labor market, BIPOC women experience some of the worst conditions and outcomes in health, income, and job mobility, to name a few. Paramount to our approach to gender lens investing is our emphasis on intersectionality. For examples of areas of risk and impact at the intersection of gender, race, and ethnicity, [view our graphic](#).

### Advocating for Pay Equity Through Shareholder Engagement

Informed by our research and stakeholder engagement, we bring the business case forward to companies in our portfolio of why overlooking gender issues, such as pay equity (the practice of equally compensating employees who perform similar jobs), is an area of risk. One tactic we employ to move companies toward pay equity based on gender, race, and ethnicity is filing shareholder proposals. While Zevin Asset Management is not a major shareholder in these companies, our coalition-building experience and expertise help us bring up emerging topics to corporate boards and management. It’s not the size of our holdings but the quality of our ideas that enable us to create positive change.

#### PAY EQUITY SHAREHOLDER ENGAGEMENT HIGHLIGHTS

| Issue   | Advocacy Progress   |
|---|---|
| <p>Over half of food service industry workers are women, who are paid less than men and face discrimination in the workplace. The subminimum wage for tipped workers, still \$2.13 an hour at the federal level, is a legacy of slavery that disproportionately affects women and people of color.*</p> | <p>We joined in calls to <b>Brinker International, Cheesecake Factory, Darden, and Dine Brands</b> to support a full minimum wage for tipped employees (with tips on top) and to cease oppositional lobbying via the National Restaurant Association. Nearly 15 states have adopted legislation toward ending subminimum wages.<br/><i>Partners: Interfaith Center on Corporate Responsibility (ICCR) and One Fair Wage</i></p> |
| <p>Data has established the benefits of having a diverse workforce. Tying long-term compensation incentives to growing a diverse workplace can lead to better financial performance and investment returns.</p>   | <p>To help close persistent gender, racial and ethnic gaps in pay and benefits, we filed a resolution with <b>Kroger</b> seeking pay incentives tied to employee retention and promotion. The proposal was successfully withdrawn as Kroger agreed to integrate metrics related to diversity, equity, and inclusion (DEI) into their compensation plan from associates to senior managers and tied to employee feedback.</p>    |
| <p>Women are overrepresented in low-paying jobs and underrepresented in high-paying ones.</p>   | <p>We filed a resolution with <b>The TJX Companies</b> seeking a pay equity analysis to ensure pay equity across their employee base. Equal pay for equal work across retail and leadership positions impacts a large portion of the company’s workforce, which is 77% women.</p>   |

\* Tipping proliferated after the Civil War, when the restaurant and hospitality industries hired newly emancipated Black women and men but offered them no wages, leaving them to rely on patrons’ gratuities for their pay instead.

For more examples of Zevin Asset Management’s corporate engagements advancing gender equity, we invite you to view our table of [Gender Equity Shareholder Engagement Highlights](#).

## Proxy Voting in Alignment with Gender Lens Investing

Gender lens investing includes supporting shareholder proposals that seek to expand disclosure of workforce diversity or to improve or adopt policies that promote an inclusive workplace. We believe shareholder requests for improving workforce diversity, equity and inclusion (DEI) position a company for long-term success.

This can include support for proposals seeking:

- Inclusive non-discrimination policies
- Adoption of employment non-arbitration clauses
- Adoption of benefits for domestic partners or access to maternal health services and benefits for women
- Disclosure of gender/racial pay equity
- Extension of paid sick leave as a benefit for workers in retail and other industries where there is a large proportion of women of color
- Improved data disclosure including EEO-1 reports (Equal Employment Opportunity)
- Additional data on retention (how long an employee stays at a company once hired) and promotion rates (whether women of color/diverse talent are promoted at the same rate as white or male counterparts)

## Bringing Gender Lens Investing to Public Policy

Corporate influence on state-level and federal legislation and regulation is an endemic problem in U.S. policymaking. Sustainable investors can often bring a differentiated voice to legislators who are more used to hearing from a traditional business base. Recent examples of Zevin Asset Management's public policy work using a gender lens investing framework include:

- Submitting a letter to the Federal Trade Commission (FTC) vocalizing our support of the FTC's proposed ban on noncompete agreements in employment contracts for workers at the front lines. Such a ban would remove the barriers to suppressed wages and job mobility. Our focus on workers at the front lines stems from the significant role of women in this segment of the workforce. Find our blog on the topic for [further reading](#).
- Signing letters to Congress in support of federal paid family and paid sick leave policies. **One in four** workers do not have paid sick days to care for their health or that of their loved ones. Family caregiving falls disproportionately on women, further evidence of the potential impact of federal paid family and paid sick leave policies for women. Workers who are Black, Indigenous, people of color (BIPOC), and/or immigrants, as well as low-wage, part-time, and service-industry workers are especially unlikely to have access to paid sick days. Not having access to paid sick days also disproportionately impacts Black and Latinx workers, who face a **heightened risk of illness** as a result.

**“Real change, enduring change, happens one step at a time.”**

—RUTH BADER GINSBURG

*Learn more about Zevin Asset Management's work and broader advocacy by checking out our [resources](#) and latest publications, and joining us on [LinkedIn](#).*

### 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. Historical performance is not indicative of any specific investment or future results.
4. Certified B Corp status is, at least in part, based on responses provided to B Lab by Zevin Asset Management. Zevin Asset Management pays annual membership dues to B Lab, which is a requirement for eligibility in B Lab results. Certified B Corp status requires an assessment of companies' positive impact on workers, community, customers, and environment (Criteria: [usca.bcorporation.net/who-can-certify/](https://usca.bcorporation.net/who-can-certify/)).



## GENDER EQUITY SHAREHOLDER ENGAGEMENT HIGHLIGHTS

| Issue   | Action  | Impact  |
|---|---|---|
| <p>Over half of food service industry workers are women, who are more likely than men to be paid less and face discrimination in the workplace.</p>   | <p>We joined in calls to <b>Brinker International, Cheesecake Factory, Darden, and Dine Brands</b> to support a full minimum wage for tipped employees (with tips on top) and to cease oppositional lobbying via the National Restaurant Association. Nearly 15 states have adopted legislation toward ending subminimum wages.<br/><i>Partners: Interfaith Center on Corporate Responsibility (ICCR) and One Fair Wage</i></p> | <p>The subminimum wage for tipped workers, still \$2.13 an hour at the federal level, is a legacy of slavery that disproportionately affects women and people of color.</p>   |
| <p>Data shows that persistent pay and/or promotion discrimination impacts women across all job functions.</p>   | <p>We asked <b>The Home Depot</b> to publish their Equal Employment Opportunity (EEO-1) report to help investors visualize workforce data broken out by gender and race and to identify disparities across job functions.<br/><i>Partner: New York City Pension Funds</i></p>   | <p>The proposal was successfully withdrawn as The Home Depot agreed to publish their report, joining companies such as Coca-Cola, AT&amp;T and Target.</p>  |
| <p>Data has established the benefits of having a diverse workforce. Tying long-term compensation incentives to growing a diverse workplace can lead to better financial performance and investment returns.</p>             | <p>To help close persistent gender, racial and ethnic gaps in pay and benefits, we filed a resolution with <b>Kroger</b> seeking pay incentives tied to employee retention and promotion.</p>   | <p>The proposal was successfully withdrawn as Kroger agreed to integrate metrics related to diversity, equity, and inclusion (DEI) into their compensation plan from associates to senior managers and tied to employee feedback.</p> |
| <p>When enacting rules for corporate disclosure, the Securities and Exchange Commission (SEC) hears from various stakeholders, including corporate lobbying and shareholder interests.</p>                                  | <p>We joined a letter in support of the <b>SEC's</b> plan to develop proposals for consistent, comparable, and decision-useful disclosures addressing human capital management such as corporate Equal Employment Opportunity (EEO-1) reports disclosing the gender, race, and ethnicity of employees across job categories.<br/><i>Partner: Boston Trust Walden</i></p>  | <p>Disclosure helps investors better assess the effectiveness of corporate practices on diversity, equity, and inclusion (DEI) and entails no meaningful incremental costs to companies.</p>  |
| <p>Women are overrepresented in low-paying jobs and underrepresented in high-paying ones.</p>   | <p>Gender-based pay discrimination can be eliminated when women are compensated the same as men for the same work. We filed a resolution with <b>The TJX Companies</b> seeking a pay equity analysis to ensure pay equity across their employee base.</p>   | <p>Equal pay for equal work across retail and leadership positions impacts a large portion of The TJX Companies' workforce, which is 77% women.</p>   |
| <p>Paid sick leave remains subject to company discretion and is offered by only some states. Women are more likely than men to be economically insecure and are more likely to lack access to paid sick leave benefits.</p> | <p>We joined an ICCR-member letter, representing \$1.6 trillion in assets under management, calling on the <b>United States Congress</b> to pass a comprehensive and permanent federal paid family and medical leave program. At the height of the pandemic, we also successfully engaged <b>The Home Depot, The TJX Companies, CVS, and Walmart</b> to adopt paid sick leave policies.</p>                                     | <p>In states and localities that mandate paid sick leave for workers, workers are far more likely to report access to this benefit and its use by women is increased.</p>   |