



Zevin Asset Management

IMPACT UPDATE



MARCELA PINILLA, DIRECTOR OF SUSTAINABLE INVESTING

This quarter, Zevin Asset Management leveraged its voice to advocate for workplace equity and called on one of the largest asset managers to walk the talk on climate change. Several Zevin Asset Management-led shareholder resolutions at Alphabet, AbbVie, and UPS will soon go to vote at the companies' annual general meetings with the goals of advancing environmental, social, and governance (ESG) issues.

Notably, our proposal to AbbVie seeking disclosure of its lobbying and third-party expenditures may have encouraged the company's decision to announce its departure from several influential and controversial trade groups whose lobbying activities do not align with the companies' stated values around health and access to medicines. Not renewing their membership to these trade groups means they will not be endorsing the blocking of bills aimed at improving drug access and pricing.

THE RIGHT TO JOB MOBILITY & HIGHER WAGES

Workplace equity is as much about putting in place policies and practices to grow and retain a company's workforce as it is about dismantling employment contract policies that limit workers from seeking more favorable pay, benefits, or work environments. A noncompete agreement is an employment provision that bans a worker from working at a competitor, limiting their job mobility and bargaining power. While traditionally used for white collar workers, they are increasingly seen in lower paying jobs, effectively leading to lack of wage growth.

Frontline and essential workers, and the contracted workforce, are most impacted by these policies, despite posing the least risk to companies' fears that their trade secrets will be leaked. Black, indigenous and people of color (BIPOC) and women workers in health care, food and retail, and manufacturing experience the worst of the impacts of noncompetes. The Federal Trade Commission (FTC) is considering banning noncompete clauses around the country and calculates that this could unleash over \$300 billion in higher wages and shift the power dynamic toward more equity and self-determination for workers.

In response to the FTC's request for comment on this proposed ban, Zevin Asset Management has written and is gathering other investor support for a letter to the FTC in support, sending a clear signal that some investors support a more prosperous and equitable workforce.

Advocating for changes in labor practices lays bare the market's dilemma between gains in the short and long term. As investors seeking profit, we recognize that noncompetes suppress wages to enable more value extraction, boosting profits. But unlike mainstream Wall Street, we do not drop a stock at the first hint of rising wages. As long-term shareholders we believe that value comes from companies investing in an inclusive workforce.

EARTH TO VANGUARD: CLIMATE INACTION & BOWING TO ANTI-ESG POLITICS WON'T STAND

As a fiduciary, it is our duty to always place our clients' interests first and foremost. We at Zevin Asset Management take this responsibility very seriously and expect others that we work with to do the same. Unfortunately, we believe that Vanguard is **insufficiently managing** risks posed by the climate crisis and that this could be a potential violation of its fiduciary duty.

Vanguard has stated, "climate change represents a profound, fundamental risk to investors' long-term success, and we approach climate risk from a fiduciary perspective." As a fiduciary, Vanguard should exercise its duties of loyalty and care on behalf of customers. But Vanguard has failed to demonstrate how it is managing the risks that ongoing climate-related destruction poses to its clients' investments.

In response to this backtracking, we sent a **letter** to Vanguard letting them know that they are treading on thin ice (pun intended) and look forward to a dialogue with the company.

INVESTOR LETTERS & STATEMENTS

Contributing to the climate conversation — Proxy voting is a vital tool for shareholders to use to press for corporate action on climate change. Because pension funds own large volumes of shares in companies, they can have a sizeable

impact on the vote results of shareholder proposal. In collaboration with Climate Finance Action (CFA), we are lending our voice to equip pension fund trustees with the resources and questions to ask board members about climate change in their portfolios.

Stop Cop City — When Manuel Esteban Paez Terán was shot and killed by Georgia law enforcement, they and other protestors were protecting an Atlanta 85-acre tract of forest from being developed as a massive police training facility, dubbed “Cop City.” The Atlanta Police Foundation pledged to raise \$60 million for this Cop City, with significant contribution from corporate backers. Many of these companies have also made statements or pledges supporting Black and Brown communities. These dollars contribute to **police militarization** through the purchase of weapons, body armor, and controversial surveillance technology such as “**predictive policing**” software.

Joining the growing local opposition to Cop City, with groups such as the Investor Circle Toward Decarceration, Presente.org/Alianza Americas, Community Movement Builders, and Showing Up for Racial Justice, we sent letters to two companies in our portfolio, UPS and Home Depot, whose financial contributions to the plans to build Cop City will perpetuate mass incarceration. We strongly believe that these companies’ stated commitments to equity and inclusion should extend to their funding of organizations and board memberships.

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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