

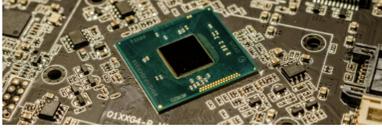
# The Fiduciary Focus

Investment News From a Pro-Shareholder Perspective

July 15, 2025

**This Week:** ASML drops DEI targets in U.S.; ESG's data deluge is just noise; The Bitcoin Brief looks at Pakistan's dueling crypto strategy.

## ASML Drops DEI Targets in U.S.



In [August](#), we wrote about Dutch chipmaker ASML's alarming focus on DEI. Now, it's abandoning DEI targets for its American workforce, [Reuters](#) reports.

**Strive's Request:** Last summer, we questioned why ASML was so focused on gender-based hiring when the company was facing threats from export restrictions and labor shortages at home. We wrote:

ASML is scrambling to find qualified employees but is fine finding DEI hires. For 2025, its executive performance indicators reward having an inflow of 24% female hires and hitting similar executive female leadership targets. Why is it prioritizing DEI quotas if it's concerned about the lack of skilled workers? Aren't any qualified workers desperately needed? Why not promote and reward whichever leaders can best navigate the company's China risk instead of focusing on gender?

If ASML wants to continue to power the AI revolution, it needs to focus on what matters. With half of its revenue on the line due to the U.S.-China trade war and the Dutch government's endangerment of its workforce, ASML cannot afford to waste time on DEI quotas.

**ASML's New Stance:** Last week, ASML announced that it was dropping its DEI targets and would no longer use them as a factor in setting executive pay. "Diversity targets and key performance indicators will not apply to employees in the U.S.," the company said. "For the Netherlands and all other markets, there are no material changes."

**The Bigger Picture:** ASML joins other [European companies](#), including Swiss drugmaker Roche and Denmark's Novo Nordisk, that have dropped DEI targets for their U.S. workforce while keeping them in place abroad. Other companies, like England's [GlaxoSmithKline](#), have dropped them worldwide. While we believe that companies should hire entirely based on merit (at least, to the maximum extent permitted by law), ASML's partial move is still significant. Nearly 20% of its workforce—or approximately 7,000 workers—are employed in its R&D sites, customer support centers, and factories located in the United States. Those roles will now be filled by the best available candidate for each job, which we count as a success.

## ESG's Data Deluge Is Just Noise



Investors are swimming in ESG data, but it isn't helping them make better financial decisions, the [Wall Street Journal](#) reports.

**The Study:** French university spinoff Scientific Beta tested over 200 ESG variables across 15 years of data using cutting-edge portfolio construction methods. The result? ESG factors "offered no improvement over traditional financial factors" when trying to optimize performance and risk.

### Counterintuitive Results:

- To the extent that there was any correlation at all, buying companies with "bad" ESG factors, like those with environmental controversies, tended to outperform portfolios that bought companies with "good" ESG metrics.
- Even uncontroversial governance metrics, like having strong audit committees, often led to worse financial outcomes.

**Theory Meets Reality:** The researchers offered a reasonable explanation for these results: some ESG factors might still matter, but if they're already priced in by the market, they won't lead to future outperformance. And if they're simply tracking existing financial health, they aren't giving investors anything new.

**Investor Takeaway:** If you're using an ESG investing method for ethical reasons, that's perfectly fine—just don't expect it to boost your returns or lower your risk. For everyone else, the Wall Street Journal offers sage advice: "The easiest way to make money from ESG might be to cancel the subscription to ESG data."

## EU Funds Turn to Litigation to Push ESG on U.S. Companies



Sustainability-focused asset managers are growing increasingly angry that both U.S. and EU regulators and companies are rolling back ESG and climate initiatives, and are preparing to take matters into their own hands, [Bloomberg](#) reports.

**What's Going On:** European asset managers have long been the world's most ESG-forward investors. But both businesses and some countries within the bloc have been pushing back on EU regulations originally designed to force companies both within and outside the EU to cater to two proponents' demands. As a result, policymakers are significantly pulling back on two landmark frameworks:

- The [Corporate Sustainability Reporting Directive](#) (CSRD) may be scaled back to exempt approximately 80% of the companies it originally covered.
- The [Corporate Sustainability Due Diligence Directive](#) (CSDDD), which held companies responsible for any ESG malfeasance by third parties in their supply chains, was amended to limit its focus and remove EU-wide civil penalties.

The EU's regulatory rollback comes as the U.S. is similarly dismantling its ESG mandates, at least at the federal level, allowing more companies to focus on business rather than social or environmental concerns. For asset managers that hoped to use their capital to push social goals on the corporations they own, this is not good news.

**Lawyers On Speed Dial:** European asset managers are responding by turning to the courts, shifting from dialogue to legal pressure.

- Pension giants are reviewing portfolios for ESG laggards and seeking legal advice on how to assert their shareholder rights—especially in U.S. companies.
- U.S. law firms are seizing the moment. "The traditional approach of initiating informal dialogue is becoming less effective," said the managing partner of one firm specializing in this work. "The U.S. way of using lawyers to really make your point known is becoming increasingly valuable."
- "Using the courtrooms more is definitely also something we have been thinking about," the head of one Dutch pension fund told Bloomberg.

**The Bottom Line:** With ESG regulations easing on both sides of the Atlantic, some European investors are abandoning persuasion in favor of brute force tactics. If the regulatory stick is gone, the legal club may be next. Companies that have made bold promises to reduce emissions, increase their reporting, or promote social welfare would be wise to take note.



## Pakistan Wants the Best of Both Crypto Worlds

Last week, [Pakistan](#) became the latest country to jump headlong into central bank digital currencies (CBDC), with its central bank launching a pilot and the government finalizing related legislation. Unlike [stabeecoin](#), which, as we [discussed](#) last week, can be helpful in leading to the eventual adoption of Bitcoin, CBDCs are something entirely different—and far more dangerous.

CBDCs are programmable, state-issued digital currencies built on centralized ledgers. Unlike physical cash or Bitcoin, a CBDC allows the government to surveil, restrict, or reverse your transactions at will. The same tool that lets you pay your taxes instantly also lets the [state](#) freeze your account for wrongdoing, enforce carbon allowances, or impose negative interest rates. That's not a far-fetched hypothetical; for some governments embracing CBDCs, it's part of the [apocal](#).

And the countries leading the CBDC charge—China, Nigeria, now Pakistan—aren't exactly bastions of liberal democracy. The Chinese Communist Party already utilizes [social credit scores](#) to cut off "untrustworthy" Chinese citizens from air travel and other civic privileges; its e-CNY currency gives it even further surveillance capabilities and control. Nigeria's eNaira rollout was paired with [cash withdrawal limits](#) to force adoption; the government also enacted daily [spending and ownership caps](#) depending on how much personal information users disclose. Now Pakistan, a militaristic state with a long history of capital controls, is eager to follow suit.

The U.S. has taken a different path, at least for now. After considerably backlash from lawmakers and the public, the [Federal Reserve](#) has [repeatedly](#) stated it would not issue a CBDC without explicit congressional authorization. That authorization seems unlikely. Just the opposite, [lawmakers](#) have recently introduced legislation that would expressly [bar](#) the creation of a CBDC, and [President Trump](#) has made opposition to CBDCs central to his platform.

That's the good news. The bad? CBDCs are spreading fast abroad. Over [130 countries](#) are exploring them; more than 20 have launched pilots or fully implemented systems. That means two things. First, the global demand for [real](#) digital cash—scarce, permissionless, and stateless—will likely continue to rise. Second, the more authoritarian countries digitize their currencies, the more fragile their citizens' financial freedoms become.

Which brings us back to Pakistan—and the punchline. Because even as it embraces CBDCs, Pakistan is doing something else remarkable: it's planning to establish a sovereign Bitcoin reserve. That may sound contradictory, but it's not. CBDCs give governments control. Bitcoin gives governments power, in the form of an incorruptible monetary asset that cannot be devalued, confiscated, or blocked by sanctions.

When Pakistan rolls out a CBDC and buys Bitcoin at the same time, it's not confused. It's being strategic. The regime wants surveillance for its people and sovereignty for itself. It's a Bitcoin-for-me, CBDC-for-they policy.

And that should tell you everything you need to know.



## Jeff Walton Joins Strive

We're excited to announce that Jeff Walton will be joining our team as Vice President of Bitcoin Strategy. Jeff has proven he's one of the sharpest minds and hardest workers in Bitcoin treasury management, and we are thrilled to welcome him onboard.

To stay up to date on his latest insights, follow Jeff on X by clicking below.

Follow on X

## The Best of The Rest

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

- [Massachusetts proposes vehicle tracking to meet net zero goals](#); critics cite privacy and civil rights concerns. "It's kind of behavioral control disguised as an environmental solution."
- [Arkansas leads nation in laws protecting public from ESG](#); state lawmaker explains the state is focused on "making sure that nobody's discriminating against the industries that are important to Arkansas."
- [Taiwan is working to decouple its economy from China](#), its largest partner, as its leader calls for semiconductor makers to use only democratic countries in its supply chain; doing so may not be easy.
- [Tech giant net zero goals veering on fantasy](#) as the race for artificial intelligence consumes more and more power.
- [Chevron and Exxon ink \\$34 billion deal with Indonesia](#); deal is expected to give American oil giants significant foothold in Southeast Asia while deepening long-term economic and strategic relationships.
- [Real state agricultural commissioners urge an end to funding UN groups](#) promoting net zero goals they believe will harm the global food supply.

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## Who Are We?

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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