

*The work ahead of us is not about something outside of us. What the coronavirus has taught us more than anything is that we are all connected—perhaps much more closely than we thought.*

The coronavirus has given us all a moment of pause. A chance to stop the busy-ness and evaluate what's working and what's not—for our people and our planet. The human scale impact is no doubt the headline. And as the weeks unfold, we all face insecurity, anxiety, and fear in some way or another. But we also face a challenge: How can we emerge stronger, more resilient, and more empathetic?

### **A NEW NORMAL**

At Arjuna we are carrying on with our work, albeit in a business-unusual way. Everyone is working remotely, client and conference travel has ceased, and the 14 annual meetings where we have shareholder proposals going to a vote have gone virtual. Recognizing the immense privilege we have to keep our business running at this time, it's also interesting to examine what's possible outside our normal habits. We have had very productive virtual meetings with clients and prospective clients, we have upped our game on Zoom and team check-ins, and we are saving money, energy, and time by not travelling. And while there is nothing like meeting face to face, it should make us all pause and consider the benefits of the alternative: Our planet is unquestionably benefiting as it takes a deep breath in the lull of air and car travel and manufacturing. Many families are spending more time with each other and in nature. And some businesses are benefiting from lower expenses—which is welcome in the middle of an economic recession.

These changes don't feel revolutionary, but they are profound. And we can learn from them. Most importantly, the work ahead of us is not about something outside of us. What the coronavirus has taught us more than anything is that we are all

connected—perhaps much more closely than we thought. So often we talk about environmental health or social justice as concepts that impact some “other.” But the health of our planet and people impacts us all. So, what then? I think it's time to authentically own our actions and our influence.

As investors, our clients are in a privileged position not just to choose what they do and don't want to invest in, but to speak up when they are unhappy with business as usual. In the past, we have described the evolution of sustainable or socially responsible investing (SRI) as SRI 1.0, 2.0, and 3.0. SRI 1.0 is the exercise of screening out investments that don't align with your values. It creates internal personal alignment, but it does not change the world. SRI 2.0 is engaging in activism to change the status quo at the companies in which you invest. And SRI 3.0 is about investing in the new economy—those businesses positioned to thrive as we transition to more sustainable practices. At Arjuna, we practice all three, but now is the time to focus on 2.0 and 3.0—changing how companies are currently run and building a new economy.

### **BUILDING RESILIENCY**

Climate activist Greta Thunberg recently said, “If one virus can wipe out the entire economy in a matter of weeks and shut down societies, then it is proof that our societies are not very resilient. It also shows that once we are in an emergency, we can act and we can change our behavior quickly.”

Society is undergoing a stress test, and not surprisingly, we're seeing cracks in the system. It's a time for self-reflection and the question is: What needs to work—and work well—to keep us, as a society, moving forward? Not only for ourselves, but for the most vulnerable in our human family?

Our company and clients are committed to creating a more resilient system. On March 31<sup>st</sup>, Equal Pay Day, which recognizes how far into 2020 women must work to earn what men earned in 2019, we highlighted our collective work to mitigate gender and racial pay inequity at 22 of the country's largest companies. We did this because pay gaps not only affect the most economically vulnerable but perpetuate life-time wealth gaps that can near \$1 million. This spring, we have 11 gender and racial pay equity proposals going to a vote at companies', now virtual, annual meetings.

### OUT WITH THE OLD

We are also pushing the social media companies—Facebook, Twitter, and Google—to step up their game on human and civil rights. These platforms are not only mismanaged, they put people at risk by perpetuating hate speech, harassment, and violence. And despite our years of activism, the problems continue. So, this year, we are asking them to address the issue from a governance standpoint and add human and civil rights experts to their boards.

We have also focused on the boardroom with the oil giants. For the second year, we have a proposal going to a vote at Chevron, asking them to form a climate-risk board committee to better manage company strategy in the face of climate change. Unfortunately, our proposal at Exxon, which was upheld by the Securities and Exchange Commission (SEC) last year, was excluded from a vote by the same body this year. This aberrant decision is yet another step in the SEC's move to threaten long-standing shareholder rights.

On a more positive note, the SEC upheld our proposal at Comcast/NBC, seeking an independent investigation into the company's failures to prevent workplace sexual harassment. We filed the proposal, which will now go to a vote in June, in the wake of high-profile sexual harassment claims and reporting from Ronan Farrow

that NBC covered up accusations against former Today show host Matt Lauer.

### IN WITH THE NEW

We also continue to invest our clients in the new economy—through New Summit Investments' private equity and debt funds. From renewable energy, to sustainable agriculture and timber, microfinance and more innovative healthcare delivery, we are aligning client assets with the United Nations' Sustainable Development Goals.

There are no doubt more opportunities to build a new, stronger, more resilient and empathetic economy—to fix the mess we have created. So, let's start now. Spring is a time for cleaning—for an out with the old and in with the new mentality. And while this spring is different in profound ways, I hope we can think about how we want to clean house literally and figuratively in the post-corona economy.

### Natasha Lamb, Director of Equity Research & Shareholder Engagement

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