THE 2021 CEO BLUEPRINT FOR RACIAL EQUITY:
What companies can do to advance racial equity and combat systemic racism in the workplace, communities, and society

A REPORT BY POLICYLINK, FSG, AND JUST CAPITAL | JUNE 2021

The racial equity movement is growing. How will you lead?
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As the United States continues to grapple with deeply entrenched racial and economic inequities, 2021 has now delivered an unprecedented opportunity to build a truly equitable nation that serves all of us, not just some of us.

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Foreword

As the United States continues to grapple with deeply entrenched racial and economic inequities, 2021 has now delivered an unprecedented opportunity to build a truly equitable nation that serves all of us, not just some of us. Indeed, recent national developments, including President Biden’s executive orders on racial equity and corporate America’s swift response to the violent insurrection in the US Capitol, indicate that a majority of the country is behind the drive for systemic social and economic transformation and poised to support those in positions of power who step confidently into the racial equity movement.

Corporate leaders have a particularly powerful role to play in championing racial equity. They also have every incentive. Adopting new policies and practices that advance racial equity—defined as just and fair inclusion into a society in which all can participate, prosper, and reach their full potential—is now a business imperative. According to the National Equity Atlas, racial gaps in income and employment cost this nation $2.3 trillion in 2018 alone, and the losses keep stacking up every year. On top of those missed opportunities, over 100 million people in America—that is one in three of us—are living in economic insecurity every day, most of whom are people of color. As we become a majority people-of-color nation, such widespread economic insecurity is unsustainable and threatens the stability of our markets.

While many corporate leaders are aligned that racial equity is a moral and economic imperative, we heard from our “pressure-testing” interviews with corporate leaders across the nation that they struggle with what to prioritize and how to break through expected (and unexpected) roadblocks within their spheres of influence—their workplaces, their communities, and society—to have lasting impact (see Corporate Insights into the CEO Blueprint for Racial Equity).

Last year, PolicyLink, FSG, and JUST Capital came together to create the CEO Blueprint for Racial Equity to guide corporate leaders beyond their diversity and inclusion commitments and statements of support. In this 2021 update, our three organizations have developed a more robust tool for navigating the path to racial equity. We know that this pathway holds the key to widespread economic prosperity and that traveling it will require sustained collective effort. The reward is the establishment of a new way of doing business in America with racial equity as a foundational driver of productive growth.

Now more than ever, the nation needs business leaders to be champions of racial equity. Now is also the time to align efforts across sectors and collectively take action that is commensurate with the scale of the challenge. This is how we will win on equity and finally realize the promise of our nation—a nation where all people and communities, especially those facing the burdens of structural racism, can thrive in our multiracial democracy. Business leaders, join us on this journey, for so much is possible when we bring together our greatest strengths to address our most pressing needs.
Meeting This Historic Moment

The Covid-19 pandemic and our long overdue national reckoning on racial injustice have thrust into sharp relief the results of centuries of economic inequality and systemic racism. While the pandemic and its accompanying economic devastation have hurt so many, people of color and low-income communities have been hit exceptionally hard. More than 100 million people in America—half of all people of color and one-quarter of all White people—struggled to make ends meet even before the pandemic and they continue to bear the heaviest toll, even as the economy bounces back.

As the stock market booms and businesses reopen, those hit hardest over the past year must be fully included in the recovery. We owe the essential workers who carried this nation through the pandemic no less than that, and even more. With equity now featuring prominently within the boardrooms and investment committees of America, as well as within the Biden Administration’s governing agenda, we have an unprecedented opening to shift mindsets and redesign systems and structures that hold back the true promise of our nation—a nation where all people can participate, prosper, and reach their full potential.

For corporate leaders to meet this moment, they must find ways to make lasting progress against stated commitments on racial equity and ensure the billions of dollars pledged to communities of color actually lead to equitable outcomes. Achieving that will require going beyond statements and asking:

- What are the intended and unintended impacts of our products, services, operations, policies, and practices on people of color and low-income communities?
- How do I need to lead in this moment and beyond?
- What is the legacy I want to leave?

As part of our mission to support the evolution of antiracist, equitable corporations that can effectively contribute to building an equitable and healthy nation for all, we are excited to release this 2021 update to our CEO Blueprint for Racial Equity (“Blueprint”). The Blueprint is the pathway for corporate leaders to tap into their greatest strengths to significantly advance racial equity across all of their domains of influence: within their four walls, within the communities in which they operate, and at the societal level.
In this new *Blueprint*, we offer key principles and strategic guidance to support corporate leaders in moving from incremental to enterprise-wide transformation. We also build on the actions companies can take right now across all three domains of their influence. Within the company domain, we share foundational corporate governance actions corporate leaders can take today to position themselves for success on their racial equity journeys ahead. We also share refined strategies to expand worker power and voice and further develop antiracist HR policies and practices. Within the community domain, we have added approaches to building authentic and long-lasting relationships with communities of color. And, within the societal domain, we underscore a singular power of corporate leaders: using your voice and influence to protect our multiracial democracy.

“What is everyone else doing?” is the number one question we hear from corporate leaders. In this 2021 update, we profile how some companies and business leaders are making progress in each domain. You can delve deeper into these profiles on our website here.

**Where do we go from here?**

As we take stock of the past year and look ahead, it is evident we are living in a transformational moment. New diversity commitments are announced by organizations across the nation almost every day. Corporations have emerged as a leading source of funding for racial justice efforts. Some of our most powerful regulatory and private institutions are also starting to take more decisive action toward racial equity, including Nasdaq’s proposal for the US Securities and Exchange Commission (SEC) to adopt new listing rules related to board diversity and disclosure, and the SEC’s decision not to block the numerous shareholder proposals for independent racial equity audits this past proxy season.

While the developments of the past year are groundbreaking, workers, customers, communities, and investors want companies to do more. According to JUST Capital’s recent polling, 95 percent of Black Americans and 79 percent of Americans overall believe it is important for companies to promote racial diversity and equity in the workplace. And, 81 percent of Black Americans and 64 percent of Americans overall say companies have more work to do to achieve racial equity in America.

When analyzing progress so far, it is also clear that corporate America can and must do more. JUST Capital recently released the first iteration of its Corporate Racial Equity Tracker, a comprehensive resource detailing disclosures from America’s largest employers on their commitments and actions around cultivating diversity, equity, and inclusion (DEI) within their workplaces and communities. Analysis from the Tracker reveals that companies are highly likely to disclose baseline DEI policies but less likely to disclose active measures that show accountability toward progress, such as conducting a pay equity analysis by race/ethnicity.
That is why our organizations have come together to develop and launch rigorous corporate standards for racial equity. The actions we describe in this updated Blueprint provide a North Star, but they are not sufficient to align market actors around how to approach, measure, report, and incentivize progress. We are now developing robust performance and process standards with stakeholders to set the bar for what good looks like, embed accountability, and establish consistency for how corporations should approach, measure, disclose, and speak publicly about their equity journeys within the company, within communities, and at the societal level. We will innovate from the ground up, informed by the expertise, wisdom, and resilience of people of color and low-income communities and working together with a strong ecosystem of partners, including B Lab, CapEQ, and The Global Impact Investing Network.

Business leaders, accelerate your efforts right now. While we develop the corporate standards for racial equity, business leaders can accelerate their efforts right now by utilizing the Blueprint as a foundation and roadmap for their enterprise-wide strategies. We need every American with the power and resources to influence and shape our society to step confidently into the racial equity movement. Without corporate leaders boldly taking action on racial equity across their domains of influence, we cannot remake the structures that continue to leave more than 100 million people in America struggling to make ends meet.

We are your partners on this journey, and we hope this 2021 update of the Blueprint supports you to deepen your ongoing work.
Building on the Momentum: An Updated Roadmap of Actions

We are now in an age of accountability, where corporate leaders need to deliver on their solidarity statements and ensure equitable outcomes in all of their business activities, from everyday business decisions to their philanthropy. As calls to reimagine our capitalist system continue to grow, the interests of all stakeholders are gaining primacy over solely focusing on shareholder interests. The actions we offer here embody stakeholder interests by encompassing all three domains of corporate influence and illuminating the essential components of embedding racial equity within the DNA of the business.

Accompanying the actions are profiles of companies and business leaders making progress in each domain. These leadership stories are meant to inspire and inform enterprise-wide strategies. However, we do not purport to hold up any one company as getting it all right or any one strategy as perfect.

Principles to move from incremental to enterprise-wide transformation

Business leaders urgently need to apply a cohesive approach to their efforts across their businesses and to lean into all three domains. We still see numerous companies with inconsistent strategies, announcing bold reforms in some areas, while simultaneously doubling down on harmful policies and practices in others. In addition, many business leaders still struggle to lean into the full scope of their influence and impact on society, tinkering around the edges or shying away from a domain entirely, most often, the societal domain. Such piecemeal efforts only undermine the time and resources companies are investing in racial equity and are barriers to long-term success.

While every company may start from a different place and require tailored strategies, we encourage business leaders to consider all of the actions described in the Blueprint, as they are mutually reinforcing and designed to work together. In addition, to support the development of coherent, enterprise-wide racial equity strategies, we share below five overarching principles for business leaders to apply in their efforts that are informed by the common barriers we see within companies. Business leaders who successfully apply these principles as part of their short-term and long-term efforts will be well-positioned to achieve sustained change and meet the increased leadership expectations of their stakeholders in the years ahead.
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<th>1</th>
<th>Strive to be a pack leader and focus on results</th>
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<td>Instead of playing catch-up or staying in the middle of the pack, aim to lead and model by setting bold (i.e., uncomfortable) and measurable goals. Then, hold yourself accountable to achieving results. Like any other aspect of the business, robust accountability mechanisms are critical to ensure results are actually achieved and that repeated failure is not tolerated.</td>
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<th>Approach racial equity work as both a journey and a destination</th>
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<td>Achieving racial equity is not a linear process and it cannot be accomplished in one fell swoop. It requires sustained effort and investment at every level of the system, from individual minds and hearts to organizational policies and practices. Embedding an equity lens—asking who benefits, who decides, who owns, who pays, who leads and governs, who is missing, and is anyone harmed—within daily decision-making will equip organizations well for the journey ahead. Remember that mistakes are a part of doing business and they will be part of our racial equity journey. Embrace the learning opportunities they present and ensure you are acknowledging and mending harm when it occurs.</td>
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<th>Center the people who have been most harmed by racist practices, systems, and institutions</th>
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<td>While there is an ingrained societal suspicion that intentionally supporting marginalized groups hurts others, the opposite is in fact true: when we design the circumstances that allow those who have been left behind to participate and contribute fully, everyone wins. This is known as the “curb-cut effect” and business leaders would do well to become fluent in it. Further, intentionally consider and include the lived experiences, expertise, and voices of people of color and low-income communities in connection with the social, political, economic, and environmental issues that the business may affect or that may affect the business.</td>
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<th>Amplify your impact by fostering trust and collaboration with equity advocates and community leaders with lived experience</th>
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<td>Engaging with, learning from, and respecting the expertise of those who have built and fueled the racial equity movement from the ground up for decades is necessary. It is also a key strategy for success. If those relationships are authentically developed and nurtured, you will have a support system for course correcting after inevitable stumbles.</td>
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<th>5</th>
<th>Thoughtfully and transparently engage in reckoning and repair work across all three domains of influence</th>
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<td>Taking stock of where you are requires reckoning with and repairing past actions that may have been harmful. We recognize this may not apply to every company, but it should not be overlooked without due inquiry. See FSG’s <a href="https://fsg.org/reckoning-repair-change/">Reckoning, Repair, and Change</a> for a primer with examples and case studies of companies that have practiced these actions with practical strategies.</td>
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How to Use This Blueprint

Early readers of this Blueprint shared that the expanded set of actions can feel overwhelming. If we are honest, we expect that business leaders will be overwhelmed because there is a lot to do and, as we have just described, we need enterprise-wide transformation, not equity à la carte or cherry picking low hanging fruit. On the other hand, we do not want our readers to be so overwhelmed that they do not act. Instead, we want our readers to be inspired to take action and to be full of ideas of where to start and where to go next. Holding both of these to be true, we offer a few ways to get started and pace yourself along the journey.

Getting Started

All of the actions we offer in each domain are important, but the best place to start is right where you are now. As a first step, take stock of where that is, then develop your plan to make progress toward your next edge—not stopping at the easiest work, rather always pushing yourself and your organization to the next level. Here are a few ways to initiate that process:

Start Strong

Check out the 12 high-leverage actions indicated by this 🌟. If you have not adopted these foundational practices yet, this is a good place to start.

See the Forest Before Focusing on the Trees

Before diving in, take note of the overall structure of the Blueprint. Each topic within each domain is a powerful lever for change in itself.
How to Pace Yourself

As you take stock of where you are and consider how to get to the next level, here are a few approaches to pacing yourself and your organization:

Start by reading through all of the actions and check off those that your company is already taking. Are there any domains or topics your organization has yet to engage in? Wherever you see clusters of strong effort or progress, consider whether the success factors there can be applied elsewhere to accelerate your enterprise-wide efforts. Where are the biggest gaps and why? Identify one domain, one topic, or a few specific actions that you want to prioritize next.

Gather data and consider the process of continuous learning. In most cases, a starting place is gathering data (both quantitative and qualitative) to understand your organization’s current impacts, disparities, and barriers. Collecting this data will be an ongoing part of your organization’s continuous learning process and long-term success. To support your efforts here, the Blueprint contains several actions focused on assessing where you are and disclosing progress to help you gain a clearer picture of your next steps. Consider who you need to share your assessments and progress with, both internally and externally, in order to inform action and drive accountability.
Within the Company

Achieving racial equity within the company requires much more than implementing diversity and inclusion (D&I) programs. After decades of lackluster results, we know that traditional D&I programs have been woefully inadequate at moving companies closer to racial equity within their ranks, operations, products, and services. In this powerful moment of renewal, the time has come for corporations to completely reimagine their D&I efforts by stretching beyond HR-focused programs and policies and centering equity and justice throughout the business.

**Embed accountability within corporate values and policies, governance, and leadership performance**

- **Adopt an enterprise-wide antiracism policy** setting out, among other things, the company’s goals and values, leadership accountability, a clear “do no harm” stance, how reckoning and repair will be approached, and modes of productive business engagement in communities and across society. Annually evaluate business practices against the policy and implement due diligence processes to address potential conflicts.

- **Conduct an enterprise-wide racial equity audit** to understand the intended and unintended impacts of your products, services, operations, policies, and practices on people of color and low-income communities; disclose the results and your plan to resolve issues. Because the Blueprint is US-focused, multinational companies will need to assess whether and how this approach may apply in non-US contexts.

- **Evaluate executive compensation programs, stock buy-backs, and profit distribution approaches against basic principles of equity and fairness.** If frontline workers are not able to earn living wages, consider how that influences such programs. See how excessive CEO and executive pay distorts incentives and contributes to income inequality.

- **Establish board oversight** of racial equity strategies across all three domains of the company’s influence—within the company, within communities, and across society. One approach is to adopt stakeholder governance (e.g., the benefit corporation legal structure), expanding the board’s fiduciary duties to all stakeholders, in addition to its shareholders. See Amalgamated Bank’s approach on embedding stakeholder consideration in its governance structure.
As part of the board’s oversight, **ensure racial equity is incorporated into the company’s environmental, social, and governance (ESG) and human rights commitments and programs**, and how the company sets goals and measures progress. Evaluate and update ESG and accounting metrics to ensure they actively drive racial equity outcomes.

- **Expand the scope of the compensation committee of the board** to focus on overall workforce matters, including workforce planning; compensation fairness; job quality and opportunity; increased worker power and voice; and equity, diversity, and inclusion efforts. Learn more about [what this could look like here](#).

- Ensure boards, executive leadership, internal audit teams, and others assessing risk **treat the risk of causing or contributing to racial inequity as a material business issue**, implicating culture, compliance, reputation, and the long-term bottom line.

- **Establish cross-functional accountability** for racial equity as a long-term business strategy across all senior levels. Be prepared for **work avoidance** behaviors and use tools like the OCL Group’s Results Based Leadership resources, including [the work avoidance checklist](#).

- **Evaluate CEO and other leadership performance** against the achievement of meaningful racial equity targets. In addition to annual performance evaluations, this may include connecting executive compensation directly to equity and diversity targets; but, connecting targets to incentive programs alone is not sufficient.

- **Apply a racial equity lens to corporate tax planning strategies** at the local, state, and federal levels by considering impacts on communities of color; avoid strategies that perpetuate racial inequities. For example, when taking advantage of tax incentives to open new operations, are you making sure the new workforce is representative of the community? Are you keeping your job creation promises?

**Design HR policies and practices that are actively antiracist, not merely “not racist”**

- **Extend antiracism policies and practices to the entire workforce**, including part-time workers and independent contractors.

- **Incorporate antiracism training in onboarding and ongoing learning programs**, covering structural racism, implicit racial bias, microaggressions, and trauma-informed leadership practices across all levels of the organization, including the board.

- **Review all internal policies for potential (or actual) racial disparities.**

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Some companies are connecting executive compensation directly to performance against equity and diversity targets, including Starbucks, Apple, and Nike. The key is ensuring such programs lead to meaningful, long-term success and do not simply become another avenue to increase executive pay.
Conduct a thorough audit of hiring processes, role requirements, and engagement efforts. For example, is it necessary to require a college degree for certain roles? Are you actively building recruitment partnerships with HBCUs and other networks of people of color?

- Implement more equitable hiring practices, such as the Rooney Rule for all middle-management and senior-level hiring; fair chance hiring, open hiring, or a re-entry policy; blind resume reviews; and diverse interviewer slates.

- Carefully assess technology solutions in the hiring process to determine whether they may exert harmful biases.

Collect and analyze disaggregated workforce demographic data, including on hiring, recruiting, retention, attrition, promotion, and advancement.

- Set and publicly disclose specific targets to hire, retain, and promote a racially diverse workforce, leadership, and board that reflect the racial diversity of the nation. Periodically report on progress made. Some corporations are getting started by committing to filling at least 25 percent of their executive roles with people from underrepresented groups by 2025.

Collect and publicly share racial equity data on compensation (e.g., EEO-1 Component 1 and Component 2 type data) for all personnel, leadership, and board members on an annual basis.

- Periodically conduct a pay equity audit (e.g., annually) across all positions and levels by race, ethnicity, and gender; identify and correct any pay gaps; and release the results publicly.

- Periodically conduct a living wage audit to determine whether employees and on-site contract workers earn enough to cover the cost of local basic monthly expenses for families, including housing, food, health care, and transportation.

- Pay living wages to workers at all levels. Reevaluate wages periodically (e.g., annually) and make adjustments as necessary. See Unilever’s bold pledge to pay a living wage to all workers in the supply chain by 2030.

- Extend benefits (e.g., paid sick, family, and medical leave; retirement savings vehicles; health insurance; and regular scheduling, among others) to all employees regardless of part-time status.

Provide wealth-building benefits (e.g., 401(k)s, employee stock ownership plans, access to bank accounts, and other wealth-building platforms so that workers can build wealth and avoid predatory check-cashing) to all employees, particularly those on the frontline.

Ensure all employees can vote by providing paid time off on election days.

Adopt advancement and professional development practices that serve employees of color at all levels of the company, with a particular focus on frontline workers of color, who have been harmed by business as usual.

Create, maintain, and track an antiracist culture of belonging.
Expand worker power and voice

- Embed worker engagement and voice in the company’s racial equity efforts, in particular frontline workers and historically marginalized groups.

- Allow workers to organize and share their concerns and ideas with executive leadership and senior management in a meaningful way. This may include all of the following (and care should be taken to ensure additional compensation is paid to employees for this work):
  - Worker-organized unions.
  - Employee resource groups with decision-making authority.
  - A diverse employee committee that reports to the board.
  - Establishing a DEI council with decision-making authority.

- Explore alternative management structures that are more conducive to sharing power with workers at all levels.

- End the use of mandatory arbitration agreements, ensuring workers can fully realize their rights in the workplace.

- Create board positions for workers of color in tandem with other efforts to diversify the board (care must be taken to avoid tokenism and manage power dynamics).

- Create grievance mechanisms for workers to report discrimination and perceived conflicts with stated values and equity commitments. If workers rarely use your existing reporting platform, you are not getting the information you need; consider adopting more inclusive tools or providing more information about how reporting is handled.

- Provide additional antiracist training to those responsible for handling grievances.

Design products and services that center racially equitable outcomes

- Actively analyze and discontinue products, capital, and services that are well-known to harm communities of color (e.g., predatory credit card lending).

- Actively analyze the implicit and unintended impact of your products, capital, and services on consumers of color so that you can redesign or discontinue practices that harm. Ask questions like: Is your grocery delivery service only accessible to predominantly White zip codes, and does it leave out lower income Black zip codes that are often food deserts? Is your AI-enabled facial recognition technology exhibiting racial bias? Is everyone able to equally access the products and services you are creating or providing?

- Invest in inclusive research and development (dollars, partner organizations, staff, and new offerings) so that the business can actively address racial inequities (e.g., banks create products that reduce the racial wealth gap; pharmaceutical companies develop innovative solutions to reduce health inequities experienced by people of color).

Examples of more inclusive service offerings include Glassdoor launching a new product feature that reveals crowd-sourced salary data broken out by gender identity and race/ethnicity; Nielsen tracking diversity and inclusion on TV; and Unilever removing the word “normal” from its beauty and personal-care packaging.
Design operations and supply chain to center racial equity

- **Collect and publicly share data on suppliers led by people of color** as a portion of your overall supply chain.

- **Assess underlying causes inhibiting the growth of suppliers led by people of color** (e.g., price points, order uncertainty and times, and other potential barriers or root-cause issues) and actively collaborate with peer companies to strengthen the ecosystem of suppliers led by people of color.

- **Eliminate internal policies and practices** that prevent small businesses owned by people of color from being part of the supply chain.

- **Proactively assess and discontinue** prison and forced labor in supply chains.

- **Establish operation standards for all suppliers**, helping to ensure equity in the workplaces that support your company (e.g., developing strict standards for equity similar to those common in the apparel industry for child and forced labor; adopting human rights frameworks with a racial equity lens).

- **Consider adopting fair trade practices** to ensure coherence between global supply chain practices and organizational racial equity efforts.
Profiles

PayPal

Focusing on Employee Well-Being & The Worker Financial Wellness Initiative

When PayPal learned that two-thirds of its hourly and entry-level employees were running out of money between paychecks, President and CEO Dan Schulman committed to take action to ensure they were living their values internally. In 2019, PayPal began a process of lowering health-care costs, making every employee a shareholder, raising wages, and providing personal finance education. Last year, the company partnered with JUST Capital, with support from the Good Jobs Institute and the Financial Health Network, to launch the Worker Financial Wellness Initiative, drawing on PayPal’s experience and the partners’ expertise. JUST Capital’s polling found that paying a living wage is the number-one action companies can take toward achieving racial equity (with support from 89 percent of Black Americans and 84 percent overall) due to the general overrepresentation of people of color in hourly and entry-level positions. With initial joiners that include Chobani and Prudential Financial, the Initiative’s partners are recruiting companies to commit to an assessment on the financial health of their lowest-paid workers as an initial step in a financial wellness process. You can learn more about PayPal’s work and the Initiative here.

Providing Employer-Sponsored Small Dollar Loans

Rhino Foods, a Vermont-based Certified B Corporation, is making an immediate and tangible impact in the lives of employees who are experiencing financial hardship through its Income Advance (IA) program. The IA program was designed to provide employees with easy access to small emergency loans with no questions asked and no credit check required. Rhino Foods partners with a financial institution to approve these same-day loans, which are repaid through automatic payroll deduction. The program also promotes longer term financial security: repayment enables employees to establish or build their credit and employees can continue the payroll deductions into a savings account once the loan is paid off. The IA program has reduced worker stress and improved employees’ savings while increasing productivity and retention in the company. You can learn more about the program and efforts to replicate it nationally here.
FIRECLAY TILE

Employee Stock Ownership Program

Fireclay Tile, a California-based tile manufacturer and retailer and Certified B Corporation, seeks to address the disparities and lack of equity and diversity in the design industry. The company provides all employees no less than a fair living wage (with 85 percent paid even more) and offers generous financial wellness benefits. In addition, the company is helping its workers build wealth by democratizing ownership of its business by being certified employee-owned. In 2020, Fireclay significantly expanded employee ownership to over 30 percent and has plans to get to 40 percent. With the goals of creating a greater ownership culture within the company, increasing employee engagement, and reducing turnover, all employees participate in its Employee Stock Ownership Program (ESOP) starting on their first day of employment. Since the introduction of its ESOP in 2013, Fireclay has increased revenues eight times. By partnering with organizations that improve outcomes for communities of color, Fireclay is also making an impact outside of its four walls. Recently, the company sponsored a diversity advancement scholarship to help mitigate the inequities faced by Black women in the architecture industry. You can learn more about Fireclay Tile’s journey on employee ownership here.

CASCADE engineering

Employee Programs to Advance Antiracism

Michigan-based Cascade Engineering, a Certified B Corporation, works to shape an antiracist and inclusive workplace and community through targeted, equity-driven practices. The company’s Returning Citizens program provides employment opportunities and transition support for formerly incarcerated individuals. In addition, as part of its effort to tackle generational poverty, the company’s Welfare to Career initiative offers wraparound services to address challenges faced by employees formerly on welfare, such as lack of access to transportation and childcare. Half of these employees are people of color. Hoping to replicate the impact of these programs, Cascade joined forces with over a dozen local companies to establish a nonprofit called SOURCE, which currently offers case management, wraparound supports, and professional development services to employees across the region. The company also speaks openly about its antiracism journey and invests in antiracism education for its staff and community through the Institute for Healing Racism, a collaboration with organizations in Grand Rapids, Michigan, including the Grand Rapids Chamber of Commerce. You can learn more about how Cascade’s efforts have helped increase employee longevity, engagement, and sense of empowerment here.
Value Chain Strategies to Redistribute Wealth

In California, Red Bay Coffee actively seeks to accelerate racial equity within the coffee industry and implement fair business practices across its value chain. By creating an economic platform that benefits farmers, the company hopes to spread the wealth of the $50 billion coffee industry among those who have traditionally been left out. Fifty percent of leadership at Red Bay Coffee is made up of women and hiring practices intentionally include people of color, formerly incarcerated people, and individuals with disabilities. Employees are provided above-minimum wage pay and training opportunities to build technical and leadership skills. The company also seeks to increase transparency and eliminate exploitation from the supply chain by sourcing high-grade products directly from farmers and facilitating farmers’ access to the industry. In the community, Red Bay Coffee works to foster meaningful dialogue by utilizing its cafe space to host events on topics including entrepreneurship, Black futurism, and equitable development. The company’s efforts are helping to increase retention, boost brand recognition, and tap into the growing pool of consumers seeking values-driven companies, and also helped the company achieve and maintain recognition as a Certified B Corporation. You can learn more about Red Bay Coffee here.

Black Equity at Work Certification

In 2020, Management Leadership for Tomorrow (MLT) launched the first-of-its-kind Black Equity at Work Certification Program (Certification) to provide a Black equity standard and roadmap, support, and benefits for companies committed to pursuing Black equity internally and supporting Black equity externally. The Certification has five pillars—representation at all levels, compensation equity, antiracist/inclusive work environment, racially just business practices, and racial justice contributions and investments—and assigns points through a scoring rubric. Participating employers start by developing a three-year plan with MLT’s guidance. Certification is annual and based on a qualifying score resulting from sufficient aggregate progress across 18 Black equity indicators. Higher Certification tiers indicate and reward greater progress. MLT support includes a digital platform, plan creation and execution best practices, benchmarking data, Black Equity Insights webinars with leading experts, peer learning opportunities, vetted referrals, and an expert coach assigned to each employer. You can learn more about the Black Equity at Work Certification Program and see an up-to-date list of participating employers here.
Within the Community

At the heart of the actions in this second domain are two key questions business leaders need to ask themselves: Are we reinforcing barriers to advancement and prosperity within the communities in which we operate? How can we meaningfully contribute to the communities where we work? Answering these questions effectively requires authentic and sustained connections with local communities beyond chambers of commerce and local government. Taking meaningful action within this domain requires a frame of mind that connection to one’s community is not just about charity and extends beyond “give back” campaigns.

Authentically build trust and relationships
- Engage more deeply in local communities by developing relationships with community organizations. Proceed with humility and in the spirit of partnership.
- Co-create community solutions and philanthropic gifts directly with community members and organizations.
- Cultivate inclusive pipelines of workers from local communities, build relationships with local schools, and contribute knowledge and resources to local training programs.
- Consider how the company’s footprint contributes to or disrupts segregation patterns and make new choices to disrupt those patterns (e.g., placement of company headquarters, branches, etc.).

Redesign corporate philanthropy to address structural problems
- Assess and repair the extent to which philanthropic programs and grants actively address root causes of racial inequity and go beyond providing charity for communities of color.
- Assess and increase the extent to which philanthropic dollars support organizations led by people of color.

Advocate for local policies that address structural inequities
- Advocate for local policy changes that improve outcomes for employees, customers, and communities of color—even when those policies may not be squarely in your industry (e.g., a large health-care provider can advocate for a policy that improves the quality of housing, recognizing the link between housing and health; a retail grocery chain can advocate for improved public transportation as they see the impact that limited public transportation has on employees).
Support and advance justice and liberation policies for people of color in the cities and regions in which the company has significant operations, including policies to advance community safety, eliminate segregation in public education, and eliminate wealth extracting fines and fees predominantly imposed on people of color and low-income communities.

Apply the company’s “do no harm” stance by regularly assessing local policy positions and political giving of the company (and its business affiliations such as local chambers of commerce) for potential conflicts with the organization’s racial equity commitments.

Support environmental justice

Analyze and mitigate the environmental impact of your operations specifically on communities of color, by establishing a plan addressing these impacts that is informed by affected communities. See The Climate Justice Playbook for Business as an example.

Amplify and drive industry impact by establishing and/or joining coalitions on environmental justice that explicitly apply a racial justice lens.
**Profiles**

**Prudential**

**Newark, New Jersey Community Involvement**

Prudential Financial aims to create a positive economic impact and increase racial equity through its deep community involvement in the city of Newark, home to its headquarters since 1875. Prudential’s Commitments to Advance Racial Equity reflect a plan to increase access to resources and dismantle discriminatory systems. In partnership with other institutions, Prudential is investing in Newark to incentivize local production, hire more local community members, and provide capital to small local businesses. Developing relationships and trust with community organizations is a core component of the strategy. By engaging deeply in the community over time, Prudential has built trust and gained knowledge of how to work more effectively. Prudential is also utilizing its public policy leverage to influence issues that are crucial to addressing systemic barriers in the community. You can learn more about Prudential’s approach here.

**Strategies for Businesses to Support Criminal Justice Reform**

The Responsible Business Initiative for Justice (RBIJ) works with local business leaders, government officials, and civil society representatives to advance equity and fairness in the criminal justice system through public advocacy, tailored research, strategic communications, cross-sector events, and more. These efforts have helped end the practice of juvenile life without parole in Ohio and Maryland, reduce the number of incarcerated individuals to prevent the spread of Covid-19, and expunge criminal records across the nation. As a starting point, RBIJ’s Justice-Engaged Business Toolkit offers concrete strategies to help businesses engage in criminal justice reform. RBIJ’s approach harnesses the power of corporate voice, operations, and resources, powered by coordinated collective action. You can learn more about RBIJ’s approach here.
At the Societal Level

As CEOs consider the full scope of their corporation’s influence and impact, they cannot overlook the broader societal domain. Now, more than ever, business leaders are seen as civic leaders. Outside of elected officials, CEOs and the corporations they lead have more power than anyone else, and they possess unique skills in influencing our culture and shaping our laws. When CEOs speak—whether with their dollars or their voices—our politicians and lawmakers invariably listen. The political and economic power wielded by corporate America, therefore, presents a powerful point of leverage for advancing racial equity and economic renewal.

Take on national-level public policy, lobbying, and advocacy to advance racial equity

- **Apply the company’s “do no harm” stance by regularly assessing national-level policy positions** of the company (and its business affiliations) for potential negative community impacts or other conflicts with the organization’s racial equity commitments.

- **Expand the mandates of internal and external public policy teams** to focus on racial equity and worker issues.

- **Use the corporate lobbying infrastructure to reduce racialized inequality** conditions for communities of color (e.g., support policies for ensuring voting access, rebuilding infrastructure, protecting consumers, rebuilding the safety net, achieving universal health-care coverage, achieving criminal justice reform, preventing the use of prison labor, and making police more accountable).

- **End active lobbying and political contributions for public policies and PACs** that exacerbate racial inequalities (e.g., lobbying against minimum-wage increases or lobbying for lower corporate tax rates).

- **Ensure and advocate for complete transparency** and reporting in all political giving.

- **Engage community members and community-led organizations** in the formation of your federal policy agenda.

- **Support mandatory ESG disclosures and expanded fiduciary duties** that actively drive racial equity outcomes and promote companies and investors to consider all stakeholders within their decision-making.

- **Support government-led reparations.**
Use your voice and influence to defend our multiracial democracy and protect the fundamentals of our democracy when under threat (e.g., protect voting rights and elections). Targeted actions companies can take include the following:

- Invest philanthropic and political action dollars in voting rights infrastructure, specifically grassroots organizations that can learn from and build on campaigns.
- Support the proposals across the nation aimed at building on the energy and commitment of an engaged electorate by making it easier and safer to vote.
- Suspend political contributions to legislators who support voting rights restrictions and/or spread misinformation about voting.
- Direct public policy and communications teams to monitor state legislation and take action when proposed legislation would hamper racial justice and increase racial inequities.

Make investments to promote equity

- Commit to a more inclusive impact investing and venture capital model that promotes diverse investment teams, supports Black entrepreneurs, and invests in businesses that benefit Black markets.
- Conduct a diversity assessment of capital allocation, inclusive of all investments, and center equity within deal sourcing, due diligence, and deal terms.
- Place assets with Community Development Financial Institutions (CDFIs) and other people of color-led depository institutions and money managers.

Invest directly in low-income communities of color.

- Use capital reserves for mission-related investments aligned to the vision of the company to advance equitable outcomes.
- Commit to no stock buy-backs until all employees have family-supporting wages and benefits. See above related actions on conducting a living wage audit and paying living wages in “HR policies and practices that are actively antiracist,” on page 9.

Transform communications to advance racial equity

- Assess internal and external communications and advertising to ensure they do not reinforce racial stereotypes. See Unilever’s decision to remove the word “normal” (which can read as exclusionary and evoke harmful stereotypes) from all its beauty and personal-care packaging and advertising, providing a new model for inclusive product marketing.
- Elevate the voices of non-White employees in internal and external communications.
- In developing new communication strategies, create partnerships and/or work with organizations led by people of color.
- Use your corporate and leadership voice to serve as an ally, educate consumers, and inspire action (e.g., using advertising dollars to encourage customers to confront racism).
- Advance racial equity in business and cross-sector coalitions; actively become racial equity champions and ambassadors among your peer groups.
Profiles

Ben Cohen and Jerry Greenfield’s Campaign to End Qualified Immunity

Ben Cohen and Jerry Greenfield, co-founders of Ben & Jerry’s Homemade, are driving policy change to increase transparency and accountability for law enforcement through The Campaign to End Qualified Immunity. The campaign, of which they are co-chairs, leverages corporate voice, pools lobbying resources, amplifies the stories of Black and Brown victims of police brutality, and unites stakeholders across sectors to advocate for a more equitable criminal justice system. The Campaign also serves as an example of how businesses can use their resources (e.g., brand recognition, convening ability) to accelerate racial justice efforts. Corporate influence and cross-sector coalitions are powerful vehicles for change. Cohen and Greenfield urge companies to create lasting impact by establishing a genuine, long-term commitment to racial justice and prioritizing trust and alignment in relationship building. You can learn more about their approach and The Campaign to End Qualified Immunity here.

Investing in Black Entrepreneurship

Sundial Brands, a Certified B Corporation, is working to increase racial and economic equity through its active support of Black entrepreneurship within the beauty products industry, which has been a focus since its founding. Now as a Unilever subsidiary, the company is influencing Unilever’s global efforts on economic empowerment and social impact. In 2019, Sundial and Unilever established a Social Mission Board to scale Sundial’s Community Commerce economic empowerment and impact model across Unilever. The two companies also partnered to create the $100 million New Voices Fund to provide access to capital for female entrepreneurs of color. One of Sundial’s subsidiaries, SheaMoisture, recently broadened its support of entrepreneurs of color by funding a $1 million narrative change campaign centering the lived experiences of Black men. Sundial also focuses on responsible sourcing by investing in women-led cooperatives in Ghana, paying premium wages, and supporting educational and entrepreneurial opportunities for Ghanaian women. Learn more about Sundial Brands here.
Widening the Screen to Disrupt Racial Bias

Procter & Gamble (P&G) is leveraging its corporate voice and market reach to influence national discourse and engagement on race and racism through “Widen the Screen,” “The Talk,” “The Look,” and “The Choice,” a series of mindset-shifting short films highlighting both the devastating harms of systemic racism as well as the joy, beauty, and vastness of Black life. The films focus on the voices of those with lived experience and aim to increase national understanding and engagement on issues of racism. Taking action to advance and sustain the national conversation around the persistence of racism in our society is an important way to use corporate voice. Beyond the narrative, P&G is also investing in a talent development and partnership platform that enables and advocates for increased inclusion of Black creators across the advertising, film, and television industries. P&G’s commitment demonstrates how, if done right, corporate marketing and communications can support systemic change. You can learn more about P&G’s approach here.
Together, We Can Do More to Meet This Historic Moment and Accelerate Change

DEI leaders, we see you. The importance and power of your work at this critical time cannot be overstated. However, CEOs, C-suite leaders, and board directors, this historic moment is fundamentally a leadership moment for you. By virtue of your positions, you wield tremendous power to transform business, culture, our economy, and our democracy. We need you to unabashedly embrace your full leadership power, with an uncompromising focus on equity and justice. This is the new business leadership our nation needs to meet the scale of the structural challenges before us. Government and civil society cannot do it alone.

While some may argue that corporations should not get involved in social reform or that the racial equity movement is a partisan or political issue, equity is not about left or right. It is about building a just and fair future where all people in America can thrive. It is about continuing to perfect our young nation, so that no one is excluded today or tomorrow. We cannot achieve any of that with business leaders sitting on the sidelines or tinkering around the edges. Together, we must ensure that all of our efforts add up to the 100 million economically insecure people in America being better off. Right now, this Blueprint can help business leaders accelerate their efforts as a roadmap for enterprise-wide, cross-domain strategies. And soon, our standards will establish the performance metrics for equity in corporate America.

To all stakeholders, we invite you to join us in supporting the evolution of antiracist, equitable corporations that can effectively contribute to building an equitable and healthy nation for all. This is the work that is required to build an equitable and inclusive nation for all of us. Learn more about our racial equity standards development work, where you can share what is important to you, explore opportunities to partner, support our work by funding our multiyear effort, and amplify our efforts by bringing others into the big tent we are building.

Achieving equity is our collective work. Together, let us see to it that all Americans are prospering within a generation. It is possible if we center the 100 million people in America currently struggling to make ends meet, and we join together to realize the promise of equity.
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