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## BLACK LIVES MATTER

This Fourth of July was different. While my family decorated our fence with the customary red, white, and blue banners, we also added black and white flags, Juneteenth flags, and Black Lives Matter signs. Like so many others we watched *Hamilton* after Disney+ ceremoniously released it to a broad and thankful audience on the eve of the holiday. And we reflected on the injustice that has plagued our nation since it was birthed on a foundation of slavery.

We are living at a time of accelerating change. Some of it welcome. Some of it unwelcome. All of it transformative. And how quickly our attention has shifted from the biggest global health crisis in the last 100 years to a near revolution calling for true racial justice. Out of the panic and desperation of the pandemic has come some needed medicine—a real look at the legacy and unfulfilled promise of our country. Coronavirus has done more than expose economic vulnerability and cracks in the system, it has moved people to action. Because the status quo is untenable. And the fantasy that we are living in a country dedicated to liberty and justice for all has been shattered.

## ECONOMIC INJUSTICE

At this tender moment, I want to highlight how our clients' money has been put to good use. When the protests started, we received a lot of phone calls from the press asking about our work—because in the investment community, we are one of the few that have taken up the cause. In fact, for the last five years, we have been pressing our portfolio companies for racial and gender pay equity, greater diversity in the ranks, greater diversity in leadership, and a structural rebalancing of the scales. That is, we want to see women and people of color fairly and equitably represented across Corporate America—not concentrated in low-paying jobs.

Regrettably, economic and racial injustice are concepts this country was founded on. BLM activist Kimberly Jones said it best:

“Let me explain to you something about economics in America. And I’m so glad that as a child I got an opportunity to spend time at PUSH, where they taught me this, is that we must never forget that economics was the reason that black people were brought to this country. We came to do the agricultural work in the South and the textile work in the North. Do you understand that? That’s what we came to do.”

Arjuna Capital is very proud to have long managed the endowment of the Highlander Research and Education Center in Appalachia. Much like Chicago afterschool program Operation PUSH taught Kimberly Jones about economic racial injustice, the Highlander Center has served as a touchstone for economic and racial justice work in this country going back to the time of Rosa Parks, who trained there. Now in its 88<sup>th</sup> year, the Highlander Center continues to serve as a catalyst for grassroots organizing and movement building—including the [Movement 4 Black Lives](#). As investment managers, we are able to act on behalf of Highlander and our other clients, to push for change from a different but also necessary angle—the boardroom.

## CORPORATE CHANGE

This spring our clients put 12 shareholder proposals to a vote at companies' annual meetings asking for greater racial and gender justice. Ten of those proposals asked companies to disclose their gender and racial pay gaps. Not just as a practice in transparency, but in transformation. Because it turns out that when you admit you have a problem, you can fix it. The other two proposals, at Facebook and Google, asked for a human and civil rights expert to be added to their boards to

address the hate speech, racism, and sexism perpetuated by their platforms. All 12 proposals were opposed by the companies' boards.

Yet, in the wake of George Floyd's death and protests, we have seen an upswell of support for racial justice. Numerous statements of solidarity have come from the top echelons of Corporate America. And Facebook finds itself in the middle of a #stophateforprofit advertiser boycott that could threaten 10% of its revenue. It makes we wonder if our proposals were put to a vote today, would they garner company support then? Maybe. At least I hope so.

### ALL HANDS ON DECK

Most critically, we need to recognize the power of action. Solidarity is one thing, action is another. And there is a lot of work to do—at the grassroots, on public policy, on corporate change. From the investor angle, pressing publicly traded companies is not enough. We also need to build new companies motivated by social justice. And that's why private market investing is important. Jobwell, a recruiting and career advancement platform we invest in through our private equity portfolio, is a great example of how to build a new model. The platform works with companies to advance Black, Latinx, and Native American students and professionals—necessary work to rebalance the scales. And as I have said *ad nauseam*, it's not just the right thing to do. Diversity is good for business.

Our country is desperate for transformation. This is a moment for action. And it's all hands on deck.

### **Natasha Lamb, Director of Equity Research & Shareholder Engagement**

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