STRIVE

The Fiduciary Focus

Investment News From a Pro-Shareholder Perspective

April 15, 2025

This Week: Strive engages with Intuit over Bitcoin censorship; Companies are still capitulating to ESG activists; The Silicon Surge explores Nvidia's push for American AI.

Strive Engages Intuit on Bitcoin Censorship

From crypto censorship to AI risk, we believe Intuit's current path could undermine its future. That's why we're urging leadership to act in shareholders' best long-term financial interest.

To learn what's at stake, and what Strive recommends, read our full letter below.

Read Here

Companies Still Cowed by ESG Activists, New Report Shows

Earlier this month, ESG activist group As You Sow released its 2025 Proxy Preview report, which details not only the shareholder proposals that will be voted on at upcoming company meetings, but which resolutions companies agreed to implement with no vote at all. And as the report shows, these behind-the-scenes negotiations are where a lot of the action takes place.

Environmental: Companies capitulated on several climate and environmentally related proposals including:

- Climate: Six agreements to make and adhere to climate transition plans;
- Agriculture: Two commitments to avoid avocados from allegedly illegally deforested orchards, with one company agreeing to GPS surveillance of its supply chain; and
- Mining: An agreement not to engage in deep-sea mining for rare minerals.

Social: On the "S" front, agreements included:

- Violent Toys & Games: An agreement to stop making/selling toy guns and/or video games that the advocate deemed too violent, due to his belief that such video games and toy guns were responsible for the police shooting of Tamir Rice eleven years ago.
- Food Waste: An agreement to reduce food waste, because one out of eight U.S. citizens are allegedly "food insecure";
- Abortion: Three agreements promising to hide information from prosecutors that may be used to enforce abortion-related laws; and
- One-sided Lobbying: Six agreements to create and release lobbying reports, intended to force companies to donate and lobby politicians to support progressive causes, rather than align their lobbying with business goals.
- Sick Leave: An agreement to grant workers paid sick leave, which is not required by law.
- DEI: An agreement to conduct a civil rights audit, and another agreement to disclose race- and gender-makeup of company workforce.

Governance: The following proposals were withdrawn, likely after the companies made concessions:

- Board Diversity: A proposal seeking a "inclusive board refreshment policy" was withdrawn; and
- Tax: A proposal accusing companies of using tax havens, and therefore not voluntarily overpaying taxes to support government programs, was withdrawn.

Why It Matters: As ESG efforts are losing public (and shareholder) support, activists and corporate sympathizers are simply bypassing the voting process, agreeing to ESG initiative that their shareholders would never approve of. The Proxy Preview provides a rare peek into just how successful these engagement campaigns have been. For returns-first investors, the view is alarming.

China Targets U.S. Businesses in Trade War

While the U.S. has mostly used tariffs to wage the trade war, China has been readying an arsenal of different weapons, many targeting U.S. businesses, the Wall Street Journal reports.

What's Happening: The Wall Street Journal reports that China has expanded its trade response beyond tit-for-tat tariffs to include:

- Regulatory investigations designed to intimidate U.S. companies,
- Export controls on critical materials needed for American manufacturing,
- Pressure tactics to extract intellectual property, and
- Strategic use of its "unreliable-entity" blacklist, which bans companies from selling into China.

In other words, American companies that do business in China—whether to source materials, or manufacture goods, or sell their products—are now finding themselves used as pawns in the trade war.

The Latest: Beijing's response to new U.S. tariffs includes blacklisting American companies across various sectors. While the blacklist was once limited to defense firms like Shield AI, it now includes U.S. biotech firm Illumina and consumer brands like PVH (parent of Calvin Klein and Tommy Hilfiger).

Our Take: The CCP's moves lay bare what Strive has known for years: China risk is investment risk. As we explained in our China Risk White Paper, the CCP's "heavy hand poses significant risks to shareholders of Western companies" through unpredictable policy enforcement and market access restrictions. While many investors are rightly concerned about the plummeting share prices of Chinese companies, the risk to U.S. companies may hit much closer to home.

Bloomberg Credits Strive for Fighting ESG Pay

Last week, Bloomberg ran a feature highlighting Strive's role in pushing companies to end their ESG and DEI policies, and to stop paying their executives for meeting these non-financial goals.

What We Do:

- “Whenever we see companies that are tying executive compensation to ESG or DEI, that’s going to be a continual focal point,” Strive CEO Matt Cole told the outlet.
- “If a CEO’s paycheck is on the line to do something, they’re going to do it, and so that’s one of the easiest ways to make a clear change in focal point for corporations.”

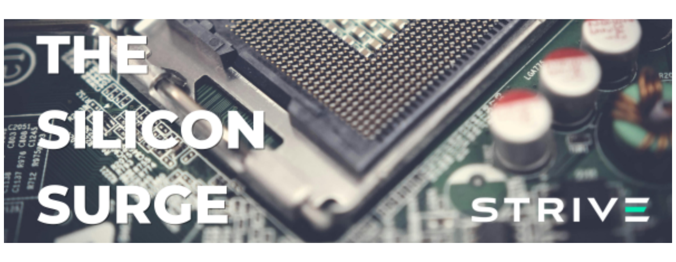
Outsized Success: The piece notes that following Strive's advocacy, as well as the Trump administration's critiques, many companies have reduced or eliminated their DEI programs.

Naming Names: Despite Strive's efforts, many companies continue to tie executive pay to ESG goals. As of last December, approximately three quarters of S&P 500 companies did so. For that reason, last year, Strive opposed the pay packages at:

- Boeing,
- Disney,
- Kraft-Heinz, and many other companies.

A New Frontier: The piece also notes Strive's focus on Bitcoin as an additional way to maximize long-term corporate value. "Cole has urged companies, including GameStop Corp., to use reserves to buy Bitcoin, arguing that purchasing power in cash declines over time," Bloomberg writes. That's because regardless of the issue at hand—establishing Bitcoin reserves, fighting DEI, or helping a company refocus itself on core business concerns—Strive is always trying to find ways to maximize shareholder value.

Dive Deep: To learn more about how Strive works with companies to maximize their long-term financial value, read our latest stewardship report.



Nvidia’s $500 billion plan for American AI

On Monday, Nvidia announced plans to work with partners “to design and build factories that, for the first time, will produce NVIDIA AI supercomputers entirely in the U.S.” It promised to invest over $500 billion in the U.S. over the next four years to make that possible, starting building factories in Texas. The story about all-American AI was quickly adopted by outlets like *The Wall Street Journal*. While a significant move to onshore what can be onshored, the semiconductor supply chain remains irreducibly global.

The narrative about making AI supercomputers entirely in the USA revolves around a fine distinction between making the parts of a supercomputer and assembling those parts into the completed computer—the latter, simpler step is what Nvidia’s American AI efforts appear to focus on. Respected industry analyst Patrick Moorhead poured cold water on the headlines by saying “This is likely L11 level rack manufacturing which is a completely validated and tested rack. I will be more impressed if it includes PCA manufacturing, but likely doesn’t.”

In layman’s terms, that means that Nvidia will be taking already-completed individual servers and assembling them into racks with all the necessary networking and power distribution to make them function together as a supercomputer. PCA manufacturing—printed circuit assembly—is a crucial prior step in making servers themselves by placing AI chips like Nvidia’s famous GPUs onto circuit boards. Moorhead is implying that the critical steps of making those electronic boards and putting chips on them will still largely happen outside of the U.S.

And before all that is the big game in the semi supply chain: making the actual chips that get turned into servers which get turned into supercomputers. Chipmaking is TSMC’s claim to fame. It possesses sole mastery of the most advanced chip fabrication processes on the planet, and the lion’s share of its production will remain in Taiwan for the foreseeable future, despite Nvidia’s mention that TSMC’s Arizona fabs have started making some of its new Blackwell GPUs.

Why is Nvidia pushing a made-in-America narrative that doesn’t quite hold up? Largely so it can keep selling chips to China. Nvidia’s $500 billion announcement is reportedly part of a bargain struck after CEO Jensen Huang visited Mar-a-Lago last week. The White House’s end of the deal is that it backed off plans to restrict Nvidia’s ability to sell the H20 chips it designed for China. Some of those chips were used in the recent DeepSeek breakthrough, and Chinese demand for them has skyrocketed since then.

Nvidia’s investment in America aims to ensure that this lucrative and growing Chinese market remains open. While it's not a major step toward semiconductor self-sufficiency, the news is good for Nvidia, good for America, and good for AI innovation.

Voting Spotlight: Goodyear

GOODYEAR

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

Earlier this week, Strive voted against a proposal asking Goodyear to reduce its tire wear in order to reduce pollution. The proponent claimed that a chemical used in the production of tires may be shed when Goodyear tires are driven on the road, and that the chemical has been linked to a "mass die-off of coho salmon on the U.S. West Coast." The proponent therefore asked Goodyear to make its tires more durable so that they shed less particulate matter.

Goodyear opposed the proposal, explaining it would "negatively impact the Company's design process" and harm shareholder value.

Because the proposal was focused on a social goal, and because there was no persuasive evidence that reducing tire wear and tear would inure to the long-term financial benefit of shareholders, we voted against the proposal.

The Best of The Rest

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

- The artificially intelligent boardroom; new article examines how artificial intelligence might help boards meet their oversight responsibilities.
- National Association of Insurance Commissioners is pushing ESG on the insurance industry; focused on "climate risk, race and insurance, corporate governance, and other related factors."
- Ally Bank rolls back some DEI initiatives; retreat is part of settlement of lawsuit brought by non-minority employee.
- Nuclear power is back and this time AI can help manage the reactors.
- Glass Lewis issues proxy preview, highlights revisions to Delaware law and likely changes to diversity issues.
- Taiwan says China is using AI to spread disinformation and divide the island.
- New York proposes mandatory GHG reporting; program is "part of a new planned cap-and-invest system requiring large emitters to purchase allowances to cover their emissions beyond an allowed and declining cap."

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