

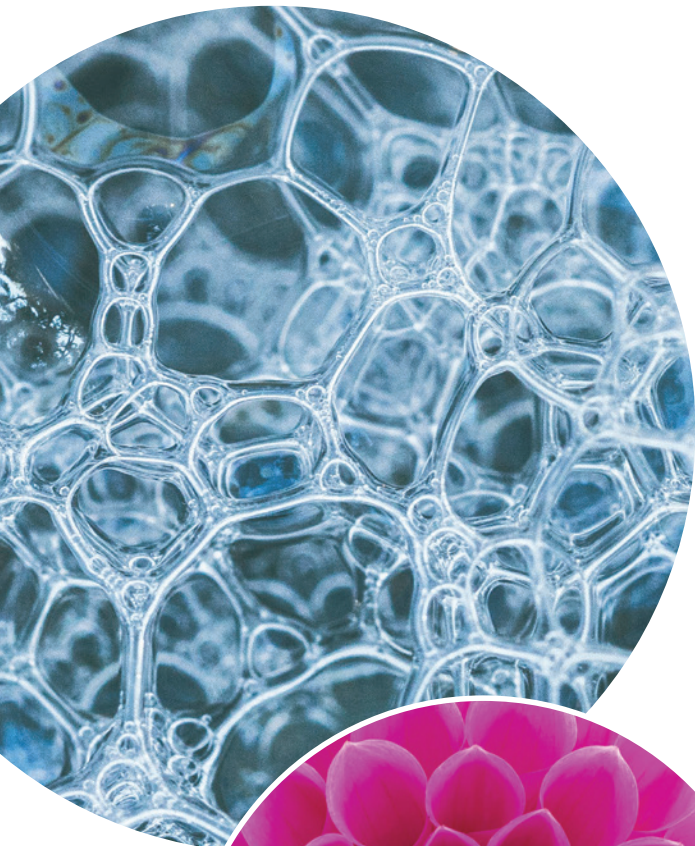


Zevin Asset Management

2024

**IMPACT**

*Report*



Fractals—self-replicating pattern repetitions that persist in nature—are one way to visualize how we coalesce into the larger movements for social and environmental change.



# CONTENTS

- 3 **Letter to Stakeholders**
- 4 **Maintaining Authenticity**
- 5 **Who We Are**
- 6 **Walking the Talk**
  - 6 Investment as a Force for Good
  - 7 Our Approach
- 8 **Our Three-Tiered Approach to Active Ownership**
  - 9 Shareholder Advocacy
  - 10 Public Policy
  - 11 Proxy Voting
- 12 **Portfolio Footprint**
- 13 **Engagement by the Numbers**
- 14 **Focus Areas**
- 15 **Building Coalitions for Change**
- 16 **News and Views**
  - 16 Industry Leadership
  - 16 Publications on Sustainable Investing
- 17 **Tracking Progress**

This report details Zevin Asset Management's engagement during the 2022 and 2023 calendar years.



# RIPPLES OF CHANGE

Dear stakeholders,

**In our 27 years of contributing to social and environmental change**, we have seen our movement undermined as a naïve, money-losing undertaking, co-opted by some asset managers as a marketing gimmick, and now the target of political backlash against “wokeness.” Despite this, we keep to our convictions, supported by ample evidence suggesting authentic sustainable investing is not naïve, but rather a dynamic way of understanding the fundamentals of companies more fully through unique insights.

**As we publish our fourth biennial impact report**, the world is increasingly aware of the profound impact of human activity on our planet. We believe that what we practice on a small scale reverberates on a larger scale. A representation of how we view the role we play within society as investors, the images of fractals in nature displayed in this report show miniscule components that are essential to the larger whole.

**The hypocritical, anti-ESG hysteria emanating from many red states** is trying to end the practice of sustainable investing through regulation. Well-funded by conservative dark money networks who equate ESG with the spread of “liberal values,” red states are not backing down despite strong pushback. As a result, some asset managers have run away from their previous paltry commitments around urgent social and environmental issues.

**Investors cannot afford to be complacent** with the myriad of risks facing us, such as increasingly violent geopolitics, existential risks from AI, climate change related upheavals, or the upcoming U.S. presidential election. As we see it, aligning values to investing and becoming the change we wish to see are a part of our responsibility to our clients.

**Effective active ownership enables us to push for progress** on behalf of our clients. The sum of numerous collaborative efforts with stakeholders, our approach helps us achieve our dual objective of creating returns while promoting positive change. And as we raise awareness, listen, and advocate, we advance the visions and missions of those who boldly push for civil, environmental, and human rights.

I hope the following pages give you a sense of the impact we create on behalf of our clients and how we approach this valuable work.



Sonia Kowal  
President, Zevin Asset Management

*“All that you touch  
you change. All that  
you change changes  
you. The only lasting  
truth is change.”*

– Octavia Butler



# MAINTAINING *Authenticity*

**We seek outcomes, instead of just outputs. Requesting that a company report on its greenhouse gas emissions is an output. The reduction of those emissions and the mitigation of harm that results from this action is the outcome we seek.**

**Our actions, negative or positive, shape the future.** This principle also applies to our capital markets and having an impact as long-term, sustainable investors. Money is never neutral. Anytime we deploy capital, we must be thoughtful about our impact and that of the companies in which we invest. We do not believe that simply using insights from environmental, social, and governance (ESG) analysis to help construct an investment portfolio creates positive social or environmental impact. However, our ESG analysis can strengthen our advocacy and active engagement activities and can result in tangible corporate changes and broader social impact.

We also do not believe impact is achieved through stock picking. Unlike private markets where capital allocation can have a measurable impact, **positive change in public equities happens when companies get pushed to take steps that they wouldn't have otherwise taken**—also known as additionality. Attributing the impact from large public companies is challenging given the massive scale of their influence and interconnected supply chains. However, we know from decades of advocacy work that when large corporations make positive changes, these can lead to very large impacts on the ground.

**We seek outcomes, instead of just outputs.** Requesting that a company report on its greenhouse gas emissions is an output. The reduction of those emissions and the mitigation of harm that results from this action is the outcome we seek.

**Our shareholder advocacy is informed by our own in-house research and through stakeholder engagement** rather than relying on purchased ESG datasets. Unions, civil rights groups, grassroots groups, and human rights defenders have persistently fought for change that secures a bright future for the next generations. We know social change originates from segments of society that have been most disempowered. We seek to amplify solutions posed at the front lines. We use our investor voice to bring these perspectives to the table because they matter to society's long-term success.

**Corporate, federal and state-level actions to discredit sustainable investing augment the continued importance of our advocacy.** For example, the 2023 Supreme Court ruling against affirmative action in college admissions has led to corporate backtracking on commitments to diversity, equity and inclusion (DEI). In addition, state-level efforts to discredit and misconstrue ESG integration and shareholder engagement as politically motivated have prompted many large asset managers to retreat from commitments to urgent issues like climate change mitigation, diversity goals, and biodiversity-related initiatives.

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To find a **comprehensive list of our corporate and public policy engagements** during this reporting period, please turn to **page 17** of this report.

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# WHO WE ARE

At Zevin Asset Management, we are proud of the composition and conduct of our firm and our authentic approach to sustainable investing.

As investors, we have a duty to our clients, ourselves, and future generations to use our voice and policies as instruments of social change responding to years of past discrimination. As in natural systems, diversity enriches and makes any space more dynamic and resilient. We reflect this principle in the richness of perspectives that our employees bring to our firm. Diversity bolsters innovation, improves our resiliency, and reinforces our commitment to social responsibility as an investment firm.

**We hold ourselves to a thoughtful and intentional investment process and culture of improvement.** We are continuously learning and refining the role we play in closing racial, ethnic, and gender diversity equity gaps in our industry, which is predominantly white and male. We bring these views to our research process, our advocacy, and how we behave as an asset management firm.

For the last few years, we have partnered with the Wall Street Diversity Accelerator (WSDA) to host a paid summer intern from an underrepresented background to introduce them to a career in financial services.

**Our thinking about diversity, equity, and inclusion is not limited to race and gender.** We appreciate perspectives shaped by culture, background, and lived experiences. Our nine-person investment team collectively speaks

Global focus formed by diverse experiences

Our staff speaks **13** languages and have lived in **16** countries

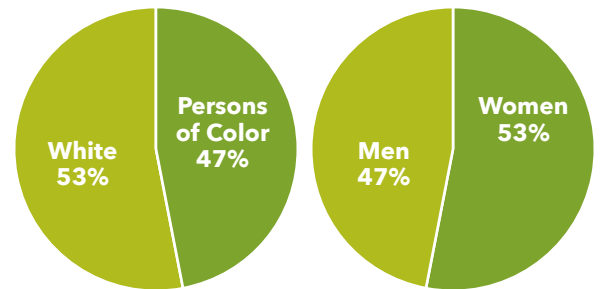
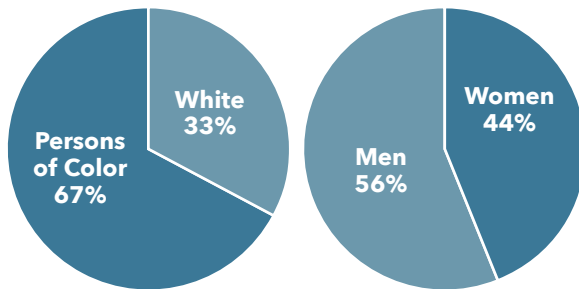
13 languages and has a very international outlook—which is essential for a global shop. Almost all of our investment team have lived abroad (16 countries collectively) for extended periods of time. They have cut their teeth at larger firms and made the career decision to shift to a firm with a forward-thinking culture and growth mindset.

We do not believe that we can solve issues like climate change or inclusive and equitable corporate governance unless we have diverse voices at the table. The long history in financial services of hostility towards women and people of color may start to change as clients demand relationships with diverse firms. Change of this magnitude is difficult and requires deep introspection. Without producing the necessary environment necessary for all employees to succeed, there is a grave risk that hiring a few token diverse candidates will make the problem even more endemic by setting them up for failure.

## INVESTMENT TEAM

## STAFF

Commitment to recruiting and retaining a diverse workforce



## WALKING THE TALK

Only 1.4% of assets are managed by diverse-owned firms (Knight Foundation). As a diverse-owned asset manager, Zevin Asset Management is differentiated from many of our peers.

# Investment as a Force for Good

Zevin Asset Management is committed to using investment as a force for good and we practice what we preach to our portfolio companies. Being a Certified B Corporation requires that we intentionally include employees, community, and the environment when making all key decisions.

The extensive certification process covers our impact on various stakeholders including our workers, customers, wider community, environment, and governance practices. We are especially proud of our impact on our employees. For example, we contribute at least 6% to all 401k plans regardless of employees' contribution. We also provide fully paid family health insurance premiums with low deductibles, as well as life insurance, unlimited sick time, commuter benefits, and firm ownership.

Our firm is also differentiated by the sincerity of its employee owners' commitment to promoting social change. For example, many of our employees proudly lend their expertise by sitting on non-profit boards, as well as advising and mentoring students and young professionals.

We aim to give 1% of our gross revenues to impact-driven organizations to further the causes of a just and equitable society and a healthy planet. We look to give to organizations that are leading from within impacted communities to create lasting impact and structural change.

Finally, we match individual employee giving up to \$500, and provide three days of paid volunteer time for all our employees.

Shares held by people of color  
**11.8%**

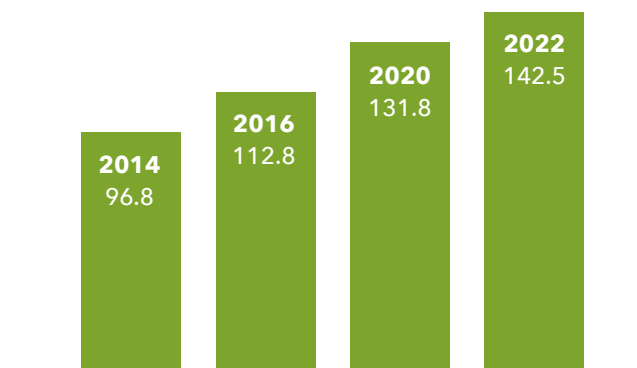
Shares owned by women  
**58.8%**

## OUR STRUCTURE

Zevin Asset Management is a 100% employee-owned and majority women-owned and -led firm. Even more unique is our philosophy of issuing, not selling, ownership units to all tenured employees every two years, and not just senior investment staff. Selling units to employees can have the effect of increasing the inequality divide present at many investment firms. Our compensation structure aligns employees with the firm's success, rather than encouraging internal competition, and strengthens a culture of collaboration. We are governed by an internal Board of Managers made up of the firm's president, chief investment officer, and chief operating officer. Summaries of their monthly meetings and the firm's quarterly financials are distributed to employees to improve transparency around corporate affairs.

Only 1.4% of assets are managed by diverse-owned firms (Knight Foundation). As a diverse-owned asset manager, Zevin Asset Management is differentiated from many of our peers. In our last share issuance in August 2023, the percentage of shares held by people of color increased from 3.6% to 11.8% while the percentage of shares owned by women increased from 56.8% to 58.8%.

## IMPROVEMENT IN OUR OVERALL B IMPACT SCORE OVER TIME



The average B Impact Score for businesses that certified in 2024 was 96.



# Our Investment Approach

Since our founding in 1997, our investment philosophy, in-house research, and analysis have been rooted in the belief that taking less risk can lead to better returns for our clients over time. We believe that a well-executed, fundamental investment process focused on high-quality global securities can deliver consistent alpha and competitive investment returns over an investment cycle. We believe that companies that are sustainably and responsibly managed for the long term will prosper as excellent investments.

Our firm's competitive advantage includes a time-proven investment process, a highly experienced investment team that works collaboratively and enjoys the nimble decision-making advantages. We invest globally because diversification tends to result in less volatility across investment cycles and provides more ability to find undervalued investment opportunities. Team members critically assess the fundamentals of the sectors and companies we invest in to construct a portfolio of quality businesses with persistent competitive advantages that can endure change and thrive in the future. We seek growing businesses that are leaders in their industry and are well-protected from macro-economic, fundamental, and ESG risks over time. No one piece of this analysis stands alone, but rather it is all integrated into a holistic view that wisely informs our decisions.

Our team-based investment decision-making approach gives continuity to the investment process over time and ensures that a "star culture" does not develop in which decisions are dependent on any single person. We foster an environment of intellectual curiosity, creativity, humility and collaboration as we believe it leads to investment excellence.



## FROM B LAB, THE NONPROFIT THAT ADMINISTERS THE B CORP CERTIFICATION



*Certified B Corporations are businesses that meet the highest standards*

*of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy.*

*Society's most challenging problems cannot be solved by government and nonprofits alone. By harnessing the power of business, B Corps use profits and growth as a means to a greater end: positive impact for their employees, communities, and the environment.*

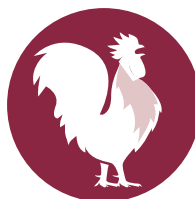
# Our Three-Tiered Approach to **ACTIVE OWNERSHIP**

Our investment process aims to identify companies that can deliver sustainable performance over the long term. Our analysis uses environmental, social, and governance (ESG) factors to try to identify superior companies poised to manage real-world risks and opportunities that can affect their performance. We also seek to influence corporate behavior and go beyond mere stewardship by creating more sustainable outcomes through mutually inclusive **shareholder advocacy**, **public policy action**, and **proxy voting**.

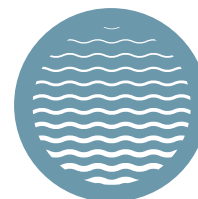
Shareholder  
Advocacy



Public Policy  
Action



Proxy  
Voting



Companies rarely increase their focus on emerging sustainability challenges without external pressure. As investors aiming to steer markets toward creating positive change, we listen to stakeholders at the front lines of impact when engaging companies or industries. We also advocate for public policies that are aligned with our sustainability objectives and use our proxy voting power to weigh in on shareholder proposals.

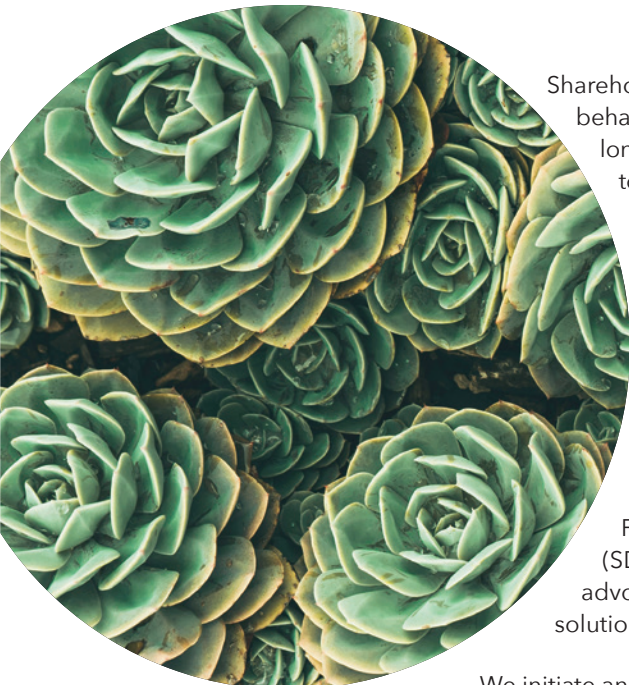
We strive to choose priority issues based on their potential social impact, the magnitude of the social and environmental risks facing the companies in question, and the relevance of those issues to our clients. We measure our impact by assessing when companies improve their practices in response to our advocacy and by keeping track of how our work supports that of other groups. However, measuring the impact of this work is inexact because change is typically not the consequence of any one action but a combination of pressure points.

As global events continue to educate us on society's expectations for companies, our process also evolves to consider new and emerging issues. Our process is adaptable, not rigid, so that the results of our innovative thinking can easily be included. We are known for researching emerging issues before they become widely considered among other investors, including topics such as: the prison industrial complex, proxy voting practices of publicly traded asset managers regarding climate change risk, and equitable workplaces.





# Shareholder Advocacy



Shareholder advocacy is the process by which we engage companies on behalf of our clients on the risks, opportunities, and impacts related to corporate long-term environmental and social sustainability. We apply three main lenses to identify racial, ethnic, and gender disparities, climate change-related risks and opportunities, and the governance of sustainability at public companies. These areas are interrelated and complex, with intersecting risks and impacts that drive our advocacy work.

Our ESG analysis of our portfolio companies helps us determine the best course of action for creating positive change at a given company. ESG ratings from third parties are not an element of this process. We view ESG ratings as too backward-looking and disclosure-focused to be reliable signals of what impact a company is making on the ground.

Frameworks such as the United Nations Sustainable Development Goals (SDGs) have helped to frame the most pressing global issues. Through our advocacy work we aim to influence corporations to contribute to intersectional solutions and remove obstacles to progress toward the SDGs.

We initiate and engage in dialogue with corporate executives, asking for discrete, measurable changes on material issues. If the dialogue does not lead to meaningful outcomes, a shareholder proposal is submitted to the company. The proposal explains the business case for our request and the merits of taking action. The proposal can be withdrawn with agreement, or it appears on the proxy statement where all shareholders cast a vote on the resolution presented in the statement at the company’s annual general meeting. A higher vote sends a signal of investor interest in the topic. See our [Shareholder Advocacy Guide](#) for more details.

Insights on whether a company has responded positively to shareholder engagement are tracked and considered as part of our ongoing evaluation of the holding. We track key engagement asks and interactions at portfolio companies, and monitor news coverage, company disclosures, management statements, stakeholder group inputs, and third-party sources to understand progress against our requests.

While Zevin Asset Management is not a major shareholder at the large companies in which we invest, our coalition-building experience and expertise help us raise and urge action on emerging topics at the corporate board and management levels. It’s not the size of our holdings but the quality of our ideas that enable us to create positive change.

## 2020-2023 SHAREHOLDER RESOLUTIONS

Proxy Season Year	Resolutions Filed	Resolutions Co-filed
2023	6	4
2022	4	1
2021	7	4
2020	4	2

Learn about [Shareholder Engagement Highlights](#) from each focus area—worker rights, lobbying, and climate change—by turning to [page 13](#) of this report. For a list highlights from our shareholder advocacy from the reporting period, please turn to [page 17](#) of this report.





## ACTIVE OWNERSHIP

# Public Policy



Numerous public policy experts advocate for equitable work practices and more sustainable environments, therefore our activities are often aligned on the economic case for a policy change. Two public **policy advocacy highlights** from this period are:

**Mobilizing to support the ban of noncompetes.** On behalf of investors representing \$436 billion in assets under management and in partnership with the American Economic Liberties Project, Zevin Asset Management and the Interfaith Center on Corporate Responsibility (ICCR) submitted a [comment letter](#) to the Federal Trade Commission (FTC) vocalizing our support of the FTC's [proposed ban on noncompete agreements](#). We believe an inclusive labor market is integral to corporate long-term value. By removing a barrier to job mobility and bargaining power for higher wages, a ban on noncompetes could increase workers' earnings by nearly [\\$300 billion](#) annually. A ban on noncompetes across the country by the FTC would be a powerful and comprehensive way of making the economy more dynamic, innovative, and equitable.

**Progress Update:** On April 23, 2024, the [FTC passed the ban](#), voiding noncompete agreements for all non-executive workers. As of this writing the rule is being challenged by the U.S. Chamber of Commerce.

**Testifying in favor of providing meaningful second changes to workers.** While approximately half of the one million people in Massachusetts with a criminal record are eligible to have their record cleared, less than 2% complete the process—the Clean Slate initiative seeks to change this reality by automatically clearing eligible records. Zevin Asset Management President Sonia Kowal testified before the Massachusetts State House in favor of the Clean Slate Massachusetts—common sense legislation that would expand Massachusetts' workforce, diversify the labor pool, help employers, and provide meaningful second chances to thousands of hard-working people from Massachusetts.

**Sonia Kowal** spoke with Responsible Business Initiative for Justice about the Clean Slate campaign and the firm's public policy advocacy in [Justice Champion Spotlight: Sonia Kowal](#).

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Find more **Public Engagements** on [page 17](#) of this report.

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## ACTIVE OWNERSHIP

# Proxy Voting

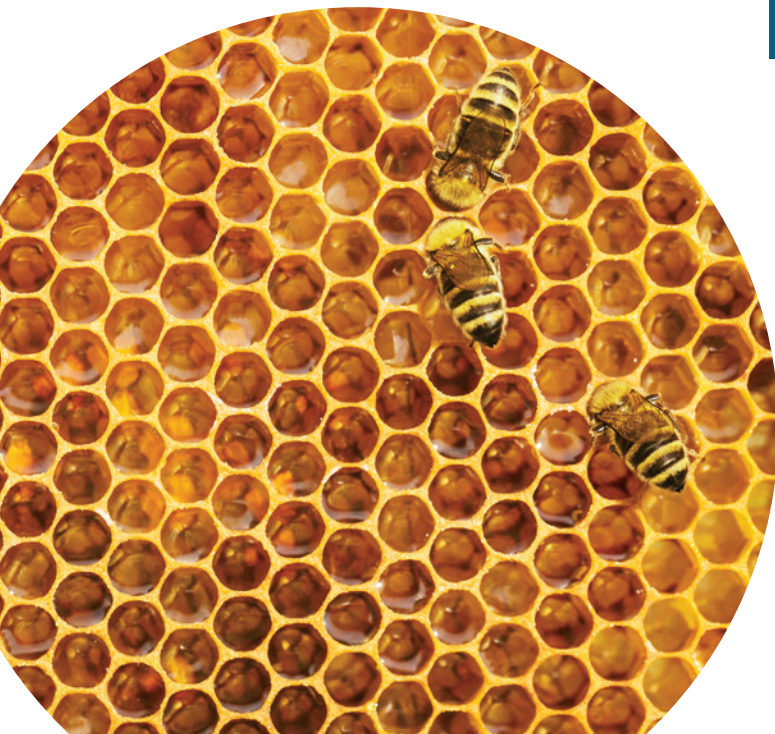


Reflecting our convictions through proxy voting remains as important as ever. Social upheaval in recent years has only bolstered our resolve to fight for social and environmental justice, and we have updated our [proxy voting policies](#) accordingly.

For example, we have explicitly incorporated support for proposals that call for racial equity and the most stringent climate science-aligned transition plans. Spurred by our increased expectations of board behavior in response to climate change, we have also added a policy to vote against directors who have failed to align their business with aggressive climate goals.

All voting decisions are intended to meet our fiduciary obligations to our clients, which include support for high standards of corporate governance as well as social and environmental responsibility.

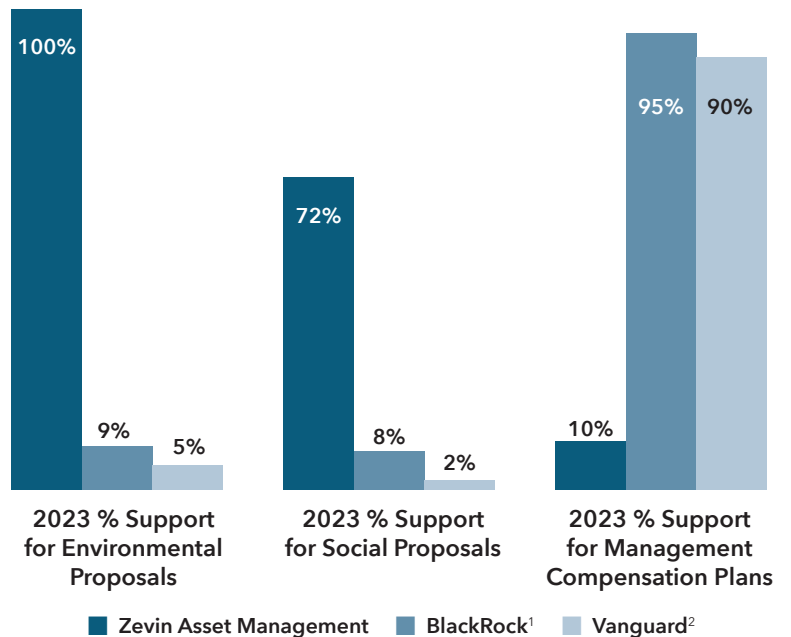
Organizations who argue that environmental, social and governance (ESG) considerations are irrelevant to businesses have submitted proposals of their own arguing, for example, that diversity commitments are discriminatory to white men. There is little support for these proposals.



### ZEVIN ASSET MANAGEMENT PROXY VOTING RECORD

Key Statistics	2023	2022
Company Meetings Voted	178	184
Total Proposals Voted	1,714	1,748
Rate of Disagreement with Management Proposals	78%	64%

### ZEVIN ASSET MANAGEMENT VS. LARGE ASSET MANAGERS



1 BlackRock 2023 Annual Report  
2 Vanguard Investment Stewardship 2023 Annual Report



# PORTFOLIO

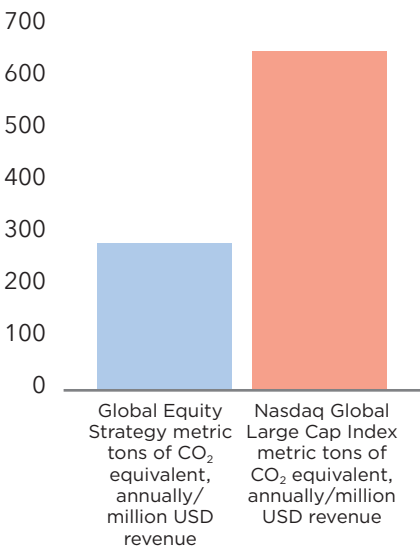
## Footprint

Our environmental, social, and governance (ESG) research and integration help to create a portfolio made up of well-managed, socially responsible companies with strong growth prospects. We measure the footprint of our portfolios on several ESG dimensions, and the results below suggest lower exposure to areas of concern than the benchmark. However, challenges remain for our portfolio companies. Material gaps in reporting, unaddressed climate and water-related risks and impacts, extractive workforce practices, lobbying and political spending at odds with sustainability goals, and failure to remedy stakeholder concerns are some areas of ongoing concern.

### THREE INSIGHTS

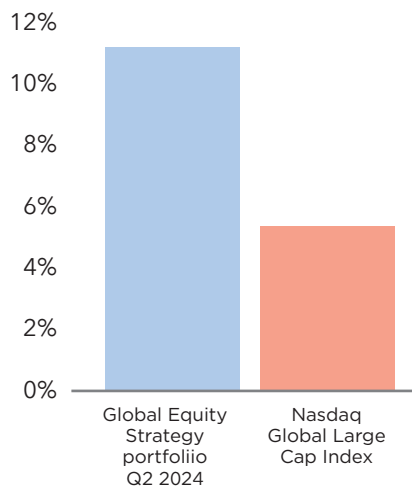
**1** Our analysis indicates that Zevin Asset Management’s Global Equity Strategy has a significantly smaller greenhouse gas (GHG) emissions footprint compared to the Nasdaq Global Large Cap Index on the basis of annual tons of carbon emitted per USD million of revenue. We attribute this difference to our exclusion of fossil fuel extractors, which do not meet our ESG criteria. However, emission hotspots remain from industrials and technology companies.

#### Emissions Intensity of Global Equity Strategy vs. Nasdaq Global Large Cap Index (Scope 1, 2, 3)



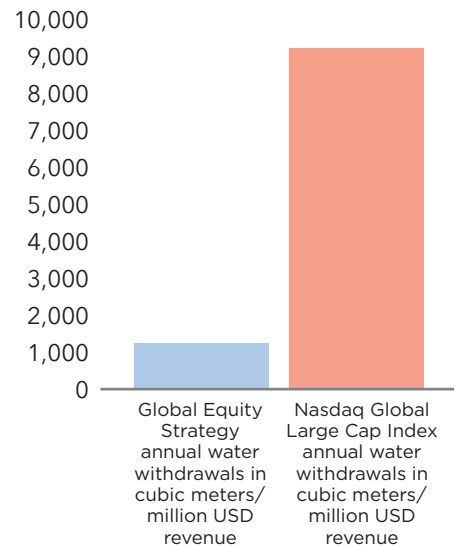
**2** Through the lens of climate transition planning, the rate of company adoption of long-term science-based targets is 11.8% in the Global Equity Strategy compared to 5.3% in the Nasdaq Global Large Cap Index.

#### Adoption of Long-Term Science-Based Targets (1.5C, Scope 1, 2)



**3** Data reveals that Zevin Asset Management’s overall water footprint is drastically lower than that of the Nasdaq Global Large Cap index. Calculating water withdrawal intensity is one aspect of assessing water risks and impacts. However, water stress is a localized issue so this metric does not show the full picture. Fully assessing access to water requires stakeholder consultation rather than relying purely on data.

#### Water Withdrawal Intensity



Note: Figures on this page reflect data from June 2024 from Matter.



# Engagement

## BY THE NUMBERS

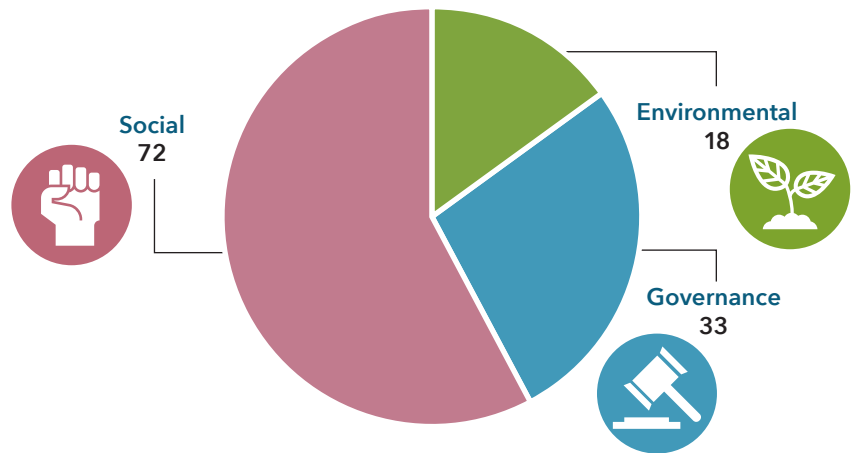
In our previous impact report (2020-2022), we prioritized our activities toward human and labor rights. We followed social impacts of the pandemic that were most disproportionately felt by workers and communities at the front lines.

We continued efforts on these topics through engagements, public policy support and collaboration with grassroots organizations and experts. Additionally, inflation and its impacts on top of chronically low wages drove our continued focus.

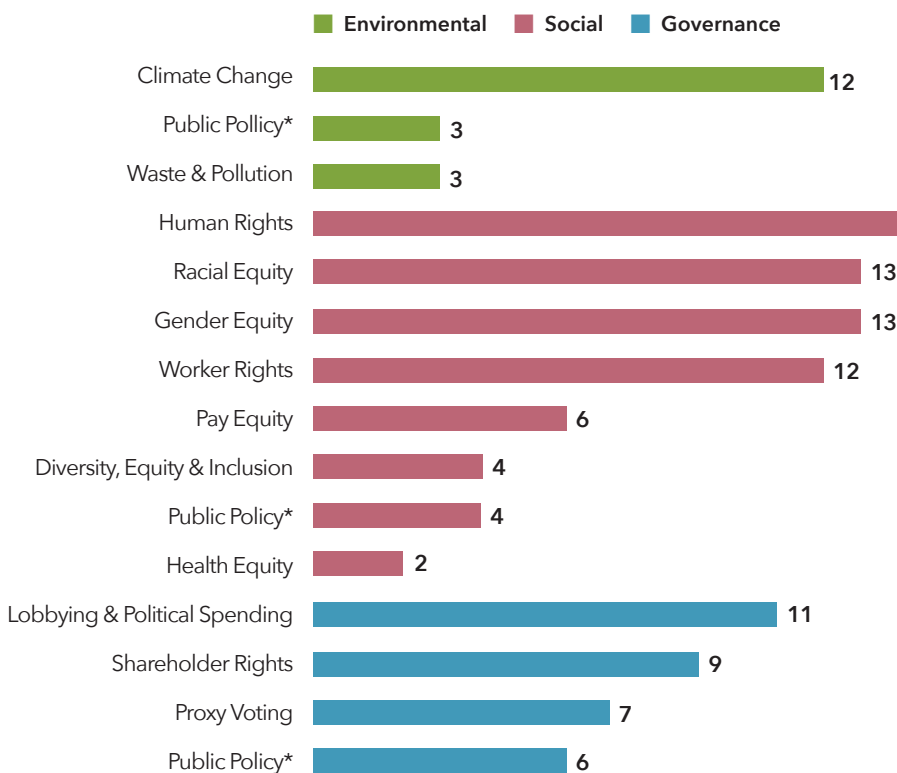
Climate change, racial and gender equity, and lobbying and political spending were additional focus areas for us during the period covered in this report.

Engagement refers to Zevin Asset Management’s communication with portfolio companies and state and local governments on a variety of focus areas. We employ a variety of tactics in our engagements, including letters, calls, meetings, testimony, and shareholder proposals.

### ENGAGEMENT BREAKDOWN



### FOCUS AREA BREAKDOWN



\* During this period, Zevin Asset Management sought to advance and comment on environmental, social and governance public policy issues, including but not limited to:

- Testifying in support of truck and heavy vehicle emissions standards
- Supporting climate disclosure standards
- Testifying in support of Clean Slate legislation, which seeks to eliminate employment barriers for individuals with criminal records
- Eliminating noncompete agreements from front line workforce
- Opposing corporate and trade association lobbying on drug pricing
- Opposing anti-ESG hearings and bills



# FOCUS AREAS



## CLIMATE CHANGE AND LOBBYING

Corporate lobbying to influence public policymaking affects all aspects of the economy, from climate change and healthcare to financial regulation and voting rights.

Companies are increasingly playing a public role in these issues through their trade association memberships. These industry organizations, including so-called social welfare nonprofits, mobilize to shape public policy agendas at state and local levels, often motivated by conflicting interests that go against a company's stated values and sustainability strategy.

While there is nothing new about companies weighing in on public matters, doing so without evaluating the subsequent social impacts or business implications may be riskier than ever. We believe regular examination of the alignment of lobbying activities (direct and indirect) with corporate public commitments and policies is an increasingly important requirement of strong corporate governance.

**Alphabet** was the first major company to become carbon neutral in 2007 and was the first major company to match its energy use with 100% renewable energy in 2017, a commitment that is increasingly important given the growing energy needs of AI. Alphabet is also the world's largest corporate purchaser of renewable energy. However, Alphabet has yet to demonstrate how it pushes back on powerful lobbying groups it belongs to that are not aligned with the Paris Agreement's aims and the company's own carbon-free energy targets such as the U.S. Chamber of Commerce.

Given Alphabet's climate commitments and the potential for misalignment, investors and stakeholders would benefit from learning how the company evaluates its direct and indirect lobbying activities. However, from 2022 to 2023, outside shareholder support declined sharply for our climate lobbying proposal with Alphabet, which sought to learn how the company aligns its ambitious climate strategy with its public policy activities, from 56% to 37%. This disturbing result points to the trend of disappointing proxy voting decisions made by large institutional investors who have wavered in their commitment to climate change mitigation as a result of political anti-ESG efforts. Despite these setbacks that reflect the challenges of our time, we remain committed to our disciplined research process and approach to shareholder advocacy work.



## RACIAL EQUITY

In 2023, Zevin Asset Management reached an agreement with **Verizon** to conduct an independent, third-party racial equity audit of its business operations. This public assessment aimed to identify policies

and practices that perpetuate disparities in pay, benefits, and workplace inclusion. As a result of the audit and its recommendations, Verizon has taken steps to implement some changes including developing hiring programs for justice-involved individuals and eliminating degree and GPA requirements in job applications.

Ongoing dialogues with the company allow us to provide input and to ensure there is follow through on the key recommendations of the audit. Additional initial steps the company can take include tracking diverse workforce retention and promotion rates. The true impact we hope to see over time, or outcomes, are improved pay and benefit equity and inclusion through retention and promotion for Verizon's Black, indigenous, and people of color (BIPOC) workers.

In light of the Supreme Court's decision to strike down affirmative action programs in colleges, Republican Attorneys General, many of whom are also representatives introducing anti-ESG bills in their states, sent a letter to Fortune 100 CEOs encouraging them to end DEI efforts under the guise of them being discriminatory. With the Racial Justice Investing Coalition we wrote letters to the CEOs to respond to this factually inaccurate letter, as well as to communicate expectations that corporations maintain their stated commitments to DEI and racial equity. The letter encouraged companies to demonstrate their good faith efforts by releasing a comprehensive racial equity audit, encompassing Equal Employment



# BUILDING COALITIONS for Change

Opportunity (EEO) data and an analysis of current and proposed actions for company DEI efforts.

## CORPORATE LOBBYING ALIGNMENT

Our six-year engagement with AbbVie, the biopharmaceutical company best-known for the rheumatoid arthritis drug Humira, is one example of persistence winning the day. Over the years, Zevin Asset Management has filed resolutions with AbbVie seeking more disclosure of its lobbying expenditures and has challenged the company's membership to influential trade associations. While lobbying seeks to ensure corporate interests are met, the lobbying activities of these associations often conflict with corporate values—in the case of AbbVie, values extolling access to medicine.



After we refiled a lobbying disclosure proposal in 2023, AbbVie announced it would not renew its membership to several influential trade organizations. We remain vigilant of how **AbbVie** and other companies behave when it comes to drug price negotiations. As of this writing, Medicare has been granted license to do following the passage of the [Inflation Reduction Act](#).

AbbVie remains a member of the Chamber of Commerce, the largest lobbying organization in the U.S., which has so far hindered policy-making on a number of areas including climate change legislation. The Chamber of Commerce also opposed the [For the People Act](#), the largest effort in comprehensive democracy reform in a generation.

Collaboration and solidarity make our positive impact possible. Zevin Asset Management participates in a large network of nonprofits and civil society groups in order to learn from those groups and strengthen our advocacy with corporations and legislators.

We ally and lead with various organizations that work to promote investment stewardship and corporate engagement. We also know when to listen and follow. Our long record of ambitious action and willingness to address emerging social justice issues—such as the prison industrial complex, paid family and sick leave, and inequitable workplace practices—make us a trusted partner for advocacy groups that are leading the work of change. Here is a sample of some of the partners with whom we work:



## PARTNERS

- [Access to Medicine Foundation](#)
- [American Economic Liberties Project](#)
- [Ceres](#)
- [Climate Finance Action](#)
- [FAIRR](#)
- [Heartland Initiative](#)
- [Human Capital Management Coalition](#)
- [InfluenceMap](#)
- [Interfaith Center on Corporate Responsibility \(ICCR\)](#)
- [Investor Alliance for Human Rights](#)
- [Investor Circle Toward Decarceration](#)
- [Majority Action](#)
- [The Migration, Climate Adaptation and Finance Working Group \(MCAF\)](#)
- [National Employment Law Project \(NELP\)](#)
- [New Plastics Economy](#)
- [Responsible Business Initiative for Justice](#)
- [TechEquity Collaborative](#)
- [Workforce & Organizational Research Center \(WORC\)](#)



# NEWS & VIEWS

Publishing our views and speaking at a range of venues can help ensure that our voice reaches beyond our clients' portfolios.

## INDUSTRY LEADERSHIP

Speaking engagements by Zevin Asset Management President Sonia Kowal and Director of Sustainable Investing Marcela Pinilla include participation on panels with member organizations such as Confluence Philanthropy and Interfaith Center on Corporate Responsibility (ICCR). Other organizations that have invited Zevin Asset Management to share our perspective include the Unitarian Universalist Association, Investment Advisor Association (IAA), Philanthropy Massachusetts, Impact Alpha, Episcopal Parish Network (EPN), Nexus Youth Summit, Resource Center for Religious Institutes (RCRI), Women Investing in a Sustainable Economy (WISE), Year Up, Worthy Circles, and institutions such as University of Pittsburgh, Bard University, and University of Michigan.

We further seek to use our investor voice to support local issues by means of state-level testimonies on topics such as pension fund divestment of nuclear weapons, greenhouse gas emissions rules, private prisons, and fossil fuels.

## PUBLICATIONS ON SUSTAINABLE INVESTING



### Social Responsibility

#### Unleashing Impact Through 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.

#### Root Out Impact Washing in Your Portfolio

The actively blurred lines between environmental, social, and governance (ESG) investing, values-aligned investing, and impact can have the effect of misleading investors. We break down the differences and identify where real impact comes from in public equities.

#### Investing with a Racial Equity Lens

The firm's approach to racial equity lens investing is captured in an in-depth report and video of a Q&A about how investments can be leveraged to advance racial equity.

## Investors Support FTC Proposal to Ban Noncompete Clauses

Zevin Asset Management and the Interfaith Center on Corporate Responsibility (ICCR), on behalf of investors representing \$436 billion in assets under management and in partnership with the American Economic Liberties Project, submitted a letter to the Federal Trade Commission (FTC) vocalizing our support of the FTC's proposed ban on noncompete agreements.

## How We Are Responding to the Climate Crisis

Important to the firm's response to the climate crisis is how we operate, how we decide which stocks to invest in and which to avoid, and how we develop our shareholder advocacy and public policy approaches.

## The Urgency and Disappointment of Investor Action on Russia

Admonishment of the investment community's role in enabling Russia's war in Ukraine crisis and a call-to-action for urgent investor action.



## Reporting on Progress

Each quarter, we publish an impact update reporting on the positive social and environmental impact we have created and contributed to on behalf of our clients. These quarterly missives offer glimpses into the firm's corporate engagements with our portfolio companies.



## Company News

### Zevin Asset Management Honored as Best for the World 2022

For the sixth year in a row, Zevin Asset Management earned a place on the Best for the World lists within the Certified B Corporation community. Zevin Asset Management was named Best for Customers, scoring in the top 5 percent of all Certified B Corps, for our focus on serving clients as we help solve pressing social and environmental issues. Best for the World awards were discontinued in 2023.

### Zevin Asset Management's China Divestment Policy

In light of world events, the firm decided to divest from and cease further investment in direct Chinese and Hong Kong holdings for the foreseeable future.





# TRACKING Progress

ESG	COMPANY/AUDIENCE	TOOL	ACTION	PROGRESS & OUTCOMES	PARTNER
Environ.	Alphabet	Resolution	Filed a shareholder proposal with Alphabet seeking to learn how the company aligns its ambitious climate strategy with its public policy activities and greater disclosure of direct and indirect lobbying expenditures.	Given lower support by large asset managers, overall support for our climate lobbying proposal with Alphabet declined by nearly 20 points with the outside shareholder vote (36.5% vs. 55.6% in 2022) and declined with the overall vote (14.2% vs. 19% this year).	Interfaith Center on Corporate Responsibility (ICCR)
Social	Amazon	Letter	Amazon tax transparency letter noting Amazon's failure to disclose revenues, profits, and tax payments in non-U.S. markets.	Lack of disclosure makes it difficult for investors to evaluate the risks of tax reforms and determine whether Amazon is engaged in responsible tax practices that ensure long-term value creation.	American Federation of State, County & Municipal Employees (AFSCME)
Social	Amazon	Resolution	Filed a resolution seeking an assessment of Amazon's wage practices against a cost of living and living wage gaps across their operations.	The SEC allowed omission of this proposals on the basis of micro-management.	Interfaith Center on Corporate Responsibility (ICCR)
Social	Analog Devices	Resolution	Filed resolution requesting enhanced human rights due diligence that includes know our customer due diligence.	Withdrew our proposal after the company agreed to update its global human rights policy and to integrate criteria into its know your customer due diligence process and red flag indicators.	United Church Funds and Heartland Initiative
Environ.	Business community and government officials	Statement	Signed a collective statement reaffirming our commitment to addressing the financial impacts of climate risks that have a material impact on company operations and investments.	The We Mean Business Coalition is a group of nonprofit organizations that work together to speed up the transition to a net zero economy. The coalition's goal is to cut emissions in half by 2030 and make a fair transition to a net zero economy.	Ceres and We Mean Business
Environmental	California	Letter	Signed a statement in support of the California Climate Risk Disclosure bill (SB 449), under consideration by CA legislators. If implemented, business entities incorporated in California would need to report on climate-related financial risk. SB 449 is a major step towards the first mandatory TCFD-aligned reporting in the U.S.	On October 7, 2023, the governor of California signed into law two landmark climate disclosure bills that impose mandatory climate-related reporting requirements for large companies that do business or operate in the state.	Ceres
Social	CA-state heads of municipal bond underwriting departments	Letter	Letter to the heads of the municipal bond underwriting departments urging against their participation in any efforts to develop and construct jails in California financed with any state or local municipal financing, particularly lease revenue bonds.	Sacramento County's priorities could be investing in the health and well-being of its residents. But instead, despite prior attempts at jail expansion that were soundly rejected in 2019 and March 2021, Sacramento County is recklessly moving forward with new jail construction that will ultimately obligate taxpayers to pay billions of dollars in principal and interest payments over the next 30+ years, and without voter approval.	Investor Circle Toward Decarceration
Environ.	Environmental Protection Agency	Testimony	Testified in favor of the Clean Trucks rule setting a strong precedent to address both climate and public health concerns. Stronger standards will also enhance the competitiveness of the U.S. truck industry.	We make the business case for enacting rules that will help ease emissions and promote better health outcomes. In March 2024, the U.S. Environmental Protection Agency (EPA) passed a final rule to reduce greenhouse gas emissions from heavy-duty vehicles starting in 2027.	Ceres
Social	EU regulatory bodies	Statement	Joined over 300 organizations in support of Robust Forced Labor Regulations--calling for the EU regulatory bodies to consider and include changes to the proposed regulation to ensure a positive impact on workers throughout the value chain.	Since the release of the Call to Action, a number of developments have increased the necessity of action, including the passage by the U.S. House of Representatives of the Uyghur Forced Labor Prevention Act in a display of rare bipartisan support and the issuance of 5 Withhold Release Orders by the Customs and Border Protection Bureau related to suspected forced labor connected to the XUAR. The UK Government has also launched a number of inquiries on the exploiting the forced labor and detention of Uyghurs in the Xinjiang region of China, exploring how UK based businesses are connected to these violations.	Investor Alliance for Human Rights (IAHR)
Social	European Union	Statement	Investor letter supporting digital rights regulations to protect people's rights to privacy and free expression, specifically the proposed EU Digital Services Act (DSA).	The DSA regulates online intermediaries and platforms such as marketplaces, social networks, content-sharing platforms, app stores, and online travel and accommodation platforms. Its main goal is to prevent illegal and harmful activities online and the spread of disinformation. It ensures user safety, protects fundamental rights, and creates a fair and open online platform environment.	Investor Alliance for Human Rights (IAHR)
Governance	European Union	Statement	Signed on to a letter in support of mandated human rights and environmental due diligence in anticipation of the forthcoming legislative proposal from the European Commission on Sustainable Corporate Governance.	The process of continuously conducting robust human rights and environmental due diligence is a core requirement for businesses in fulfilling that responsibility, as framed in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multi-national Enterprises.	Investor Alliance for Human Rights (IAHR)
Social	Federal Trade Commission	Letter	Investor sign on letter in support of the FTC's proposed mandate to ban noncompetes.	An inclusive labor market is integral to corporate long-term value. By removing a barrier to job mobility and bargaining power for higher wages, a ban on noncompetes could increase workers' earnings by nearly \$300 billion annually. The FTC officially banned noncompetes in April 2024.	Interfaith Center on Corporate Responsibility (ICCR)



# TRACKING Progress

ESG	COMPANY/AUDIENCE	TOOL	ACTION	PROGRESS & OUTCOMES	PARTNER
Social	Governor Hochul of NY State	Letter	Letter urging NY State to sign S.3100 (Ryan)/A.1278 (Joyner), banning noncompetes for all workers in New York State.	Zevin sent a letter to Governor Hochul presenting the clear business case for banning noncompetes in the state of New York.	National Employment Law Project (NELP)
Social	The Home Depot	Resolution	Withdrawn proposal with The Home Depot after they published their paid sick leave policy.	In addition to our long-standing paid sick/personal benefit, we also currently provide additional paid leave for up to 14 days for COVID-positive cases. As we noted in our 2020 Responsibility Report and other disclosures, at the beginning of the pandemic, we also provided 80 hours of additional paid time off for full-time hourly associates (40 hours for part-time) to use at their discretion, and those hours were paid out to associates in 2021 if they were not used.	Interfaith Center on Corporate Responsibility (ICCR)
Social	The Home Depot	Resolution	Filed a resolution seeking an assessment of Home Depot's wage practices against a cost of living and living wage gaps across their operations.	The SEC allowed omission of this proposals on the basis of micro-management.	Interfaith Center on Corporate Responsibility (ICCR)
Social	Investor Circle Toward Decarceration	Collaboration	Joined a call to action urging banks to withhold financial backing of a prison industry bond in Alabama.	Building awareness of public equity exposure to the prison industry extends far past the private prison companies themselves. Prison labor, government contracts, and prison financing play a massive role in the pervasiveness of the prison industrial complex.	Investor Circle Toward Decarceration
Governance	Members of the Business Roundtable	Letter	Signed investor letter to corporations that are members of the Business Roundtable, asking them to put in place governance mechanisms to align their political spending with their stated core values, in order to mitigate both reputational risks to the company and broader systemic risks to democracy.	Companies and investors both depend on a resilient democracy and strong rule of law to provide the economic and legal certainty that facilitates long-term market stability and allows companies to compete on the merits of their products and services.	Interfaith Center on Corporate Responsibility (ICCR)
Social	Morningstar Sustainalytics	Letter	Wrote a letter expressing our concern regarding the removal of ESG controversy ratings from a number of companies exposed to severe human rights and other material risks in conflict-affected and high-risk areas.	Investors rely on Morningstar/Sustainalytics' research to identify areas of human rights risks and impacts. Removing ESG controversy ratings degrades the usefulness of their product and the consistency and comprehensiveness of the information it provides across sustainability issues.	
Social	Novartis	Letter	Joined an engagement with Novartis, Pfizer, and other vaccine producers asking for vaccine equity and executive compensation tied to COVID vaccine-related equitable pricing, access to medicine, and ESG targets.	Tying executive compensation to vaccine access during the pandemic helped ensure access was a priority. We continue to encourage Novartis to adopt longer-term compensation plans tied to access.	Achmea and Access to Medicine Foundation
Governance	Policy makers	Investor Statement	Signed on to the Investors and Businesses Call on Policy makers to Protect the Freedom to Invest, reminding policymakers that investors must be free to consider all material financial risks and opportunities to plan for the long-term and build a stronger, more resilient economy.	Positive momentum has built as more investors and companies have signed on to the statement and more legislation to restrict investment options has failed or stalled in key states.	Ceres
Social	Railway companies	Letter	Joined an investor letter calling on U.S. rail companies to disclose their paid sick time benefit for U.S. workers, including part-time, subcontracted, and temporary workers.	Rail workers had been in union negotiations and close to striking due to a lack of paid sick leave. In the end, with the intervention of Congress and the White House, a contract was ultimately imposed without sick leave.	Legal & General Investment Management (LGIM) and Interfaith Center on Corporate Responsibility (ICCR)
Social	Restaurants	Statement	Signed onto the investor statement to publicly traded food companies seeking an end to the subminimum wage.	Federal law allows companies to pay less than the legally mandated minimum wage to certain groups of workers. Tipped workers are the largest group paid a subminimum wage.	One Fair Wage and Adasina
Social	Securities and Exchange Commission	Letter	Wrote a letter urging the SEC to require that companies disaggregate their public human capital management disclosures by race and gender, including retention and salary data.	The gender pay gap has remained relatively steady over the past 20 years. In 2002, women earned 80% of what men earned. In 2022, women earned an average of 82% as much as men. Many people of color also receive disparate wages, with black workers earning \$0.76 per dollar a white worker earns, and Latino workers receiving only \$0.73. Therefore, providing compensation and retention data without disaggregation by race and gender removes vital context.	Rhia Ventures
Governance	Securities and Exchange Commission	Letter	Comment letter to the SEC providing additional input into the proposed amendments to the shareholder proposal rules to protect and strengthen the process for filing shareholder proposals.	The shareholder proposal rule is a keystone of corporate governance, allowing investors to identify and vote on which issues they see as pivotal to the company's future and to their interest as investors, as well as guiding America's public corporations to fitness in a future that is ever changing.	Shareholder Rights Group
Environmental	Shell	Resolution	Zevin and Follow This, a Dutch shareholder activist group, and 26 investors filed a resolution with Shell to align the oil company's emissions reduction targets with the 2015 Paris agreement. The resolution calls for Shell to commit to absolute emissions cuts by 2030, rather than intensity-based targets.	In April 2024, Shell advised shareholders to vote against the proposal, saying that doing more to fight climate change is "unrealistic." However, in 2023, 20% of shareholders voted in favor of the resolution, and Shell subsequently backtracked on its 2030 climate target and scrapped its 2035 target.	Follow This
Governance	Starbucks	Letter	Letter to Starbucks regarding unionization efforts in Buffalo, New York advocating for respecting human rights and the internationally recognized rights of workers to organize.	The letter garnered \$1.3 trillion in signatory assets under management. As of this writing, it appears that one of the three stores has successfully secured union representation, making them the first-ever unionized Starbucks stores—and additional stores are likely to vote for the union as vote disagreements are resolved.	Trillium Asset Management



# TRACKING Progress

ESG	COMPANY/AUDIENCE	TOOL	ACTION	PROGRESS & OUTCOMES	PARTNER
Gov.	The House Financial Services Committee	Letter	Joined a letter to express investor opposition to the policy agenda from an anti-ESG Working Group hosting hearings and a series of bills introduced in the House.	We oppose a policy agenda that seeks to insulate the management of public companies from investor input and accountability and undermine regulations that would equip investors with more information to make better decisions about their investments.	Americans for Financial Reform and Americans for Financial Reform Education Fund
Social	TJX	Co-filed resolution	Filed a resolution requesting that TJX Cos. report on any specialized current health services and support provided for pregnant and postpartum employees, and assess the feasibility of establishing and expanding additional maternal support for employees.	Given the large proportion of women in their workforce, we withdrew our proposal as TJX agreed on several terms that include travel reimbursement and family planning benefits.	Rhia Ventures
Social	Ulta Beauty	Co-filed resolution	Filed a resolution requesting that Ulta Beauty report on any specialized current health services and support provided for pregnant and postpartum employees, and assess the feasibility of establishing and expanding additional maternal support for employees.	Given the large proportion of women in their workforce, we withdrew our proposal, as Ulta agreed on several terms that include travel reimbursement and family planning benefits.	Rhia Ventures
Social	Unilever	Dialogue	Held a dialogue with Unilever executives to understand the company's stance on remaining in Russia via its operations.	Challenged the company's decision to continue operating in Russia given the mounting human rights concerns and reputational risk.	
Governance	US Department of Commerce	Letter	Joined a comment letter to The National Telecommunications and Information Administration (NTIA) on artificial intelligence (AI) system accountability measures and policies designed to provide reliable evidence and assurance that AI systems are legal, effective, ethical, safe, and otherwise trustworthy.	NTIA will rely on these comments, along with other public engagements on this topic, to draft and issue a report on AI accountability policy development, focusing especially on the AI assurance ecosystem.	Open Mic
Gov.	Verizon	Resolution	Filed a shareholder proposal seeking direct and indirect lobbying expenditures.	Corporate direct and indirect lobbying and political spending are where the rubber meets the road. Corporate values are at stake when shareholder dollars flow to disingenuous acts that undermine democracy.	Interfaith Center on Corporate Responsibility (ICCR), SOC Investments
Social	Verizon	Resolution	Following our resolution we held a call with Verizon and agreed to withdraw the proposal with agreement.	Verizon agreed to commission a third-party equity audit to assess and identify inequitable policies and practices and inform their ongoing DEI efforts in their workforce.	Interfaith Center on Corporate Responsibility (ICCR)
Social	Various companies	Statement	Zevin joined a statement recommending a series of enhancements to the proposed EU Artificial Intelligence Act (AI Act), citing the need for ongoing human rights due diligence to regulate the development and use of artificial intelligence (AI) and mitigate against potential risks.	149 institutional investor signatories representing over \$1.66 trillion in assets endorsed the final statement that was sent to key decision-makers at the European Parliament, the European Commission, and the Council of the European Union.	Achmea and ATMI
Social	Various companies	Letter	Letter to financial institutions asking them to develop policies that eliminate financing for projects or companies that do not protect the rights of Indigenous Peoples, and specifically the right to free, prior, and informed consent (FPIC).	Financing and lending activities that ensure clients will protect and respect Indigenous Peoples' right to self-determination uphold the banks' commitment to human rights. Although Indigenous Peoples make up just 6.2% of the world's population, they protect 80% of the world's biodiversity. Respecting the rights of Indigenous Peoples is critical for protecting biodiversity, preserving intact forests, and supporting stable ecosystems.	First Peoples Worldwide
Social	Various companies	Statement	Signed an investor statement calling for significant steps to be made to plan for a just transition, which is imperative for the success of decarbonization.	In order for the transition to be just, companies must engage in dialogue with stakeholders, with particular attention to vulnerable groups. Companies must anticipate how decarbonization will affect people and communities, and plan accordingly to ensure their rights are respected while undertaking low-carbon strategies.	World Benchmarking Alliance
Gov.	Various companies	Letter	Letter urging companies to reduce the risks of political spending by adopting CPA-Zicklin code of conduct and review of their political spending.	Without robust oversight of political activities run the risk of inviting corruption, damaging democratic structures, when these activities conflict with a company's stated mission and values, causing reputational damage.	Interfaith Center on Corporate Responsibility (ICCR)
Governance	Various companies	Statement	Signed an investor statement regarding lawsuits by pharma companies and their trade associations trying to block the IRA provision that allows government agencies like Medicare to negotiate drug pricing on behalf of U.S. citizens.	The 2022 Inflation Reduction Act requires price negotiation for a limited number of drugs, over a period of years for the benefit of American seniors under Medicare. Every other country in the world negotiates drug prices for the benefit of their citizens, but in the U.S., even though pharmaceutical companies are heavily subsidized by taxpayer dollars, these same taxpayers pay two to three times more for the very same drugs.	Interfaith Center on Corporate Responsibility (ICCR)
Environmental	Various companies	Letter	Joined initiative to explore the biodiversity risks arising from manure and animal waste management in the meat sector, encouraging companies to conduct thorough risk assessments, implement nutrient management strategies covering their own and downstream operations, and explore the opportunities of nutrient circularity.	There is now widespread recognition of the financial and broader economic impacts of biodiversity loss, including by the Dutch and French central banks, and the World Bank. Further, the Kunming-Montreal Global Biodiversity Framework (GBF), commits countries around the world to halting and reversing biodiversity loss by 2030.	FAIRR



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- Registration with the SEC should not be construed as an endorsement or an indicator of investment skill, acumen or experience.
- Investments in securities are not insured, protected or guaranteed and may result in loss of income and/or principal.
- Industry registrations, designations, recognitions or awards should not be construed as an endorsement or a recommendation to retain Zevin Asset Management by the granting entity or any regulatory authority. A detailed description of listed professional designations is available upon request on in our Firm's Form ADV Part 2B.
- The listing of organizations should not be construed as an endorsement or a recommendation to retain Zevin Asset Management by these entities.
- While Zevin Asset Management believes the outside data sources cited to be credible, it has not independently verified the correctness of any of their inputs or calculations and, therefore, does not warranty the accuracy of any third-party sources or information.
- 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: <https://bcorporation.net/certification/meet-the-requirements>).
- Industry recognitions or awards should not be construed as an endorsement or a recommendation to retain Zevin Asset Management by the ranking entity or any regulatory authority. Any rankings or awards cited were provided by independent third parties based on their predetermined evaluation criteria. Zevin Asset Management neither provided any financial remuneration to these third parties nor exercised any influence or control over the criteria used or the results generated, other than providing or making available, directly or indirectly, objective numerical data that could have been used by third-party as input variables.

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## Zevin Asset Management

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