

## Advocacy Update: Q3 2017

Zevin is urging portfolio companies to improve *diversity and inclusion* by reporting on hiring, promotion, and retention; formally considering diversity in board and executive recruitment; and tying the issue to CEO pay. [McKinsey reports](#) that firms excelling at gender and racial/ethnic diversity are more likely to have above-average financial returns. We are focusing on the tech sector because of its intense competition for talent and history of overlooking women and underrepresented minorities.

Over the summer, we wrote with that message to **Apple, Visa, ADP** (payroll services), **Oracle, Analog Devices, IBM, eBay, Amazon, PayPal, Citrix**, and **Alphabet** (Google's parent company). We dug deep with Analog Devices, a legacy tech firm straining to interview and hire enough young engineers to replace its maturing talent pool, and we met with Apple's new VP of diversity and inclusion. We will escalate many of these dialogues in 2018. So far, we have submitted proposals to Amazon, Alphabet, and Apple, where the CEO describes diversity as mission critical but refuses to put part of his pay on the line for success.

We continued challenging dialogues with **TJX Companies** and **Colgate Palmolive** on *pay gaps* that map along gender-, race-, and ethnicity-based lines and we joined with an investor group filing a new proposal on this issue at **Costco**. Unfair benefits are also a serious concern: nearly 90 percent of private sector workers lack access to *paid family leave*, and one in four new moms returns to work just 10 days after giving birth. We worked with the think tank [PL+US](#) to identify companies that have weak approaches to family leave, which lead to higher attrition and training costs. We're also attuned to unequal benefit schemes, as at **Starbucks** where workers in corporate HQ receive more than two times as much paid leave as baristas. We wrote to 11 companies about paid family leave this summer and filed a first-ever shareholder proposal on the topic which helped push Starbucks to include retail workers who adopt children under its new paid leave policy.

We are also expanding efforts to ensure that portfolio companies set and stick to reasonable *environmental targets*. Our ongoing, high-level dialogue with **UPS** on climate change led the company to adopt specific, time-pegged goals around sourcing renewable electricity and low-emission vehicles. Now, as with diversity, we are leading a push urging UPS to tie those and other "key performance indicators" to executive compensation. It's especially important for industrial companies like UPS and **Ecolab** (chemicals and cleaning products) to set carbon goals based on climate science. This quarter we met with Ecolab to discuss setting greenhouse gas reduction goals that are in line with the Paris pledge to avoid catastrophic two-degree global warming.

Elsewhere we:

- Wrote to 13 companies including **AT&T, BYD** (electric vehicles), **Target**, and **Unilever** highlighting a recent [ACLU report](#) with strategies to avoid discriminating against job candidates struggling with arrest records. We pushed those companies to detail their efforts to find prison labor in their supply chains and also joined fellow investors flagging **JPMorgan Chase's** loans to private prisons.
- Met with **Expeditors International of Washington** and **W.W. Grainger** to improve those companies' sustainability management and public reporting.
- Filed shareholder proposals at **AbbVie** and **AT&T** asking for better disclosure of lobbying activities.
- Helped convince **Rakuten**, after several meetings with the Japanese e-commerce company, to stop the sale of ivory and sea turtle products through its websites.

*Thanks for reading and sharing. For more updates on this work and our broader advocacy, join us on [our website](#), [Medium](#), and [Twitter](#). Please don't hesitate to contact me ([pat@zevin.com](mailto:pat@zevin.com)) with questions, thoughts, and suggestions.*

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