



CORPORATE SUPPORT FOR EMPLOYEE VOTING — 2021

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Executive Summary

Recent events in American history underscore the need for a highly engaged electorate and fair voting systems to support a well-functioning democracy and economy. We have also seen that one of the hurdles to participating in democracy is that Americans lack guaranteed time to vote, causing a conflict between voters' work schedules and their desire to go to the polls. In absence of a national Election Day holiday or weekend voting, companies have a powerful ability to influence civic engagement by providing paid time off to vote. In 2021, Trillium, continuing outreach from 2019 and 2020, wrote to and spoke with 38 companies to assess their paid time off to vote policies and encouraged uptake for companies that lacked them. Positively, 57% of the companies that responded offer some form of paid time off to vote, many of which started offering the benefit ahead of the 2020 election. Companies like **Cisco**, **Intercontinental Hotels Group**, **Procter & Gamble**, and **Visa** led the pack with a full day off for employees to cast their ballots. However, there are still many companies that follow a compliance approach and do not offer material support for employees to vote. With the 2022 midterm elections coming up, Trillium will keep pressing companies on supporting employee civic engagement.

The Problem

Americans agree that voting is important and fundamental to the health of our democracy, but with long lines, logistical hurdles, and the pressing time constraints of work, family, and other responsibilities, the barriers to voting are significant. The timing of Election Day (always a Tuesday) makes matters worse. While dozens of other advanced democracies vote on the weekend or on a national holiday, many Americans must weigh voting against weekday obligations and increasingly inflexible work schedules. Additionally, the coronavirus pandemic amplified the existing problems in the system and created an urgency to modernize the U.S. voting system during a presidential election year. Due to poll closures, certain states saw up to 11-hour waits to vote. In the absence of laws or support from an employer, Election Day may force some to choose between their paycheck and their civic duty as an American.

Currently, the ability of every citizen to freely and easily cast a ballot is threatened. After the hotly contested election of 2020, which found no evidence of widespread fraud despite alleged claims, 400 bills that further restrict voting accessibility have been proposed and are moving through state legislatures. As of September 2021, 18 states across the U.S. have successfully passed more than 30 bills that restrict voting. This represents one of the most significant reductions in access to the ballot since Jim Crow. Year after year, scholars, news agencies, and democracy organizations have completed analyses of voting results in multiple states which have concluded that allegations of voting fraud can usually be attributed to honest mistakes, clerical errors, and poor data matching practices rather than intentional fraud.^{1,2,3}

Measures in the proposed and enacted laws include shortening windows to apply for mail-in ballots, eliminating or limiting mail ballots to voters who do not specifically request them, eliminating same-day voter registration, increasing the number of voters per precinct, and limiting early voting days or hours, among others. These seemingly small changes, in the aggregate, have the potential to disenfranchise millions of voters in a country without a nationally uniform approach to the electoral process.

The attempted insurrection at the U.S. Capitol on January 6, 2021 highlights the instability of our political environment and the need to restore faith in our democratic institutions. Over 100 scholars of democracy have sounded the alarm regarding the threats to American democracy and called for swift voting and election administration standard reform, citing research that institutional faith takes decades to re-establish.⁴

Roughly 56% of eligible voters cast a ballot in the 2016 Presidential elections.



Lastly, the U.S. already has one of the lowest voter participation rates in the developed world. Roughly 56% of eligible voters cast a ballot in the 2016 Presidential elections. Midterm elections typically produce even lower turnout. There is at least one clear barrier getting between voters and the polls: logistical challenges, including work schedules. The Pew Research Center found that 22% of respondents cited overcoming logistical hurdles as the primary reason why they find voting difficult.⁵ Not all employers permit employees the time to vote. Hourly employees (who are likely to be more politically disempowered than white-collar, salaried employees)⁶ may be impacted the most because of a lack of flexibility in work schedules. While some states have expanded early voting and incorporated no-excuse absentee ballot programs, this is not the case in every state, and taking advantage of these opportunities comes with its own bureaucratic challenges.

In the absence of federal law, a variety of stakeholders—including companies—can facilitate higher rates of voter turnout. Corporate support for voting is cited as a contributing factor in driving voter engagement in recent elections.⁷

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¹ "Debunking the Voter Fraud Myth," Brennan Center for Justice, <https://www.brennancenter.org/our-work/research-reports/debunking-voter-fraud-myth>

² "Resources on Voter Fraud Claims," Brennan Center for Justice, <https://www.brennancenter.org/our-work/research-reports/resources-voter-fraud-claims>.

³ Vera Bergengruen, "How Republicans Are Selling the Myth of Rampant Voter Fraud," Time (Time, October 22, 2020), <https://time.com/5902728/voter-fraud-2020-2/>

⁴ "Statement of Concern," New America, June 1, 2021, <https://www.newamerica.org/political-reform/statements/statement-of-concern/>

⁵ "In their own words: Why some people find voting difficult," Hartig, Hannah. "In Their Own Words: Why Some People Find Voting Difficult." Pew Research Center. Pew Research Center, May 30, 2020. <https://www.pewresearch.org/fact-tank/2018/11/05/in-their-own-words-why-some-people-find-voting-difficult/>.

⁶ Mitchell, David, Austin Clemens, and Shanteal Lake. "The Consequences of Political Inequality and Voter Suppression for U.S. Economic Inequality and Growth." <https://equitablegrowth.org/wp-content/uploads/2021/02/010320-voter-suppression-report.pdf>

⁷ "Why and How Companies Invest in Get-out-the-Vote Efforts," Harvard Business Review, August 6, 2019, <https://hbr.org/2019/08/why-and-how-companies-invest-in-get-out-the-vote-efforts>.



Giving employees explicit and guaranteed paid time off to vote is one impactful way for employers to encourage participation. There is also growing evidence that consumers expect companies to engage with sociopolitical issues and that intra-company voter engagement increases employee satisfaction.

In 2019, it was found that residents in predominantly Black neighborhoods waited 29% longer than those in White neighborhoods and were 74% more likely to spend more than 30 minutes waiting in line.



The Challenges for Employees

However, there are no federal laws that require employers to provide workers with paid time off to vote. Some states provide employees with time off to vote, but these laws vary widely and are rarely enforced. States like Connecticut, Delaware, Florida, Idaho, Indiana, Louisiana, Maine, Michigan, Mississippi, Montana, New Hampshire, New Jersey, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia – representing 32.5% of American citizens – do not require employers to provide any amount of time away from work to vote.⁸ Of the states with laws providing time off, some only provide a modest 60 minutes to vote and often this time is unpaid. For many this is simply not enough time considering that polling station wait times in states such as Arizona, Florida, Georgia, and Texas have frequently ranged from 4 to 11 hours.⁹

Increasing access to the ballot is also a racial justice imperative. Voters of color, particularly Black and Latinx voters, are far more likely to report long wait times at polling stations compared to White voters. In 2019, it was found that residents in predominantly Black neighborhoods waited 29% longer than those in White neighborhoods and were 74% more likely to spend more than 30 minutes waiting in line.¹⁰ Furthermore, research from the Brennan Center found that during the 2016 election voting centers in Latinx communities had an average wait time of 244 minutes whereas nearby White communities had an average wait time of 167 minutes. Workers in each of these communities are faced with different decisions in weighing their work schedules and time to vote. Regardless of state laws, an individual's employer can be a significant determining factor in whether they can confidently take the time to vote.

Trillium's Approach

In our inaugural 2020 report, Trillium's scorecard and analysis were based on the broad categories of the provision of paid time off to vote, general support for voting, and compliance-based approaches.¹¹ With this current iteration, we applied a more rigorous and granular approach to determine which companies are genuinely promoting democracy and increasing access to the ballot box. Given that certain states saw hours-long waits which primarily affected people of color, the focal pillar of the scoring methodology was the number of hours offered. Providing as many hours as possible allows employees to use the time as they deem appropriate, whether that is dividing time for multiple elections or allocating all of it to a particular one. Additionally, we considered the overall commitment of companies in promoting voter empowerment according to best practices outlined by organizations like the American Civil Liberties Union (ACLU) and ElectionDay.Org.¹²

To understand what companies with large numbers of hourly workers and facilities in states lacking voter-friendly laws are doing to support civic engagement, we asked the following questions:

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⁸ State Laws on Voting Rights/Time Off to Vote, accessed October 18, 2021, <https://www.workplacefairness.org/voting-rights-time-off-work>

⁹ Sam Levine, "More than 10-Hour Wait and Long Lines as Early Voting Starts in Georgia," The Guardian (Guardian News and Media, October 13, 2020), <https://www.theguardian.com/us-news/2020/oct/13/more-than-10-hour-wait-and-long-lines-as-early-voting-starts-in-georgia>

¹⁰ M. Keith Chen et al., "Racial Disparities in Voting Wait Times: Evidence from Smartphone Data," 2019, <https://doi.org/10.3386/w26487>

¹¹ "Corporate Support for Employee Civic Engagement," Trillium Asset Management, <https://www.trilliuminvest.com/leadership-corporate-engagement/corporate-support-for-employee-civic-engagement>

¹² "Vote Friendly Policies," ELECTIONDAY.ORG, <https://www.electionday.org/vote-friendly-policies>



- Is there a company-wide policy that provides employees with time off to vote? Who does this policy extend to? Full-time, part-time, salaried, seasonal, and hourly employees? Contractors?
- How much time off is provided? If time off is provided, is it paid?
- In states with existing time off laws, does the company do more than comply with state law?
- What kind of education is provided to make employees aware of this benefit?

We also gathered information about how companies make employees aware of these benefits and any other education they offer around civic engagement.

Trillium’s Outreach and Findings

In 2021, Trillium conducted outreach to a new slate of companies in addition to revisiting companies from the 2019-2020 analysis to compare annual performance and measure progress. Companies were prioritized based on the number of hourly employees and presence in states lacking voter-friendly laws. As we explained to them, providing this benefit can lead to more engaged employees who are routinely more productive than those who do not feel engaged. We also noted that hourly workers may face more challenges in having enough time to vote.

In total, Trillium collected and reviewed 38 companies’ paid time off to vote policies. Applying the rubric found in Appendix A, we categorized companies based on the number of hours offered for voting and other civic engagement activities (such as volunteering at the polls) in a calendar year. According to our

results, most companies either set up a voter education or registration website or launched communication campaigns before Election Day. Therefore, this was the baseline expectation and if this was the extent of corporate support for voting, companies received a D. We explicitly set standards around offering compensated time for voting so that employees, particularly wage workers, would not disproportionately have to bear an economic burden for engaging in civic duty.

Companies that exhibited what we believe are “best practices” on this issue have robust policies that provide employees with paid time off to vote. Many also have strong engagement programs that provide employees important information about voting locations and deadlines. Leading companies in the A category offered a minimum of 7 hours to vote, with A-companies following closely with 4-6 hours. The most common amount of paid time to vote was 2-3 hours, which earned companies a score of B. If an explicit amount of time was not mentioned, companies scored a B-, and those who offered protected but unpaid time off to vote scored in the C category.

The results of this year’s outreach revealed that public corporation support for employee civic engagement remains a patchwork landscape but that offering paid time off to vote is becoming more common. 57% of the companies that responded offer some form of paid time off to vote and a number of companies that followed case-by-case policies are considering revamping their civic engagement strategy at our request.

A	A-	B	B-	C	D	No Response/ F
<ul style="list-style-type: none"> • Cisco • InterContinental Hotels Group • Proctor & Gamble • Visa 	<ul style="list-style-type: none"> • Apple • Verizon • JPMorgan Chase & Co. • Wabtec 	<ul style="list-style-type: none"> • Bank of America • BNY Mellon • Chipotle • Ecolab • First Republic • Keycorp • Medtronic • Merck 	<ul style="list-style-type: none"> • CVS Health • JB Hunt • PNC Bank • Starbucks • Target 	<ul style="list-style-type: none"> • Home Depot • Waste Management • Lululemon 	<ul style="list-style-type: none"> • BJ’s Stores • Burlington Stores • Carter’s • Costco • LHC Group • Marriott International • Nike • Quest Diagnostics • TJX Companies • Tractor Supply Co. • Trane Technologies • UPS • Deere 	<ul style="list-style-type: none"> • BJ’s Restaurants • VF Corp

Key	A+: Company Shutdown A: 7+ hrs PTOV A-: 4-6 hrs PTOV	B: 4hrs PTOV B-: Unclear amount C: Explicit unpaid PTOV policy	D: State compliance F: No response
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Companies Showing Progress

During our engagement with Wabtec, which focuses on rail technology for freight and transit segments, the company made material changes to its voting policy by adopting a paid time off to vote policy for its U.S.-based employees. This policy will impact Wabtec's 9,500 U.S.-based employees in states including Pennsylvania, Texas, and Virginia, which lack voter-friendly policies. Wabtec now offers employees 4 hours of paid time off to vote for national and state elections. We have encouraged the company to expand the offering to municipal elections and join the Time to Vote coalition.

All-Stars

Companies like Procter & Gamble encouragingly prioritized democracy as a core pillar prior to 2020 and granted employees a full day's PTO for voting or election-related volunteering. Some companies, out of concern for the 2020 election, implemented new civic engagement policies. In 2020, International Hotels Group began offering a paid day off for corporate and owned hotel employees, while Cisco newly implemented a closure on Election Day so that all employees could vote – and extended this policy to major national elections around the globe. Visa increased the number of hours offered as a result of the 2020 election and the further political unrest that occurred afterwards.³³



P&G gives employees 8 hours of discretionary civic engagement time every year to use either for voting or to volunteer in an election-related capacity.



In 2020, Cisco newly adopted a paid time off to vote policy and expanded it to cover all countries' national elections.



In 2020, IHG newly granted paid time off to vote for corporate and owned-hotel employees.



In 2021, Visa expanded its paid time off to vote policy from 4 to 8 hours per year after the attempted insurrection at the Capitol.

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Others provide moderate or undisclosed amounts of paid time off to vote. While these policies can serve employees well, we encourage companies to consider increasing paid time off to cover all municipal, state, and federal elections (not only Election Day) or generally increasing the amount of paid time off so that employees have more flexibility to deal with long lines and traffic at polling stations, and states with especially voter-unfriendly laws.

Concerns remain for companies that do the bare minimum of complying with the voting laws of each state, many of which do not offer any flexibility. Such companies point to ad-hoc conversations with managers or assert that company-specific flexibility is available, but the practical application of these policies is unclear and piecemeal. For the second year in a row, **BJ's Restaurants** and **VF Corp.** have not responded to multiple

inquiries. Voting policies can serve as a way to keep employees engaged which in turn can increase employee morale and retention – by taking a compliance approach, some companies are passing up an important opportunity to strengthen their workforces. Companies that rely on vacation time and the structure of employee schedules are not showing a sincere commitment to employee engagement.

We also found that some companies have joined organizations like Time to Vote or ElectionDay.Org to vocalize their support for employee civic engagement. Time to Vote is a business-led organization which is committed to shifting corporate culture to increase voter participation in our country's elections. In a similar vein, ElectionDay.Org is a group of companies that have

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³³ "Alfred F. Kelly, Jr. on LinkedIn: Voting Is One of America's Most Fundamental and Essential Civil Rights: 15 Comments," LinkedIn, https://www.linkedin.com/posts/alfredkelly_voting-is-one-of-americas-most-fundamental-activity-6787519278154428416-SDAw.



made paid voting leave company policy. Companies who join these organizations pledge to make important shifts in their company's culture in order to increase voter participation. This may include paid time off to vote, a no-meeting workday, or information about absentee ballots and early voting.

Conclusion

A healthy democracy is good for business and serves as the foundation for a stable society. A democratically accountable government is central to enforcing contracts, ensuring competition, administering justice, protecting rights, and dealing with fraud and deception. Studies show that broad representation in an electorate leads to greater economic growth. The observed effect is significant: increases in civil liberties have corresponded with an increase of 1.3% in GDP per capital over a period of five years.¹⁴

Countless management studies reference the importance of organizational cultures that promote a sense of purpose and belonging that integrates the whole self in work considerations especially in light of "The Great Resignation" during the COVID-19 pandemic. Rather than approaching civic engagement as an extraneous personal factor, companies can and should integrate it into the broader human capital management and retention strategy. Employees granted paid time off to vote demonstrate notably higher levels of support for the organization's values and are more likely to recommend their organization to a friend or express the desire to work for their employer a year later when compared to those who are not offered the flexibility.¹⁵ As workforce dynamics shift and the competition for talent increases, companies who effectively blend hard and soft benefits that are aligned to organizational culture will see higher rates of employee engagement, enthusiasm, and retention.

Offering paid time off to vote is more important than ever to increase the number of options people have to offset the impact of the voter suppression bills – and corporations possess the unique ability to be a help or hindrance during elections. Close to 2,000 companies have joined coalitions like Time to Vote,

underscoring that offering paid time off to vote is becoming the norm rather than the exception.

As the 2022 midterm elections loom on the horizon, investors have the opportunity to speak up for workplaces that help make America stronger and encourage them to provide paid time off to vote. Trillium will continue to remind CEOs and human resource directors to consider the words of the late voting rights activist and Congressman John Lewis, "Democracy is not a state. It is an act, and each generation must do its part to help build what we called the Beloved Community, a nation and world society at peace with itself."

About Trillium Asset Management

Trillium Asset Management offers investment strategies and services that advance humankind towards a global sustainable economy, a just society, and a better world. For nearly 40 years, the firm has been at the forefront of ESG thought leadership and draws from decades of experience focused exclusively on responsible investing. Trillium uses a holistic, fully integrated fundamental investment process to uncover compelling long-term investment opportunities. Devoted to aligning stakeholders' values and objectives, Trillium combines impactful investment solutions with active ownership. The firm delivers equity, fixed income, and alternative investments to institutions, intermediaries, high net worth individuals, and other charitable and non-profit organizations with the goal to provide positive impact, long-term value, and 'social dividends'.

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Special thanks to Eunice Rho of the ACLU for extending her expertise in voting standards.

¹⁴ Annabel Lee Hogg and Robin Hodess, "The Business Case for Protecting Civic Rights," accessed October 18, 2021, <https://bteam.org/assets/reports/The-Business-Case-for-Protecting-Civic-Rights.pdf>.

¹⁵ https://www.octanner.com/uk/insights/articles/2018/10/8/voting_and_the_workp.html

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Appendix A – Paid Time Off to Vote Rubric

A+	<p>Best in Class: What differentiates an A+ company is its commitment to <i>promoting</i> democracy and making it accessible. The company shuts down for Election Day and will provide additional PTO for civic engagement, encourages voting through consumer-facing products (if applicable), finds other innovative ways to help employees vote, and engages in outside activities to mobilize or support voters (e.g. contributions/grants to non-partisan voting organizations, paid ads, access to photocopier in places where copies of IDs are require with mail-in votes).</p>
A	<p>Offers all classes of employees 7+ paid hours to vote and/or volunteer in an election-related capacity, or utilizes its offices as voting sites and allows employees ample time to vote, in addition to B criteria.</p>
A-	<p>Offers all classes of employees 4-6 paid hours to vote and/or volunteer in an election-related capacity, or utilizes its offices as voting sites and allow employees ample time to vote, in addition to B criteria.</p>
B	<p>Offers all classes of employees 2-3 paid hours to vote and/or volunteer in an election-related capacity (or beyond state compliance requirements) and prioritizes pro-voting employee education. May also participate in outside voting coalitions/organizations.</p>
B-	<p>Offers an unclear number of paid hours to vote and/or volunteer in an election-related capacity, or does not widely offer to all classes of employees. Prioritizes pro-voting employee education.</p>
C	<p>Follows a compliance-based approach but has implemented measures to make voting more accessible, such as an unpaid but explicit voting time off policy. Includes late openings and early closures without pay.</p>
D	<p>Follows a compliance-based approach and offers no additional PTO to vote.</p>
F	<p>No response.</p>

