RFK Compass Investor Action Plan

Four Steps Investors Must Take Now to Fight Economic and Racial Injustice

Investor Action 1: Screen your portfolios, across all asset classes, to begin to rectify injustices by eliminating business models, products, and practices that support a racist economic and legal system.

- Divest from companies that actively support, and directly benefit from, the racist criminal legal system through mass incarceration, mass surveillance, and use of prison labor. These companies include:
  - **Technology firms** that make products such as facial scanning technology, predictive policing software, and IMSI catchers (eavesdropping devices) that are weaponized in Black communities and other communities of color. (See IBM’s announcement about no longer selling these technologies.)
  - **Facility operations** that manage and maintain jails, prisons, and other detention centers used to cage Black people and other people of color.
  - **Financial institutions** that engage in predatory lending, check cashing, and payday lending schemes such as insurance firms and bail bonds companies.
  - **Catering and food service companies** that contract with private and public prisons that leverage prison labor in the delivery of their contract.
- Divest from companies that suppress the rights of employees to collectively bargain and form unions that are critical to ensuring safe working conditions, worker protections, a living wage, and increased democracy in the workplace.
- Demand that portfolio companies share more profits and pay—and sustain—a living wage to workers in the agriculture, food processing, restaurant, and gig sectors, and create safe, fair, working conditions based on a human rights-based code of conduct such as created by the Fair Food Standards Council.
- Demand that portfolio companies offer paid time off and health care coverage to part-time and non-exempt employees.
- Encourage portfolio companies, especially those with large workforce’s and those operating in labor-intensive industries, to “ban the box” and to hire and train “returning citizens” (formerly incarcerated individuals) and/or support worker co-ops that employ and train these individuals.
- Review investments in municipal bonds that may be supporting police brutality case payouts, and commit to not investing in these bonds and not doing business with the insurance firms that back them.
• Invest in community-driven alternatives such as community development finance institutions such as Bedford Stuyvesant Restoration Corporation and worker-owned cooperatives, especially those that are Black-owned and led.

• Demand that major retailers in your portfolio companies, including Whole Foods, Amazon, Target, Walmart, Nordstrom, and others, allocate 15% of their shelf space to products from Black-owned businesses.

• Hold your organizations and all portfolio companies accountable for lobbying efforts that cause harm to communities of color, and proactively and publicly push for increases in the tax rate paid by the private sector and other policies to ensure increased resources to meet people’s basic social needs through education, health care, housing, and opportunity.

### Investor Action 2: At the board level of your institutions, eliminate processes and decisions that uphold racist practices and structures.

• Commit to hiring at least five Black leaders within the next 12 months to your board and/or within your investment committee.

• Allocate at least 5 percent of existing capital in your investment funds to Black-owned investment firms and businesses.

• Direct at least 2 percent of net banking income to fund Tier 1 capital of local community development banks and minority depository institutions that serve Black communities.

• Require proxy voting companies and their agents to prioritize race issues at corporate board meetings, and report these issues and data to shareholders.

### Investor Action 3: Build a workplace that honors dignity and is racially inclusive at all levels (beyond support teams).

• Recruit and hire from historically Black colleges and universities to increase racial diversity on investment and sales teams, and create intern-to-hire programs with these schools to build a steady pipeline of Black talent for executive leadership growth.

• Underwrite scholarships, and support paying off student loans, for Black employees who work with your firm.

• Contract with at least five majority Black-owned businesses within the next 12 months for commercial services such as legal, communications (marketing, advertising, etc.), and consulting, in addition to facility operations (janitorial, food services, etc.).

• End contractual and business relationships with private and public policing systems.

### Investor Action 4: Support policy initiatives and campaigns that seek to dismantle racist practices and structures, and support new systems that create positive change.

• Legislation and actions that decrease city budget allocations to police departments and redirect those funds to local community-building initiatives, such as skills training and social services.

• Legislation and actions that require all employers, particularly those employing farm workers, tipped workers and domestic workers to pay and sustain a living wage.

• Plans to eliminate financially restrictive policies that prevent Black-owned businesses and entrepreneurs, as well as formerly incarcerated individuals, from accessing federal and state-level business loans.
About us

Robert F. Kennedy Human Rights is a non-partisan, not-for-profit organization that has worked to realize Robert F. Kennedy’s dream of a more just and peaceful world since 1968. In partnership with local activists, we advocate for key human rights issues, championing changemakers, and pursuing strategic litigation at home and around the world. And to ensure change that lasts, we foster a social-good approach to business and investment, and educate millions of students about human rights and social justice.

As a core program within Robert F. Kennedy Human Rights’ Business & Human Rights portfolio, the RFK Compass Investor Program clarifies the human rights issues that investors and asset managers should consider during their investment process as they seek superior risk-adjusted returns. We provide important connections and tools to support their actions on the “S” in ESG by focusing on racial and economic inequity. Our work is focused on catalyzing action that yields both profits and positive impact for people and planet.