



Investor Letter in Support of Strong Climate, Health, and Labor Investments in the Build Back Better Reconciliation Package

As investors actively engaging our portfolio companies on their environmental and social impacts and to strengthen their governance, we are writing to urge your support for the Build Back Better (BBB) reconciliation package currently pending in Congress. Passage of this critical legislation, along with the bipartisan infrastructure bill, will facilitate long-overdue investments in our society and our economy. The BBB reconciliation package, supported by 66% of Americans, seeks to address long-standing systemic risks that have fueled economic and racial inequities and inhibited prosperity for far too many Americans. We view its passage as a critical down payment on our future. Building back better to recover from the ravages of the COVID-19 pandemic will require an all-hands-on-deck effort, but the moral imperative to do so could not be clearer.

In our dialogues with companies, we have witnessed a notable shift in their acknowledgment of their roles as public actors and their responsibility to honor their social license to operate. The 2019 Business Roundtable Statement of the Purpose of the Corporation was a welcome declaration from the business community of the need to deliver value to all stakeholders - not just shareholders - and a reorientation of corporate mission in support of “an economy that serves all Americans”. In this moment corporations are being asked to live into this and similar statements, and to demonstrate their commitment to turn these ideals into principled action.

Investors have long made the business case for many critical programs and policies included in the BBB reconciliation package. A few of the issues in the plan that must urgently be addressed include:

- **Climate action that will rein in lethal GHG pollution, and speed the transition to a clean energy economy while supporting workers and communities.** As investors, we welcome the climate provisions in the BBB reconciliation package designed to promote clean electricity, low-carbon transportation, and other climate resiliency measures to tackle the climate crisis and advance environmental justice. Specifically, the plan seeks to create good-paying, union jobs, establish a Clean Electricity Performance Program and expand and extend clean energy and electric vehicle tax credits. Climate change is a universal and acute risk for all companies with the attendant supply chain disruptions, reduced productivity, and financial uncertainty that result from more extreme, less predictable weather. If we fail to act decisively now as a society to curb GHG emissions, there will be no turning back. All companies should strongly support BBB programs designed to curb emissions, build climate resiliency and ensure a just transition to truly clean electricity.
- **Programs that safeguard and promote the human right to health and the equitable access and affordability of health care services.** We fully support the BBB reconciliation package's call for Medicare's ability to negotiate drug pricing as this has long been advocated by investors as a way to rein in the escalating cost of medicines. Further, we support the call to extend marketplace subsidies authorized under the American Rescue Plan Act (ARPA), close the Medicaid coverage gap, and enhance

Medicare benefits by including coverage for vision, hearing, and dental services. Lastly, we also support investment to strengthen the maternal and prenatal health workforce.

- **Policies and programs that invest in America's workers, particularly those that address workplace safety and workplace gender and race inequities.** A federal paid leave policy would provide an essential safeguard that would increase worker retention, morale, and productivity which is why it is supported by investors, the Business Roundtable, and hundreds of businesses, large and small. As women and people of color disproportionately lack access to paid leave, a national paid leave policy is one of the strongest tools to create more equitable and inclusive workplaces.

The social, environmental, and economic programs proposed in the BBB reconciliation package are foundational components of a just and sustainable society that will have enduring benefits for all constituents, including businesses. Companies operating in the U.S. are the beneficiaries of countless government-funded programs including research and technology that propel private sector innovations, as well as vital infrastructure such as highways, bridges, and ports to transport goods, and broadband to facilitate commerce. These programs are funded by taxpayer dollars. As stated by the Center on Budget and Policy Priorities, "Asking profitable corporations that gain so much from public investments to pay more to fund them is one important way to build toward a more equitable nation." Conversely, corporate lobbying to undermine the bill due to the modest increase in the corporate tax rate it imposes, particularly in light of the deep cuts made to the corporate tax rate in 2017, will be viewed by corporate stakeholders as both self-interested and short-sighted: it will be viewed as a betrayal of the social contract.

We request that you strongly consider a public statement in support of the BBB reconciliation package either alone or in conjunction with your peers. We further urge you to discourage your trade associations from any efforts to block the bill; efforts we don't believe are in your best interests. Forward-looking companies truly invested in an economy that serves all Americans have a tremendous opportunity to live into their public statements in support of justice and sustainability by helping to manifest the vision presented in the Build Back Better reconciliation package.