

Investors Ask Nike, FedEx and PepsiCo to End Relationships With the Washington Redskins

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Key insights:

On Friday, three separate letters signed by 87 investment firms and shareholders worth a collective \$620 billion asked Nike, FedEx and PepsiCo to terminate their business relationships with the NFL's Washington Redskins unless the team agrees to change its controversial name.

Native American leaders have pushed for the Washington, D.C., NFL team to change its name (a racist slur that stems from bounties paid to white settlers in exchange for the skins of Native American adults and children as proof of their murders) for decades, including through two high-profile lawsuits. But the team has dug in its heels, with owner Dan Snyder saying in 2013 he would "never change the name."

After the reckoning brought by June's global protests against racism and police killings of Black Americans, Native American leaders—and advocates who want to see the NFL team change its name—are acting with renewed urgency, hoping to strike while the iron is hot. The investor letter to PepsiCo, for example, cites the company's "decision to sunset the Aunt Jemima brand is an important and meaningful step," and calls on it to continue that commitment to divesting from racist mascots by ending its relationship with the Redskins.

The investor letters to the three major brands are led by First Peoples Worldwide, Oneida Nation Trust Enrollment Committee, Trillium Asset Management, LLC Boston Common Asset Management, LLC Boston Trust Walden Mercy Investment Services

and First Affirmative Financial Network. Another roughly 80 firms and trusts, many of which are social impact strategy investment firms or faith-based portfolios, signed on as well.

Carla Fredericks, director of First Peoples Worldwide and director of the University of Colorado Law School's American Indian Law Clinic, told Adweek that although the battle for the name of the Washington team has gone on for decades, something is different this time.

"This is a broader movement now that's happening that Indigenous peoples are part of," said Fredericks. "Indigenous peoples were sort of left out of the civil rights movement in the late 1960s in many respects, because our conditions were so dire on reservations and our ability to engage publicly was very limited because of that. With social media now, obviously everything is very different."

Fredericks was part of a similar effort to get investors to divest from the Dakota Access Pipeline. She said as a result of pressure from both the public and from investors, firms with ownership stakes in the pipeline lost an estimated \$7.5 billion and DAPL parent company Energy Transfer Partners saw its stock go down by 20%. In 2017, Wells Fargo alone lost billions when two cities pulled accounts from the bank over its investment in the pipeline.

"I'm very encouraged by the rising awareness of how every dollar you spend is a vote you cast on your values. And that applies to money you have in investments as well as any brands you support," said Fredericks.

She added that because FedEx, Nike and PepsiCo are Fortune 500 companies, "anyone that has a simple stock portfolio with an index fund owns a share of these companies."

Institutional investors are especially concerned, said Fredericks, about the brands' actions "that run counter to their stated commitments on diversity and inclusion" and how

not abiding by those commitments violates basic corporate governance and raises questions about whether the brands are trustworthy. Each of the individual letters quotes the brands' own very recent pledges to commit to the fight against systemic racism and to increase efforts toward diversity and inclusion.

"We appreciate that Nike has spoken up in support of the protests stating 'Systemic racism and the events that have unfolded across America over the past few weeks serve as an urgent reminder of the continued change needed in our society. The Nike, Inc. family can always do more but will never stop striving to role model how a diverse company acts,'" reads the letter to the athletic brand.

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