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WINDS OF CHANGE

The season is shifting, people are getting vaccinated, and what were policy headwinds to a more sustainable economy are fast becoming tailwinds. There is no doubt, change is in the air. And while that change, "won't be a light switch," as Fauci underscores, it is palpable.

On April 5th, I camped outside an American Veterans post for 7.5 hours—waiting and hoping for an "extra" vaccine at the end of the day. It was cold and cloudy, rain drizzling off and on as I sat on my beach chair, bundled in snow pants, hat, gloves. But to be honest, I was happy as a clam. After a year of pandemic shutdown, I couldn't imagine anywhere I'd rather be. And when I got one of two extra shots it felt like a leap toward freedom.

University College London predicts the UK could achieve herd immunity any day. And President Biden wants us barbecuing by the 4th of July. We are starting to emerge from a very dark period—and it feels good.

MOVING CLIMATE TO THE FRONT BURNER

But the pandemic is just one headwind we face as a nation and a globe. Climate change looms large—a systemic risk we can't ignore much longer. But that, too, is getting some air now that the COVID relief bill has passed through Congress. Biden's American Jobs Plan is prioritizing clean energy infrastructure, electric vehicle tax credits, and a clean energy standard.

And while a lot of damage was done to block investors' ability to file climate-focused proposals under Trump's Securities and Exchange Commission (SEC), there, too, is hope. For instance, there have already been SEC decisions sustaining proposals asking for company greenhouse gas (GHG) targets aligned with the Paris Climate Agreement—a reversal of precedent set in the last couple of years. And SEC Acting Chair Allison Herren Lee has promoted the reversal of prior rulemaking that significantly limited shareholder rights.

Companies are also open to change. We were thrilled this February and March to withdraw four proposals filed

by our clients and other investors in exchange for a commitment by Bank of America, Citigroup, Wells Fargo, and JPMorgan to reduce the GHG emissions of their financing activities in line with the Paris Agreement's 2050 zero-emissions goal.

THE MORE THINGS CHANGE...

But as change is in the air, some things remain the same—especially when it comes to entrenched power. Chevron continues to oppose meaningful change to its business model to limit the risks climate change poses to the economy. Amazon and Intel continue to oppose our clients' proposals asking for racial and gender pay gap disclosure—despite last spring's statements of solidarity with the Black Lives Matter movement. And the social media giants, Google, Facebook, and Twitter, have refused to add civil and human rights expertise to their boards for the second year running—even as the status quo puts their users, our democracy, and their business models at risk. So those proposals will go to a vote of investors at the companies' annual meetings this spring, and other investors will have the opportunity to weigh in on whether or not they want to see change.

For now, I am celebrating the change that is happening: The vaccine. Biden's commitment to sensible climate policy. And the SEC's commitment to upholding investors' rights to be a force behind so much change. I'm happy it's spring, and I want to have a barbecue. Because it's nice when the wind is at your back.

Natasha Lamb, Director of Equity Research & Shareholder Engagement

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