



# Zevin Asset Management

## IMPACT UPDATE



**MARCELA PINILLA**, DIRECTOR OF SUSTAINABLE INVESTING

Despite two ongoing wars, devastating extreme weather events, and a clearer sense of the magnitude and speed of biodiversity loss, we enter the new year encouraged, nonetheless, by positive learnings from the past year and confident in the long-term impact of our advocacy efforts. As we enter a possibly tumultuous election year, we are emboldened by recent union-led wins, the rising voices of workers, and reminded of the importance of fortifying our democracy.

This quarter, we filed a series of shareholder resolutions, laying the groundwork for dialogues with our portfolio companies on issues such as paying a living wage that includes benefits, employment contracts free from noncompete agreements, and responsible lobbying on climate change mitigation, and racial equity and justice.

### SHAREHOLDER RESOLUTIONS FILED FOR THE 2024 PROXY SEASON

Company	Issue	Partners
Danaher	Climate change mitigation	Ceres
Shell	Climate change mitigation	Follow This
Alphabet	Climate lobbying	ICCR
PayPal	Data privacy	Rhia Ventures
Analog Devices	Human rights	United Church Funds
Home Depot	Living wage	ICCR
Amazon	Living wage	ICCR
Kroger	Living wage	ICCR and The Shareholder Commons
AbbVie	Lobbying	AFSCME
Verizon	Lobbying	AFSCME

### QUALITY JOBS START WITH A LIVING WAGE

We believe that long-term investments in the workforce are good for business, help companies attract and

retain talented employees, increase job satisfaction, and improve worker performance. Ample research demonstrates that long-term investments in the workforce result in reputational benefits for companies, improved worker morale, motivation, and productivity, and better recruitment and staff retention. Whether employed directly by a company or indirectly as contingent or contract workers, workers contribute significantly to building tangible and intangible shareholder value, elevating the materiality of this issue.

In *Poverty, by America*, author Matthew Desmond incisively lays out the policies and actions that have grown inequality and chronically suppressed opportunity. As a result, our country's inequality is unrivaled in the developed world. According to Desmond, one in nine Americans and one in eight children live in poverty (as an individual earning less than \$14,580 per year or less than \$30,000 for a family of four). "To graph the share of Americans living in poverty over the past half-century," Desmond said, "amounts to drawing a line that resembles gently rolling hills."

To address persistent gender, racial and ethnic gaps in pay, benefits, and living standards, we joined the Interfaith Center on Corporate Responsibility (ICCR) as a signatory of the [Investor Statement in Support of a Living Wage](#). As of December 2023, this statement is endorsed by 136 global investors representing \$4.5 trillion in assets. As long-term investors, we refute a scenario where continued inequality and bias against women and people of color hamper economic growth and prosperity. Instead, we favor corporate behaviors that innovate for sustainability, remove barriers to job mobility and wage growth, and plan for a resilient workforce.

### RESOLUTION HIGHLIGHT: AMAZON WORKER LIVING WAGE GAP REPORT

As a signatory of the Investor Statement in Support of a Living Wage, we aim to encourage companies to take stock of their current wage practices at their local operations in the U.S. and abroad.

In August of 2023, the UN Office of the High Commissioner for Human Rights asked Amazon to respond to allegations that some Amazon employees had to rely on government benefits like nutritional programs due to low wages.

In response, Amazon asserted that some employees may still qualify for benefits because of specific family circumstances or pandemic-era pauses in disenrollment. However we cut it, insufficient wages are a root cause of some employees' reliance on government benefits for food and other essential items if there are gaps between current wages and living wages for workers in any given location. The Global Living Wage Coalition defines a living wage as the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and their family.

Risks we see for Amazon on its present trajectory include: operational disruptions and costs incurred from high turnover, growing employee unrest, and labor shortages, reputational erosion and loss of consumer confidence and trust, worsening product and/or service quality, and litigation and regulatory action.

Amazon also relies on a vast supply of contracted workers. Given the steady growth of contingent employment over the past several years, disparities between workers and employees have grown. Particularly within the U.S. context, where deeply ingrained inequalities based on race and gender continue to persist and where women and Black and Hispanic workers remain disproportionately represented in the low-wage workforce, living wages are long-term solutions to issues of systemic inequality with direct and broad economic impacts.

As the largest warehouse employer in the country and the second largest private-sector employer, Amazon can take a leadership role in reshaping wage practices. Although the company recently announced the adoption of a \$15 minimum wage, analysis by the National Employment Law Project (NELP) finds Amazon's pay lags well behind other warehouse employers. Most of Amazon's workers fall under the U.S. Equal Employment Opportunity Commission's "laborers and helpers" designation, representing 68 percent of Amazon's U.S. direct workforce—not counting contractors or temporary workers. Identifying and taking action to close the

gaps between prevailing wages at Amazon and a true living wage would have a tremendous impact, particularly for Black women, who make up the largest group of front-line workers at the company. We look forward to engaging the Amazon board of directors on their wage practices.

### TESTIMONY AT THE MA STATE HOUSE IN SUPPORT OF CLEAN SLATE LEGISLATION

Zevin Asset Management President Sonia Kowal testified before Massachusetts legislators in support of **Clean Slate bills** to ensure that people who were formerly involved with the criminal legal system will get a fresh start by having their records automatically sealed when they are eligible. **One in three** Americans have a criminal record which results in significant barriers to employment. Automatic record sealing will help businesses recruit from a diverse and underutilized talent pool and give hard-working individuals the chance to meaningfully contribute to our economy.

### APPROACHING CLIMATE CHANGE FROM A MIGRATION LENS

The effects of a changing climate are reshaping patterns of human migration and displacement, triggering movement of people regionally and internationally. Human migration is a megatrend that investors need to understand better in order to inform investment strategy and have an informed view on what the next decade has in store. Zevin Asset Management Director of Sustainable Investing Marcela Pinilla was proud to be invited to join the **MCAF Working Group** as an advisory board member, joining institutional investor research and stewardship leaders to hold active dialogues on where migration policy can be integrated with existing work on climate adaptation, human rights, modern slavery, and workplaces.

The Migration Climate Adaptation & Finance working group empowers investors to be a voice for rational, sustainable migration policy and advocates for migration as an important climate adaptation tool.

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

**DISCLOSURES:** 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. This communication may include opinions and forward-looking statements. All statements other than statements of historical fact are opinions and/or forward-looking statements (including words such as "believe," "estimate," "anticipate," "may," "will," "should," and "expect"). Although we believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such beliefs and expectations will prove to be correct. Various factors could cause actual results or performance to differ materially from those discussed in such forward-looking statements. Unless stated otherwise, any mention of specific securities or investments is for hypothetical and illustrative purposes only. Zevin Asset Management's clients may or may not hold the securities discussed in their portfolios. Zevin Asset Management makes no representations that any of the securities discussed have been or will be profitable. 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>).



Zevin Asset Management

