



**INVESTOR ALLIANCE  
FOR HUMAN RIGHTS**

AN INITIATIVE OF ICCR

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**NEW INVESTOR BRIEFING HIGHLIGHTS SIGNIFICANT SOCIAL AND GOVERNANCE RISKS AT PALANTIR**

***As Palantir files S-1 with SEC in bid for listing on NYSE, fresh concerns emerge regarding contracts with government agencies with a record of human rights abuse.***

**NEW YORK, NY, WEDNESDAY, SEPTEMBER 9<sup>TH</sup>, 2020** – The Investor Alliance for Human Rights is today publishing [a risk briefing on Palantir Technologies](#), Inc. detailing significant social and governance risks revealed in its recent S-1 filing with the Securities and Exchange Commission that could prove material to investors.

The briefing is being issued as Palantir holds its Investor Day at 10:00am ET today in connection with its registration statement on Form S-1 filed with the U.S. Securities and Exchange Commission relating to its proposed direct listing of class A common stock on the NY Stock Exchange later this month. The briefing supplements an earlier [Human Rights Risk Briefing](#) that the Investor Alliance published in November of 2019 which highlighted legal, reputational and human rights risks primarily resulting from Palantir’s business relationships with both U.S. Immigration and Customs Enforcement (ICE) and the U.S. Department of Homeland Security (DHS).

The original brief made a clear case for heightened investor scrutiny of Palantir:

*Today’s political climate of escalating hostility toward marginalized groups, including as a result of “zero tolerance” immigration policies and law enforcement practices that disproportionately target communities of color, companies and their investors are exposed to heightened human rights and material risks. In this environment, companies of different sectors and sizes—from information and communication technology companies to food services to healthcare firms—may cause, contribute to, or be linked to human rights harms, including by enabling the surveillance, detention, and over-policing of individuals and groups. As a developer of big data software with multiple government contracts related to immigrant detention and law enforcement, Palantir is therefore highly exposed to a range of human rights risks.*

This new briefing warns of additional risks revealed in the S-1 and is intended to provide additional information for investors to consider when making investment decisions relating to Palantir.

***“As investors review Palantir’s finances in the S-1, they must also do their due diligence on its significant human rights risk exposure as part of their responsibility to respect human rights under the UN Guiding Principles on Business and Human Rights,”*** said Anita Dorett, Associate Program Director for the Investor Alliance. ***“Palantir’s largest clients include the U.S. Department of Defense, DHS and ICE – agencies with a history of human rights abuses – and the company’s CEO Alex Karp has publicly conceded that ‘our product is used on occasion to kill people’. This briefing is meant to ensure investors are fully informed of the risks, and to help them ask the right questions to help mitigate those risks.”***

The brief discussed risks in several areas:

- **Palantir’s Business Relationships with Certain Government Agencies Which Pose Significant Human Rights Risks**
- **Palantir’s Challenges in Complying with Data Privacy and Anti-Corruption Laws**
- **Founders’ Control of Voting Shares Which Virtually Eliminates any Shareholder Influence**
- **Palantir’s Exemption from Certain Reporting Structures Which Limits its Financial Disclosures to Shareholders**
- **Lack of Board Independence**

***“In the S-1, the company warns investors that its current multi-class structure grants nearly full control – or 49.99% of voting rights – to its founders which, according to the S-1 ‘will effectively eliminate your ability to influence the outcome of important transactions’. This is something investors concerned about the sustainability of their portfolio companies will need to consider carefully,”*** said Sophie Lawrence, Senior Ethical, Sustainable and Impact Researcher at Rathbone Greenbank Investments. ***“Further, we understand that this structure may disqualify Palantir from participation in some major indices for example the S&P 500, which Palantir notes may reduce its valuation.”***

Michael Connor, Executive Director of Open MIC, a nonprofit that works with shareholders to foster corporate accountability in the tech sector, said, ***“Palantir boasts in its registration statement about its standards for protecting personal privacy, yet the company provides scant detail on how it intends to enforce ethical standards in a business with far-flung global operations, 2,400 employees, and software that claims to address an enormous variety of complex societal challenges. The registration statement does not include details on any of its military, intelligence, or law enforcement contracts, a glaring omission considering the potential ethical questions at play. When it comes to privacy, Palantir has left shareholders - and millions of people who might be the subject of Palantir’s surveillance technologies – completely in the dark.”***

### **About the Investor Alliance for Human Rights**

The Investor Alliance for Human Rights is a collective action platform for responsible investment that is grounded in respect for people’s fundamental rights. Its members include asset management firms, public pension funds, trade union funds, faith-based institutions, family funds, and endowments. Collectively, they represent nearly US\$5trillion in assets under management and 19 countries. The Investor Alliance is an initiative of the Interfaith Center on Corporate Responsibility.

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