

The Fiduciary Focus

Investment News From a Pro-Shareholder Perspective

March 4, 2025

This Week: Strive urges GameStop to adopt the Bitcoin Standard; Paramount rolls back DEI; The Voting Spotlight takes a look at Apple.



Strive Urges GameStop to Adopt the Bitcoin Standard

Strive is calling on GameStop to think big and embrace Bitcoin to power its future growth. With nearly \$5B in cash reserves, GameStop has a unique opportunity to shift from a struggling retailer to a thriving digital powerhouse. And Strive would like to help make that happen.

Want to know how? Dive into our [letter](#) to GameStop or read [CoinDesk's](#) coverage of our engagement letter here.

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Paramount Rolls Back Some DEI Initiatives



Last week, Paramount became the latest company to roll back some, but not all, of its DEI policies, the [New York Times](#) reports.

The Changes: The changes appear to relate mostly to DEI in hiring and employment policies, and include:

- Ending race- and gender- targets in hiring practices,
- No longer collecting diversity information from job applicants, and
- Eliminating DEI from its employee compensation plan

DEI in On-Screen Content Remains: Despite these changes, Paramount continues to push DEI in its on-screen content. "[No Diversity, No Commission](#)," is how it describes its current content policy. Each and every new piece must "promote and increase diversity in content and production" in order to get the green light.

A Checkered Past: Paramount's on-screen diversity policies have created controversy for the company, particularly at its Nickelodeon and MTV networks, where content is geared towards kids.

- The studio faced backlash after producing an episode of *Blue's Clues* that featured a [transgender beaver](#) with visible scars from top surgery participating in a Pride parade led by a drag queen. At the time, the creator touted the piece as "the [quickest](#) thing I've ever seen happen in the preschool space."
- It also faced criticism for pushing its progressive worldview on teens via its [MTV](#) programming, including segments on defunding the police and programs to help transgender teens change their government IDs.

Regulatory Pressure: The partial retreat comes a week after a media watchdog group asked the [FCC](#) to investigate Paramount's DEI practices as the agency decides whether to approve the studio's proposed merger with Skydance. The letter may find a receptive audience. The new chairman of the FCC, Brendan Carr, has taken a keen interest in eliminating racially discriminatory practices, including DEI, from media companies, and has already launched a [probe](#) into such practices at Comcast/NBC Universal. Whether Paramount's rollback is enough to satisfy regulators, or customers, remains to be seen.

BP Cuts Renewables Spending



British oil giant BP is slashing its renewables spending to put more towards oil and gas, the [Financial Times](#) reported last week.

By the Numbers: BP said it was upping its investments in fossil fuels by 20% to \$10 billion a year, and cutting renewables by 70%.

What They're Saying: "Our optimism for a fast transition was misplaced and we went too far, too fast," BP's CEO said as he announced the new strategy. "Oil and gas will be needed for decades to come."

Putting Shareholders First: In recent years, BP set out on an ambitious path to lead the transition to green energy and net zero. But the strategy has delivered lackluster returns, and now wealth-focused shareholders have asked the company to abandon the strategy. BP's relatively new CEO—who took over the position permanently early last year—appears to be listening.

Reading the Room: The move also comes as net zero goals are losing [popularity](#). It's no mystery why. A UK government [report](#) out last week urged citizens to fly less and eat two fewer servings of meat a week to fight climate change. Given these recommendations, BP's decision may have been all but ordained: If there's anything the British public loves more than fighting climate change, it's going on holiday and chowing down on doner kebabs.

AI-Powered Robots Finally Get Real Jobs



A lot of the recent hype about artificial intelligence has focused on its potential to do white-collar and creative work, from web design to business analyses to drug discovery. But many of the gains (particularly early ones) from AI may come from a different, though no less exciting, source: the ability to power robots with AI brains to perform complicated and varied manual tasks, the [Wall Street Journal](#) reports.

The Promise: Machines have automated parts of the assembly line for decades. But now, leaps in AI technology are finally making it possible to use robots for sorting, lifting, stacking and more. The benefits are clear:

- Humanoid robots are well suited to navigate a world designed for humans, like navigating stairs, viewing items at eye-level, and bending at the waist to prevent toppling over.
- These robots, powered by AI, would also be able to do more than one task, unlike most current automation machinery. They could eventually learn to unload deliveries in the morning, stock shelves during the day, send inventory reports in the afternoon, and dispose of expired products at night.

The Challenges:

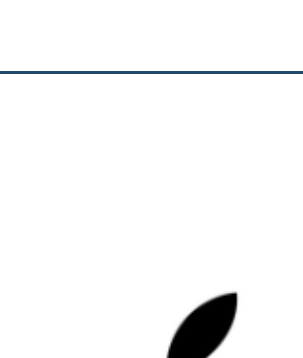
- One challenge is the economics. But prices are expected to come down over time, as AI-powered robots become more widely adopted and makers enjoy economies of scale.
- Another challenge is [ESG proponents](#), who often urge companies to shun AI out of purported ethical and [climate](#) concerns, regardless of economic productivity.

The Pioneers: Early adopters of humanoid robots include:

- [Chipotle](#), which has launched "Autocado," a humanoid robot that can cut and prep avocados for guacamole. Autocado's manufacturer is already testing how to improve the robot by adding AI capable of assessing an avocado's ripeness.
- [Amazon](#) has also embraced generative-AI powered robots in some of its warehouses. The robots assigned to two-day deliveries, for example, learn to get out of the way of other robots assigned to same-day deliveries when grabbing products from warehouse shelves and packaging them for delivery.

Supercharged Portfolios: As companies embed generative AI in more and more functions, demand for AI chips is likely to [surge](#), boosting semiconductor stocks and those in the related industries. But the macroeconomic effects will likely be felt far beyond the semiconductor sector. Per some estimates, the estimated productivity boost of generative AI could lead to global GDP growth of [2%](#) or almost \$7 trillion over the next ten years, impacting companies in nearly every industry across the globe.

Voting Spotlight



Each week during proxy voting season, Strive will highlight one interesting vote from a recent company's annual meeting.

Last week, Strive voted for a [proposal](#) asking Apple to consider abolishing its DEI program. The proponent cited the Supreme Court's recent decision outlawing affirmative action in higher education, as well as several private sector lawsuits, to argue that the financial risks of continuing such practices were unacceptably high to shareholders.

Despite these concerns, [97%](#) of shareholders—including BlackRock, State Street and Vanguard—opposed the proposal, urging Apple to continue its potentially illegal DEI practices. Because Strive believes DEI harms long-term shareholder value by alienating customers, focusing on non-business concerns and creating unnecessary legal risks, Strive voted for Apple to end its DEI initiatives.

The Best of The Rest

Additional stories about ESG investing, company happenings, and more.

- [EU scales back ESG reporting requirements](#) to exempt up to 80% of companies now exempt; move follows U.S. Commerce Secretary Howard Lutnick's [comment](#) that he'd consider deploying "trade tools" to ensure American companies wouldn't be subject to the rules.
- [The Chinese economy is in a "doom loop"](#); that it is unlikely to escape from anytime soon.
- [Comcast moves to reduce censorship](#); updates advertising policies to make clear the company accepts advertisements from groups with divergent views and "place[s] advertising for our products and services without regard to political or religious views or status, subject to our brand standards and intent to reach the broadest possible target audience."
- [Wells Fargo drops financed emissions targets](#) as banks continue to rethink net zero goals.
- [Top UK pension fund pulls \\$28B from State Street over alleged ESG retreat](#) despite the fact that asset manager continues to push [climate stewardship](#), [sustainability](#), and [diversity, equity and inclusion](#) metrics; move demonstrates how large asset managers that do business in EU are under immense pressure to continue to pursue extremist ESG goals.
- [Supreme Court hears argument in reverse discrimination case](#); signals that the same standards apply when a member of the majority sues, which may further heighten risks of DEI programs.

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Strive is one of the fastest growing asset management firms. Our mission is to maximize value for our clients by leading companies to focus on excellence. [Click here](#) to learn more.

What Makes Strive Different?
While many asset managers push companies to focus on other stakeholders such as employees, suppliers, the environment and society at large, we live by a strict commitment to shareholder primacy — the belief that **the purpose of a for-profit corporation is to maximize long-run value for investors**. [Click here](#) to learn why shareholder primacy is so important.

How Does Strive Maximize Value?
Our **corporate governance** team engages with the companies in which our clients are invested to advocate for the pursuit of excellence in corporate America. We are aggressively apolitical when it comes to utilizing our corporate governance tools and demand that companies focus exclusively on delivering long-term financial value for investors. The corporate governance team also determines how to cast our shareholder votes at annual meetings and special elections, evaluating each proposal through the lens of maximizing financial return.

Our research team conducts deep analysis of macro economic trends, market developments, and industry- and company-specific metrics to identify potential risks and opportunities for our clients. We then incorporate the results of this research into our engagement and voting strategy, and share it with our clients in the form of white papers and market research reports so they can make the most educated investment decisions possible.

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