

MEMORANDUM

TO: CONCERNED PARTIES

FROM: JOHN FERRARA; OLIVIA KNIGHT; JAYLEN SPANN

SUBJECT: Racial Justice Initiative (RJI) and Diversity, Equity and Inclusion (DEI) Documentation and Methodology

UPDATED: March 15th, 2025

OVERVIEW

This document outlines the research techniques and methodology for the Racial Justice Initiative (RJI) and Diversity, Equity, and Inclusion (DEI) quarterly datasets. Both datasets are updated quarterly with a larger scale update that happens annually. Depending on the scale of the annual changes, they are either implemented in the productions for Q3 (October Release) or Q4 (January Release).

BACKGROUND

RJI and DEI data is updated and produced quarterly to data licensees. Each quarter, researchers on RJI and DEI teams search company websites, company regulatory filings, and other internet sources in order to accurately assign Key Performance Indicator (KPI) scores to companies. These scores are then used to calculate a total score that is indicative of where the company holistically stands with respect to Racial Justice and Diversity, Equity, and Inclusion efforts.

Additionally, this is not a closed-door process. Companies have the opportunity to engage with Racial Justice and DEI Program staff to submit documents, publications, or other evidence submitted by companies. Researchers take the provided documentation and decide whether or not it satisfies the individual pillars.

RESEARCH METHODOLOGY

Diversity, Equity and Inclusion (DEI)

The Diversity, Equity and Inclusion program is a collaboration between *As You Sow* and Whistle Stop Capital. The program currently evaluates companies on the disclosure of materials related to the DEI actions within an organization. The research predominantly examines which companies are releasing standardized, comparable and meaningful workplace equity data. The intention of the DEI data collection is to provide a public resource showing the current level of corporate disclosure surrounding Diversity, Equity and Inclusion.

The framework the DEI program hinges upon is the belief that transparency and public disclosure are the ideal corporate practices. When a company releases meaningful data on its workforce composition alongside its rates of promotion, recruitment, and retention of diverse employees it illustrates to

stakeholders it is willing to be held accountable for internal practices and be honest about shortcomings. Lastly, the practice provides data that allows investors and other stakeholders to assess and compare the effectiveness of its internal programs.

DEI researchers regularly visit corporate websites, CSR and DEI reports, career and investor relations pages, and public filings via the SEC EDGAR website, to identify the state of a company's diversity data disclosure. The findings are then tracked in an internal database in two ways: a binary format, acting as a yes or no, and the actual quantitative data itself. If a company releases the data set identified, it receives all of the possible points for that individual indicator. The weighting of each data set is a reflection of how important the information is from a transparency perspective, relative to an investors' ability to understand the effectiveness of a corporate DEI program.

For further details please reference the text below, as well as Appendix A.

Key Performance Indicators

As of April 2024, there are 34 different Diversity, Equity and Inclusion Key Performance Indicators categorized into six different pillars. All of them focused on the disclosure of various DEI statistics and materials. These metrics are used to assign an overall DEI score for each company.

Pillar 1: Workforce Composition

This pillar is composed of two different metrics that focus on releasing data for a company's workforce demographics.

- *Workforce Composition Disclosure*: Looks at if a company discloses data on the composition of its workforce. (5%)
 - Yes, the company discloses data on the gender and/or racial composition of its workforce. (1)
 - No, the company does not disclose data on the gender and/or racial composition of its workforce. (0)
- *Equal Employment Opportunity (EEO-1)*: Looks at if a company publicly discloses their annual EEO-1 form, which tracks gender, race, and ethnicity of employees across numerous job titles. (20%)
 - Yes, the company publicly releases their EEO-1 Form. (1)
 - No, the company does not publicly release their EEO-1 Form. (0)

Pillar 2: Pay Equity Data Reporting

This pillar is composed of four different metrics that focus on the disclosure of pay equity data between different demographic blocks.

- *Mean Pay Gap by Gender Disclosure*: Looks at if a company discloses U.S. specific data on its mean gender pay gap, if one exists. If a gap does not exist, do they claim pay equity by gender. (1.25%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Median Pay Gap by Gender Disclosure*: Looks at if a company discloses U.S. specific data on its median gender pay gap, if one exists. If a gap does not exist, do they claim pay equity by race/ethnicity. (1.25%)

- Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Mean Pay Gap by Race and Ethnicity Disclosure*: Looks at if a company discloses U.S. specific data on its mean gender pay gap, if one exists. If a gap does not exist, do they claim pay equity by race/ethnicity. (1.25%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Median Pay Gap by Race and Ethnicity Disclosure*: Looks at if a company discloses U.S. specific data on its median gender pay gap, if one exists. If a gap does not exist, do they claim pay equity by race/ethnicity. (1.25%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)

Pillar 3: Promotion

This pillar is one of three pillars focused on critical inclusionary data disclosure by companies. The pillar is composed of nine different metrics each focused on a different demographic group and their promotion rates.

- *Promotion Rates Disclosure of Male Employees*: Looks at if a company discloses data on internal promotion rates of male employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Promotion Rates Disclosure of Female Employees*: Looks at if a company discloses data on internal promotion rates of female employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Promotion Rates Disclosure of White Employees*: Looks at if a company discloses data on internal promotion rates of white employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Promotion Rates Disclosure of Black Employees*: Looks at if a company discloses data on internal promotion rates of black employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Promotion Rates Disclosure of Hispanic Employees*: Looks at if a company discloses data on internal promotion rates of Hispanic employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Promotion Rates Disclosure of Asian Employees*: Looks at if a company discloses data on internal promotion rates of Asian employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Promotion Rates Disclosure of Native American or Native Alaskan Employees*: Looks at if a company discloses data on internal promotion rates of Native American or Native Alaskan employees. (2.2%)

- Yes, company does disclose. (1)
- No, company does not disclose. (0)
- *Promotion Rate Disclosure of Pacific Islander or Native Hawaiian Employees:* Looks at if a company discloses data on internal promotion rates of Pacific Islander or Native Hawaiian employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Promotion Rate Disclosure of Employees of Two or More Races:* Looks at if a company discloses data on internal promotion rates of Pacific Islander or Native Hawaiian employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)

Pillar 4: Recruitment / Hiring

This pillar is one of three pillars focused on critical inclusionary data disclosure by companies. The pillar is composed of nine different metrics each focused on a different demographic group and their recruitment rates.

- *Recruitment or Hiring Rates Disclosure of Male Employees:* Looks at if a company discloses data on recruitment rates of male employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of Female Employees:* Looks at if a company discloses data on recruitment rates of female employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of White Employees:* Looks at if a company discloses data on recruitment rates of white employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of Black Employees:* Looks at if a company discloses data on recruitment rates of black employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of Hispanic Employees:* Looks at if a company discloses data on recruitment rates of Hispanic employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of Asian Employees:* Looks at if a company discloses data on recruitment rates of Asian employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of Native American or Native Alaskan Employees:* Looks at if a company discloses data on recruitment rates of Native American or Native Alaskan employees. (2.2%)
 - Yes, company does disclose. (1)

- No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of Pacific Islander or Native Hawaiian Employees:* Looks at if a company discloses data on recruitment rates of Pacific Islander or Native Hawaiian employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Recruitment or Hiring Rates Disclosure of Employees of Two or More Races:* Looks at if a company discloses data on recruitment rates of employees of two or more races. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)

Pillar 5: Retention

This pillar is one of three pillars focused on critical inclusionary data disclosure by companies. The pillar is composed of nine different metrics each focused on a different demographic group and their retention rates.

- *Retention or Turnover Rate Disclosure of Male Employees:* Looks at if a company discloses data on retention rates of male employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of Female Employees:* Looks at if a company discloses data on retention rates of female employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of White Employees:* Looks at if a company discloses data on retention rates of white employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of Black Employees:* Looks at if a company discloses data on retention rates of black employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of Hispanic Employees:* Looks at if a company discloses data on retention rates of Hispanic employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of Asian Employees:* Looks at if a company discloses data on retention rates of Asian employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of Native American or Native Alaskan Employees:* Looks at if a company discloses data on retention rates of Native American or Native Alaskan employees. (2.2%)

- Yes, company does disclose. (1)
- No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of Pacific Islander or Native Hawaiian Employees:* Looks at if a company discloses data on retention rates of Pacific Islander or Native Hawaiian employees. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)
- *Retention or Turnover Rate Disclosure of Employees of Two or More Races:* Looks at if a company discloses data on retention rates of employees of two or more races. (2.2%)
 - Yes, company does disclose. (1)
 - No, company does not disclose. (0)

Pillar 6: Explicit and Quantifiable DEI Goals

This pillar is composed of just one metric that is focused on the disclosure of an explicit Diversity, Equity, and Inclusion (DEI) goal.

- *Explicit DEI Goal:* Examines if a company has a diversity goal that is quantifiable and time-bound. (10%)
 - Yes, the company discloses an explicit DEI goal. (1)
 - No, the company does not disclose an explicit DEI goal. (0)

Racial Justice Initiative (RJI)

In collaboration with our Advisory Committee, organizational allies, and other stakeholders, 28 key performance indicators were established to measure companies' progress on racial equity and environmental justice, creating individual corporate scorecards. As *You Sow's* Racial Justice Research Team examines corporate websites and reports, corporate social media accounts, and credible primary, secondary, and tertiary sources for material information on each company in the Large-Cap 3000 to determine the level of action, or inaction, on racial equity, diversity, equity and inclusion, and environmental and climate justice. Our environmental justice research focuses on a multidisciplinary approach by pulling information from a variety of sources to build a profile of corporate environmental commitments and activities. The Racial Justice Initiative worked closely with environmental justice issue experts to develop KPIs which monitor corporate progress in an environmental justice framework that "shifts the burden of proof to polluters and dischargers who do harm, discriminate, or do not give equal protection to racial and ethnic minorities and other protected classes."^{iv} Research and data for seven of the Workforce/ DEI Disclosure KPIs are taken directly from our partner initiative at *As You Sow*, Workplace Equity. The remainder of our Racial Justice KPIs are researched and scored by the Racial Justice Initiative and subjected to an intensive, multi-level, quality assurance process. The scoring of each KPI is described in the following section, please note that there is no additional weighting to our current KPIs and that the companies' scores show the true valuation of their actions.

Details of the KPIs and scoring rubric are below. For further details please reference the text below as well as Appendix B.

Key Performance Indicators

As of April 2025, there are 28 different Racial Justice Key Performance Indicators categorized into five different pillars that are used to assign a company as racial justice score.

Pillar 1: Corporate Responsibility: Three indicators show if a company takes responsibility for diversity, equity and inclusion

KPI 1.1 Equal AI Membership

Has the company joined EqualAI's membership, thereby committing to countering AI bias?

Score: **0 or 1**

- Give a "1" if the company is a member
- Source: EqualAI / <https://www.equalai.org/blog/2023/12/12/equalai-celebrates-members-commitment-to-responsible-artificial-intelligence/>

KPI 1.2 CEO Responsibility

Has the company's CEO signed the CEO Action for Diversity & Inclusion Pledge?

Score: **0 or 1**

- Give a "1" if the CEO has signed the pledge
- Source: Pledge & Signatory List [here](#)
- Note: This source material is current as of February 2025 but may no longer be publicly available

KPI 1.3 Third Party Racial Equity Audit

The Racial Equity or Civil Rights audit has been completed by a third party, and the results have been made publicly available.

Score: **0-3-5**

- Scores given based on whether or not a company has conducted a Civil Rights or Racial Equity audit
 - 0 = no Civil Rights or Racial Equity audit
 - 3 = the company has agreed to conduct a Civil Rights or Racial Equity audit in the future, or is currently in the process of conducting an audit
 - 5 = the company has completed a Civil Rights or Racial Equity audit and has made the results publicly available
- Source: Publicly available information

Pillar 2: Internal DEI: Seven indicators show how much emphasis a company puts on internal equity-based programs and the treatment of BIPOC employees

KPI 2.1 ERGs for BIPOC Employees

Does the company have ERGs for BIPOC employees?

Score: **0 or 1**

- Give a “1” if the company has Employee Resource Groups (ERGs), Affinity Groups, etc. that are for BIPOC employees
- Source: Company website, reports

KPI 2.2 DEI Training for Employees

Does the company offer DEI-related training to its employees?

Score: **0-3-5**

- 0 = no training
- 3 = training for select employees only
- 5 = training for all employees
- Source: Company website, reports
 - *Note: We count “DEI training” as well as “unconscious bias training” but NOT “anti-harassment training”*

KPI 2.3 Internal DEI Department

Does the company have an internal DEI department?

Score: **0 or 1**

- Give a “1” if the company has an internal DEI department, program, initiative, council, or task force.
- Source: Company website, reports

KPI 2.4 DEI Leader Title

DEI Leader Title

Score: **0 through 5** (depending on title)

- Give scores on a sliding scale based on the position of the DEI leader within the corporate structure:
 - 0 = no DEI leader
 - 1 = contractor/ consultant (i.e., not regular staff member)
 - 2 = Manager/ Leader/ Lead
 - 3 = Director/ Head
 - 4 = VP
 - 5 = C-suite (i.e., “Chief **Diversity Officer**”, “Chief **Inclusion Officer**”, “Chief **Equity Officer**”, “Chief **DEI Officer**”, “Chief **Belonging Officer**” etc.)
- Source: Company website, LinkedIn, public information

KPI 2.5 Supply Chain Diversification

Supply Chain Diversification

Score: **0-3-5**

- Give scores for a racially diverse supply chain:
 - 0 = no mention of racial diversity in supply chains/ no supplier diversity program

- 3 = the company mentions a racially diverse supply chain program but provides no tangible measurement/ data or a timetable to increase diversity
- 5 = the company has a solid timetable for improving an already racially diverse supply chain program and shows quantifiable action to diversify
- Source: Company website, press releases, reports

KPI 2.6 Anti-Prison Labor Policies

Does the company have a public policy against prison labor in its domestic supply chain?

Score: **0 or 1**

- Give a “1” if the company has a public policy against prison labor in its domestic supply chain and operations

KPI 2.7 Fair Chance Hiring Policies

Does the company have a public Fair Chance Hiring policy?

Score: **0 or 1**

- Give a “1” if the company has public policy regarding Fair Chance Hiring.
- For more information on the definition and purpose of Fair Chance Hiring, please visit [The Case for Fair Chance Hiring — FreeCap Financial](#)

Pillar 3: Workforce Data Disclosure (KPIs and content taken from the Workplace Equity Scorecard)

These metrics are tracked by the Workplace Equity Initiative, the gender scores are removed and the 34 KPIs are consolidated into one pillar for Racial Justice.

This pillar is composed of seven metrics and examines the presence of, and the quality of a company’s Diversity, Equity and Inclusion (DEI) data.

- *Workforce Composition*: Examines if a company discloses any information on the composition of its workforce.
 - The company discloses information relating to the composition of its workforce. (1)
 - The company does not disclose information relating to the composition of its workforce. (0)
- *Pay Equity*: Examines if a company published information on pay equity focused on race.
 - (2) The company discloses the mean and median pay gap by race/ethnicity.
 - (1) The company discloses the mean or median pay gap by race/ ethnicity.
 - (0) The company discloses no information relating to racial/ ethnic pay equity.
- *Promotion Rates*: Examines if a company published information regarding promotion rates of employees and their diverse characteristics.
 - (7) The company has disclosed promotion rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.

- (6) The company has disclosed promotion rates for six of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- (5) The company has disclosed promotion rates for five of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- (4) The company has disclosed promotion rates for four of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- (3) The company has disclosed promotion rates for three of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
- (2) The company has disclosed promotion rates for two of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
- (1) The company has disclosed promotion rates for one of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
- (0) The company discloses no information relating to promotion rates for any of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
- *Recruitment & Hiring Rates:* Examines if a company published information regarding recruitment rates of employees and their diverse characteristics.
 - (7) The company has disclosed the recruitment or hiring rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (6) The company has disclosed recruitment or hiring rates for six of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (5) The company has disclosed the recruitment or hiring rates for five of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (4) The company has disclosed the recruitment or hiring rates for four of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (3) The company has disclosed the recruitment or hiring rates for three of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (2) The company has disclosed the recruitment or hiring rates for two of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (1) The company has disclosed the recruitment or hiring rates for one of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.

- (0) The company discloses no information relating to the recruitment rates for any of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- **Retention & Turnover Rates:** Examines if a company published information regarding retention rates of employees and their diverse characteristics.
 - (7) The company has disclosed retention or turnover rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (6) The company has disclosed retention or turnover rates for six of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (5) The company has disclosed retention or turnover rates for five of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (4) The company has disclosed retention or turnover rates for four of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (3) The company has disclosed retention or turnover rates for three of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (2) The company has disclosed retention or turnover rates for two of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (1) The company has disclosed retention or turnover rates for one of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (0) The company has disclosed retention or turnover rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- **Explicit Diversity Goals:** Examines whether or not a company has explicit diversity and inclusion metrics.
 - The company does have explicit goals regarding diversity and inclusion. (1)
 - The company does not have explicit goals regarding diversity and inclusion. (0)
- **EEO-1 Data Released:** Examines whether or not a company has disclosed their EEO-1 documents.
 - The company has disclosed their EEO-1 form. (1)
 - The company has not disclosed their EEO-1 form. (0)

Pillar 4: External Actions: Six indicators show corporate engagement external stakeholders such as BIPOC communities, individuals, and organizations

KPI 4.1 Products/ Services as BIPOC Community Engagement

Does the company provide its products and/or services as an act of BIPOC community engagement?

Score: **0 or 1**

- Give a “1” if the company offers **its products or services** for free to members of BIPOC/ minority/ underserved communities (e.g. technology companies donating computers etc., banks offering free financial literacy classes, or food companies donating to food banks in BIPOC communities, etc.)
- Source: Company website, press releases, reports
 - *Note: This KPI serves as an observation of intent*

KPI 4.2 Financial Donations to Racial Justice

Does the company donate 1% of its annual sales to racial justice causes and organizations?

Score: **0 or 1**

- Give a “1” if the company donates 1%, or more, of its annual sales to racial justice/equity causes and/or organizations
- Source: Company website, press releases, reports

KPI 4.3 BIPOC Recruitment

Does the company have pipeline programs to recruit BIPOC employees?

Score: **0 or 1**

- Give a “1” if the company has BIPOC*-focused training programs to create hiring pipelines, participates in HBCU/ HSI (Hispanic-serving institution) job fairs or has BIPOC outreach programs
- Source: Company website, press releases, reports

KPI 4.4 Supporter/ Partner of HBCUs, HSIs, etc.

Does the company support or partner with HBCUs and/or other colleges for BIPOC individuals?

Score: **0 or 1**

- Give a “1” if the company offers BIPOC scholarships or HBCU/ HSI (Hispanic-serving institution) partnerships
- Source: Company website, press releases, reports

KPI 4.5 Supporter/ Partner of Civil Rights Organizations

Does the company support/ partner with national and/or local civil rights organizations?

Score: **0-3-5**

- Give a score based on number of engagements:
 - 0 = no mention of support of/ partnership with national and/or local civil rights organizations
 - 3 = the company supports/ partners with either national or local civil rights organizations

- 5 = the company supports/ partners with both national and local civil rights organizations

Note: Companies can have more than one partnership with local organizations but will still only receive a “1” if they don’t support/ partner with local organizations as well. Similarly, companies that support/ partner with multiple national organizations will also only get a “1” if they don’t support/ partner with local organizations as well.

- Source: Company website, press releases, reports

KPI 4.6 Human Rights Violation due to Systemic Racism

Does the company operate in the prison or military weapons industry?

Score: **0 or -5**

Give a score of -5 if the company is listed as operating in/ profiting from the prison industry or military weapons industry as per [this list](#).

Pillar 5: Environmental Justice: Five indicators that track corporate actions related to environmental and climate (in)justice

KPI 5.1 Acknowledgement of Environmental/ Climate Justice

Public corporate acknowledgement of environmental and climate justice

Score: **0 or 1**

- Give a “1” for a mentioning of either “environmental justice”, “climate justice”, or “environmental racism”.

Note: This KPI is similar to the original “Acknowledgement of Environmental Justice” KPI (KPI 6.1) but has been updated to also include the term “climate justice”.

- Source: Company website

KPI 5.2 Abides by Environmental Regulations (since 2020)

Company abides by environmental regulations 2020 through present (i.e. in the past five years)

Score: **0 through -5** (0, or neutral, is the highest score possible on this KPI)

- Give scores based on the total number of violations listed on the following three sites:
 - <https://violationtracker.goodjobsfirst.org/>
 - <https://echo.epa.gov/>
 - <https://cumulis.epa.gov/supercpad/Cursites/srchsites.cfm>
 - 0 = the company has no environmental violations
 - -1 = the company has between 1-25 violations
 - -2 = between 26-50 violations
 - -3 = between 51-75 violations
 - -4 = between 76-100 violations
 - -5 = more than 100 violations

- Note: We are counting violations by the **parent company as well as any subsidiaries in the US**
- Source: Government data sourced from the EPA and related databases (see above)

KPI 5.3 Environmental Fines and Penalties (since 2020)

Company environmental fines and penalties 2020 to present (i.e. in the past five years)

Score: **0 through -6** (0, or neutral, is the highest score possible on this KPI)

- Scores given are based on the total amount of penalties:
 - 0 = the company does not have any environmental fines, superfund sites, or related criminal charges
 - -1 = the total of environmental fines is equal to or less than \$1 million USD
 - -2 = total fines are greater than \$1m equal to or less than \$5m
 - -3 = total fines are equal to or less than \$10m
 - -4 = total fines are greater than \$10m
 - An additional -1 if there are any related criminal charges (use https://cfpub.epa.gov/compliance/criminal_prosecution/index.cfm)
 - An additional -1 for any active Superfund Sites

Total possible score on this KPI is -6

Note: We are counting violations by the **parent company as well as any subsidiaries in the US**

- Source: Government data sourced from the EPA and related databases, this KPI includes Superfund Sites

KPI 5.4 Adverse Effects to BIPOC Communities (since 2020)

Adverse effects to BIPOC communities 2020 to present (i.e. in the past five years)

Score: **0 through -5** (0, or neutral, is the highest score possible on this KPI)

- Give scores based on whether or not the company's business practices can be proven to have adverse effects on BIPOC communities:
 - 0 = no known adverse effects
 - -1 = each -1 contributes the company's business practices adversely affect BIPOC communities (based on sector-specific subject areas)
- This KPI incorporates a sector analysis of disproportionately adverse effects on BIPOC communities due to a company's core business practices and outcomes.
 - Each sector is assigned five sector-specific subject areas that are typically associated with business outcomes.

Source: Researchers use **reputable, credible sources** to evaluate the company's involvement in any of the five sector-specific subject areas. Information from government data sourced from the EPA & related databases; reputable second- and third-party sources

Large-Cap 3000 Sectors

- Sector: **Communication Services**
 1. Racially targeted advertising
 2. Exclusionary products used in a racially charged manner (e.g., AI bias in business or HR systems, racist facial recognition, problematic surveillance)

3. Supports/ profit from/ furthers the spread of hate speech
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
- Sector: **Consumer Discretionary**
 1. Racially targeted advertising
 2. Racially targeted locations (e.g., locations causing adverse harm)
 3. Environmental justice scandals/ lawsuits with BIPOC communities
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - Sector: **Consumer Staples**
 1. Racially targeted advertising
 2. Exclusionary products
 3. Environmental justice scandals/ lawsuits with BIPOC communities
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - Sector: **Energy**
 1. Disproportionate climate impact on BIPOC communities
 2. Unequal distribution of basic amenities (e.g., access to energy, clean water, electricity, utilities)
 3. Environmental justice scandals/ lawsuits with BIPOC communities
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - Sector: **Financials**
 1. Engages in predatory lending practices (e.g., payday lending, subprime mortgages)
 2. Engages in discriminatory lending practices (e.g., racial lending bias, credit scoring, higher interest rate credit cards, mortgages)
 3. Unequal access to financial services
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - Sector: **Health Care**
 1. Unequal access to health care by race
 2. Fails to support racial diversity in clinical trials/ product testing
 3. Limited opportunities for professional growth for BIPOC
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - Sector: **Industrials**
 1. Disproportionate climate impact on BIPOC communities
 2. Unequal distribution of goods, services (e.g., access to energy, clean water, electricity, utilities)
 3. Environmental justice scandals/ lawsuits with BIPOC communities
 4. Pay inequity/ inequality/ wage disparity

5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
- **Sector: Information Technology**
 1. Unequal access to technology products/ services
 2. Exclusionary products (e.g., AI, facial recognition, surveillance) used in a racially charged manner
 3. Supports/ profits from/ furthers the spread of hate speech
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - **Sector: Materials**
 1. Disproportionate climate impact on BIPOC communities
 2. Unequal distribution of basic amenities (e.g., access to energy, clean water, electricity, utilities)
 3. Environmental Justice scandals/ lawsuits with BIPOC communities
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - **Sector: Real Estate**
 1. Engages in redlining practices (e.g., racially bias appraisals)
 2. Unequal access to real estate services (e.g., brokers, lenders, appraisers)
 3. Discriminatory buying behaviors (e.g., furthering gentrification)
 4. Pay inequity/ inequality/ wage disparity
 5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)
 - **Sector: Utilities**
 1. Disproportionate climate impact on BIPOC communities
 2. Unequal distribution of basic amenities (e.g., access to energy, clean water, electricity, utilities)
 3. Environmental justice scandals/ lawsuits with BIPOC communities
 4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

KPI 5.5 Supporter/ Partner of Environmental/ Climate Justice Groups

Does the company support/ partner with national and/or local environmental/ climate justice groups?

Score: **0-3-5**

- Give a score based on the number and type of partnerships:
 - 0 = no mention of support of/ partnership with national and/or local environmental/ climate justice groups
 - 3 = the company supports/ partners with either national or local environmental/ climate justice groups
 - 5 = the company supports/ partners with both national and local environmental/ climate justice groups

Note: Companies can have more than one partnership with local groups but will still only receive a “1” if they don’t support/ partner with local groups as well. Similarly, companies that support/ partner with multiple national groups will also only get a “1” if they don’t support/ partner with local groups as well.

- Source: Company website, press releases, reports

Lastly, please see Appendix D for the detailed scoring and methodology information that applied to past KPIs for 2024 and earlier, as well as Appendix C which provides a break down of these KPIs as they have changed over time before the updated 2025 pillar system was implemented.

CALCULATION METHODOLOGY

Diversity, Equity, and Inclusion (DEI)

The Diversity, Equity, and Inclusion (DEI) program has remained fairly constant over time. Since the program focuses predominantly on disclosure the measurement of such activity has not mandated the need to shift or expand the KPIs much overtime.

Table 1: Racial Justice Initiative Calculation Changes Over Time

COLUMN	TIME FRAME	FORMULA
dei_pct_score	2020 Q3 through present.	Each metric column is multiplied by its respective metric weight, and the subsequent products are summed.
dei_original_rank	2020 Q3 through present.	The relative rank of the individual dei_pct_score in comparison to all the other dei_pct_scores received by companies.

Racial Justice Initiative (RJI)

As the Racial Justice program has grown the Key performance indicators have been expanded upon and improved over time. As a result, the weighting and total numeric scores have also changed over time as well. As a new KPI is added to the data, in previous quarters the new metric is counted as a zero when calculating the sum in the formula for raw_rji_score. Essentially ignoring the new metric in order productions before its official implementation. With new additions, the total number of points available – the denominator for the normalized score – changes too. See below for how the calculations have changed over time.

Table 2: Racial Justice Initiative Calculation Changes Over Time

COLUMN	TIME FRAME	FORMULA
raw_rji_score	2020 Q3	$SUM(non_weighted_rji_kpi_columns) + 6 * (SUM(weighted_rji_kpi_columns))$
	2021 through 2022 Q2	$SUM(non_weighted_rji_kpi_columns) + 5 * (SUM(weighted_rji_kpi_columns))$
	2022 Q3 through present.	
normalized_rji_score	2020 Q3	$(RAW_RJI_SCORE / 151) * 100$
	2021 through 2022 Q2	$(RAW_RJI_SCORE) / 240 * 100$
	2022 Q3	$(RAW_RJI_SCORE) / 265 * 100$
	2022 Q4 through 2023 Q2	$(RAW_RJI_SCORE) / 280 * 100$
	2023 Q3 through 2024 Q4	$(RAW_RJI_SCORE) / 270 * 100$
	2025 Q1 through present	$(RAW_RJI_SCORE) / 67 * 100$

QUARTERLY AND ANNUAL UPDATES

These datasets are updated on a quarterly and annual basis. On a quarterly basis the updates are centered on the shifting of the compositions of the indices. In other words, those companies that are added or removed from the indices used to compose the final lists of companies researched. Each quarter, newly added companies are researched and assessed. The quarterly updates are a smaller scale update.

On annual timeframe, larger scale updates take place. Generally speaking, these updates include changes to the Key Performance Indicators (KPIs) which impact the final score calculations. From April to September the research teams review and renew all of the already existing data points presented in these two data sets. The annual updates are also where new additions to the KPI metrics are implemented. The results of the annual update are usually seen in the Q3 data update, which is made publicly available in October of that year. If the changes are larger in scale or need more time to implement they will be ultimately seen in the Q4 production, which is made available in January.

APPENDIX A – Diversity, Equity, and Inclusion Key Performance Indicators

KPI Subset	KPI Pillar	KPI Metric	Points Possible	Metric Weighting	Date Added – Change Over Time
(A) Reporting and Disclosure	(1) Workforce Composition	(1) Reports of Workforce Composition Data	0,1	0.05	2020 Q3 - Present
		(2) Reports EEO-1 Data	0,1	0.2	2020 Q3 - Present
	(2) Pay Equity Data Reporting	(1) Reports Mean Gap - Gender	0,1	0.0125	2020 Q3 - Present
		(2) Reports Median Gap - Gender	0,1	0.0125	2020 Q3 - Present
		(3) Reports Mean Gap - Race	0,1	0.0125	2020 Q3 - Present
		(4) Reports Median Gap - Race	0,1	0.0125	2020 Q3 - Present
	(3) Promotion	(1) Male Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
				0.022	2022 Q4 - Present
		(2) Female Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
				0.022	2022 Q4 - Present
		(3) White Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
				0.022	2022 Q4 - Present
		(4) Black Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
				0.022	2022 Q4 - Present
		(5) Hispanic Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
				0.022	2022 Q4 - Present
		(6) Asian Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
				0.022	2022 Q4 - Present
		(7) Native American or Native Alaskan Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
				0.022	2022 Q4 - Present
		(8) Other Promotion Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(8) Pacific Islander or Native Hawaiian Promotion Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(9) Two or More Races Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
	(4) Recruitment and Hiring	(1) Male Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(1) Male Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(2) Female Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(2) Female Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(3) White Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(3) White Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(4) Black Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(4) Black Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(5) Hispanic Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3

		(5) Hispanic Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(6) Asian Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(6) Asian Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(7) Native American or Native Alaskan Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(7) Native American or Native Alaskan Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(8) Other Recruitment Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(8) Pacific Islander or Native Hawaiian Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(9) Two or More Races Recruitment or Hiring Rate Disclosure	0,1	0.022	2022 Q4 - Present
	(5) Retention and Turnover	(1) Male Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(1) Male Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(2) Female Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(2) Female Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(3) White Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(3) White Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(4) Black Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(4) Black Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(5) Hispanic Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(5) Hispanic Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(6) Asian Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(6) Asian Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(7) Native American or Native Alaskan Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(7) Native American or Native Alaskan Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(8) Other Retention Rate Disclosure	0,1	0.025	2020 Q3 through 2022 Q3
		(8) Pacific Islander or Native Hawaiian Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
		(9) Two or More Races Retention or Turnover Rate Disclosure	0,1	0.022	2022 Q4 - Present
	(6) Explicit and Quantifiable DEI Goals	(1) Any Explicit DEI Goal	0,1	0.1	2020 Q3 - Present

APPENDIX B – Racial Justice Initiative Key Performance Indicators

KPI Subset	KPI Pillar	KPI Metric	Weighted / non-weighted	Points Possible	Date Added - Change Over Time
(A) Policies and Practices	(1) Corporate Responsibility	(1) Equal AI Membership	Non-weighted	0,1	2025 Q1 - Present
		(2) CEO Responsibility	Non-weighted	0,1	2020 Q3 - Present
		(1) Third Party Racial Equity Audit	Non-weighted	0,3,5	2022 Q3 - Present
	(2) Internal DEI	(1) ERGs for BIPOC Employees	Non-weighted	0,1	2025 Q1 - Present
		(2) DEI Training for Employees	Non-weighted	0,3,5	2025 Q1 - Present
		(3) Internal DEI Department	Non-weighted	0,1	2020 Q3 - Present
		(4) DEI Leader Title	Non-weighted	0,1,2,3,4,5	2020 Q3 - Present
		(5) Supply Chain Diversification	Non-weighted	0,3,5	
		(6) Anti-Prison Labor Policies	Non-weighted	0,1	2025 Q1 - Present
		(7) Fair Chance Hiring Policies	Non-weighted	0,1	2025 Q1 - Present
	(3) Workplace Equity/ DEI Data Disclosure	(1) Workforce Composition	Non-weighted	0,1	2020 Q3 - Formerly “Data on Recruitment, Hiring, Retention” Became “Workforce Composition” 2021 Q2.
		(2) Pay Equity Data Reporting	Non-weighted	0,1,2	2021 Q2 - Present
		(3) Promotion Rate	Non-weighted	0,1,2,3,4,5,6,7	2021 Q2 – 2022 Q3
		(4) Recruitment Rate	Non-weighted	0,1,2,3,4,5,6,7	2022 Q4 - Present
		(5) Retention Rate	Non-weighted	0,1,2,3,4,5,6,7	2021 Q2 - 2022 Q3
		(6) Explicit Diversity Goal	Non-weighted	0,1	2022 Q4 - Present
		(7) EEO-1 Data Released	Non-weighted	0,1	2021 Q2 - 2022 Q3
	(4) External Actions	(1) Products/ Services as BIPOC Community Engagement	Non-weighted	0,1	2020 Q3 - Present
		(2) Financial Donations to Racial Justice	Non-weighted	0,1	2020 Q3 - Present
		(3) Pipeline Programs to Recruit BIPOC Employees	Non-weighted	0,1	2025 Q1 - Present
		(4) Supporter/ Partner of HBCUs/ Colleges for BIPOC Individuals	Non-weighted	0,1	2025 Q1 - Present
		(5) Supporter/ Partner of Civil Right Organizations	Non-weighted	0,3,5	2025 Q1 - Present

		(6) Human Rights Violation due to Systemic Racism	Non-weighted	-5,0	2025 Q1 - Present
	(7) Environmental Justice	(1) Acknowledgement of Environmental Justice	Non-weighted	0,1	2021 Q2 - Present
		(2) Abides by Environmental Regulations (Five year look back)	Non-weighted	-5,-4,-3,-2,-1,0	2021 Q2 - 2024 Q3
		(3) Environmental Fines and Penalties (Five year look back)	Non-weighted	-6,-5,-4,-3,-2,-1,0	2024 Q3 - Present
		(4) Adverse Effects to BIPOC Communities (5 year look back)	Non-weighted	-5,-4,-3,-2,-1,0	2021 Q2 - 2024 Q3
		(5) Supporter/ Partner of Environmental/ Climate Justice Organizations	Non-weighted	0,3,5	2025 Q1 - Present

APPENDIX C – Retired Racial Justice Initiative Key Performance Pillar System

KPI Subset	KPI Pillar	KPI Metric	Weighted / Non-weighted	Points Possible	Date Added - Change Over Time
(A) Statement	(1) Racial Justice Statement	(1) Racial Justice Statement	Non-weighted	0,1	2020 Q3 – 2024 Q4
		(2) Statement Post Location	Non-weighted	0,3,5	2020 Q3 - 2024 Q4
	(2) Corporate Responsibility	(1) CEO Responsibility	Non-weighted	0,5	2020 Q3 – Present (Continued as rji_a_1_2_ceo_resp)
		(2) Solicits Input from Black Employees	Non-weighted	0,1	2020 Q3 - 2024 Q4
	(3) Acknowledgement of Key Terms	(1) Names Victims of Police Violence	Non-weighted	0,1	2020 Q3 - 2024 Q4
		(2) States Black Lives Matter	Non-weighted	0,1	2020 Q3 - 2024 Q4
		(3) Call for Criminal Justice Reform	Non-weighted	0,1	2020 Q3 - 2024 Q4
		(4) Acknowledges Systemic Racism	Non-weighted	0,3,5	2020 Q3 - 2024 Q4
(B) Policies and Practices	(4) DEI Department	(5) Identifies as Antiracist	Non-weighted	0, 5	2020 Q3 - 2024 Q4
		(1) Internal DEI Department	Weighted	0,1	2020 Q3 – Present (Continued as rji_a_2_3_dei_intrnl_dept)
	(5) DEI Data	(2) DEI Leader Title	Weighted	0,1,2,3,4,5	2020 Q3 – Present (Continued as rji_a_2_4_dei_ldr_ttle)
		(1) Workforce Composition	Weighted	0,1	2020 Q3 - Formerly “Data on Recruitment, Hiring, Retention” Became “Workforce Composition” 2021 Q2. (Continued as rji_a_3_1_workforce_comp)
		(2) Pay Equity Data Reporting	Weighted	0,1,2	2021 Q2 - Present (Continued as rji_a_3_2_pay_eqty_data_rpt)

		(3) Promotion Rate	Weighted	0,1,2,3,4,5,6	2021 Q2 – 2022 Q3
		(3) Promotion Rate	Weighted	0,1,2,3,4,5,6,7	2022 Q4 – Present (Continued as rji_a_3_3_promotion)
		(4) Recruitment Rate	Weighted	0,1,2,3,4,5,6	2021 Q2 - 2022 Q3
		(4) Recruitment and Turnover Rate	Weighted	0,1,2,3,4,5,6,7	2022 Q4 – Present (Continued as rji_a_3_4_recruitment)
		(5) Retention Rate	Weighted	0,1,2,3,4,5,6	2021 Q2 - 2022 Q3
		(5) Retention Rate	Weighted	0,1,2,3,4,5,6,7	2022 Q4 – Present (Continued as rji_a_3_5_retention)
		(6) Explicit Diversity Goals	Weighted	0,1	2020 Q3 - Formerly Calculated as “DEI Cross-organizational Targets”. Became “Explicit Diversity Goals” in 2021 Q2. (Continued as rji_a_3_6_explct_dvrsty_goal)
		(7) EEO-1 Data Released	Weighted	0,1	2020 Q3 – Present (Continued as rji_a_3_7_eeo_data_pub)
		(8) Supply Chain Diversification	Weighted	0,3,5	2020 Q3 - Present (Continued as rji_a_2_5_supply_chain_divrse)
	(6) External Actions	(1) Community Engagement with Racial Justice	Weighted	0,1	2020 Q3 – Present (Continued as rji_a_4_1_cmty_eng_rj)
		(2) Racial Justice Donations	Weighted	0,1,2,3,4,5	2020 Q3 – Present (Continued as rji_a_4_2_rj_donations)
		(3) Hate Speech Accountability	Weighted	-2,-1,0,1,2	2020 Q3 - 2024 Q4 (Formerly Calculated as “Joined #StopHateForProfit”. Became “Hate Speech Accountability” in 2021 Q2. Scoring Changed 2023 Q3. Metric Retired 2024 Q4)
				-1,0	2023 Q3 - Present
		(4) Third Party Racial Equity Audit	Weighted	0,3,5	2022 Q3 – Present (Continued as rji_a_1_3_re_audit_3rd_pty)
	(7) Environmental Justice	(1) Acknowledgement of Environmental Justice	Weighted	0,1	2021 Q2 – Present (Continued as rji_a_5_1_acknwdg_ej_cj)
		(2) Abides by Environmental Regulations (Since 2015)	Weighted	-5,-4,-3,-2,-1,0	2021 Q2 - 2024 Q3
		(2) Abides by Environmental Regulations (5 year look back)	Weighted	-5,-4,-3,-2,-1,0	2024 Q3 – Present (Continued as rji_a_5_2_abides_ej_regs_5yr)
		(3) Environmental Fines and Penalties (Since 2015)	Weighted	-6,-5,-4,-3,-2,-1,0	2021 Q2 – 2024 Q3
		(3) Environmental Fines and Penalties (5 year look back)	Weighted	-6,-5,-4,-3,-2,-1,0	2024 Q3 – Present (Continued as rji_a_5_3_env_fines_penalties_5yr)
		(4) Adverse Effects to BIPOC Communities (Since 2010)	Weighted	-5,-4,-3,-2,-1,0	2021 Q2 - 2024 Q3
		(4) Adverse Effects to BIPOC Communities (5 year look back)	Weighted	-5,-4,-3,-2,-1,0	2024 Q3 – Present (Continued as rji_a_5_4_neg_effects_bipoc_cmnty_5yr)

APPENDIX D – Detailed Methodology for Racial Justice Initiative Key Performance Indicators (2024 and Previous)

Pillar 1: Racial Justice Statement

This pillar is composed of two metrics that examine a company's statements addressing racial justice .

- *Racial Justice Statement*: Looks at if a company had posted a statement on racial justice in between May 2020 and Dec 2022. The scoring is as follows:
 - Yes, the company issued a racial justice statement. (1)
 - No, the company did not issue a racial justice statement. (0)
- *Statement Post Location*: Looks at where such a company statement was posted. The metric considers if the statements was located on the company's website, its social media accounts, or another third-party website. The scoring is as follows:
 - The statement was posted to the company's own website. (5)
 - The statement was posted to a third-party website (including the company's social media account(s)). (3)
 - The company did not post a statement. (0)

Pillar 2: Corporate Responsibility

This pillar is composed of two metrics that examine if the top executives of a company take responsibility for racial discrepancies within the company, as well as if People of Color (POC) are a critical part of the decision-making process.

- *CEO Responsibility*: Looks at if a CEO took personal responsibility for racial disparities within their company.
 - The CEO of the company took responsibility for racial disparities in company through a statement, or as a signee on a related pledge. (5)
 - The CEO of the company failed to take responsibility for racial disparities in company. (0)
- *Solicits Input from, and Provides Resources to, Black Employees*: Looks at if the company states that black employees are listened to and have their concerns heard (for example by providing "listening session" or having Employee Resource Groups focusing on racial diversity).
 - The company does not state that black employees are regularly listened to. (0)
 - The company does state that black employees of color are regularly listened to. (1)

Pillar 3: Acknowledgement of Key Terms

This pillar is composed of five different performance metrics and examines the details within the company's racial justice statement from May 2020 through Dec 2022. The content sought is concrete terminology such as victim naming, referencing relevant organizations, calling for criminal justice reform, acknowledging systemic racism, and antiracism.

- *Names Victims of Police Violence*: Examines if a company names victims of police violence in statements made on racial justice.
 - The company names victims of police violence. (1)
 - The company does not name victims of police violence. (0)
- *States Black Lives Matter*: Examines if a company states that Black Lives Matter in statements made on racial justice.

- The company states that Black Lives Matter. (1)
- The company does not state that Black Lives Matter. (0)
- The company does not have a racial justice statement. (0)
- ***Calls for Criminal Justice Reform:*** Examines if a company calls for criminal justice reform in statements made on racial justice or has signed petitions to that effect.
 - The company calls for criminal justice reform. (1)
 - The company does not call for criminal justice reform. (0)
 - The company does not have a racial justice statement. (0)
- ***Acknowledges Systemic Racism:*** Examines if and how a company acknowledges systemic racism.
 - The company does not acknowledge racism. (0)
 - The company acknowledges pervasive racism or similar types of racism, but stops short of mentioning “systemic racism”. (3)
 - The company acknowledges systemic racism. (5)
 - The company does not have a racial justice statement. (0)
- ***Identifies as Antiracist:*** Examines if and how a company identifies with respect to antiracism.
 - The company identifies as antiracist. (5)
 - The company does not identify as antiracist. (0)

Pillar 4: DEI Department

This pillar is composed of two metrics that are indicative of the company’s internal presence of a Diversity, Equity and Inclusion (DEI) team, as well as whether there is a DEI leader position in the company.

- ***Internal DEI Department:*** Examines if a company has an internal DEI department or initiatives.
 - The company has an internal DEI department. (1)
 - The company does not have an internal DEI department. (0)
- ***DEI Leader Title:*** Examines if a company has an internal DEI leadership role with explicit titles.
 - (5) C-suite (title should mention “diversity”, inclusion” or the like)
 - (4) VP
 - (3) Director / Head
 - (2) manager/ leader
 - (1) contractor/ consultant
 - The company does not have a DEI leader position. (0)

Pillar 5: DEI Data

This pillar is composed of eight metrics and examines the presence of, and the quality of a company’s Diversity, Equity and Inclusion (DEI) data.

- ***Workforce Composition:*** Examines if a company discloses any information on the composition of its workforce.
 - The company discloses information relating to the composition of its workforce. (1)
 - The company does not disclose information relating to the composition of its workforce. (0)
- ***Pay Equity:*** Examines if a company published information on pay equity focused on race.
 - (2) The company discloses the mean and median pay gap by race/ethnicity.
 - (1) The company discloses the mean or median pay gap by race/ ethnicity.

- (0) The company discloses no information relating to racial/ ethnic pay equity.
- *Promotion Rates:* Examines if a company published information regarding promotion rates of employees and their diverse characteristics.
 - (7) The company has disclosed promotion rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (6) The company has disclosed promotion rates for six of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (5) The company has disclosed promotion rates for five of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (4) The company has disclosed promotion rates for four of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (3) The company has disclosed promotion rates for three of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
 - (2) The company has disclosed promotion rates for two of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
 - (1) The company has disclosed promotion rates for one of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
 - (0) The company discloses no information relating to promotion rates for any of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan,) Pacific Islander/Native Hawaiian, Two or More Races.
- *Recruitment & Hiring Rates:* Examines if a company published information regarding recruitment rates of employees and their diverse characteristics.
 - (7) The company has disclosed the recruitment or hiring rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (6) The company has disclosed recruitment or hiring rates for six of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (5) The company has disclosed the recruitment or hiring rates for five of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (4) The company has disclosed the recruitment or hiring rates for four of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (3) The company has disclosed the recruitment or hiring rates for three of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.

- (2) The company has disclosed the recruitment or hiring rates for two of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- (1) The company has disclosed the recruitment or hiring rates for one of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- (0) The company discloses no information relating to the recruitment rates for any of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- **Retention & Turnover Rates:** Examines if a company published information regarding retention rates of employees and their diverse characteristics.
 - (7) The company has disclosed retention or turnover rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (6) The company has disclosed retention or turnover rates for six of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (5) The company has disclosed retention or turnover rates for five of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (4) The company has disclosed retention or turnover rates for four of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (3) The company has disclosed retention or turnover rates for three of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (2) The company has disclosed retention or turnover rates for two of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (1) The company has disclosed retention or turnover rates for one of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (0) The company has disclosed retention or turnover rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- **Explicit Diversity Goals:** Examines whether or not a company has explicit diversity and inclusion metrics.
 - The company does have explicit goals regarding diversity and inclusion. (1)
 - The company does not have explicit goals regarding diversity and inclusion. (0)
- **EEO-1 Data Released:** Examines whether or not a company has disclosed their EEO-1 documents.
 - The company has disclosed their EEO-1 form. (1)
 - The company has not disclosed their EEO-1 form. (0)
- **Supply Chain Diversification:** Examines if a company promises a racially diverse supply chain.

- The company has solid timetables for improving an already diverse supply chain program and showing quantifiable action to diversify. (5)
- The company already has a diverse supply chain program in place but offers no promise or timetable to increase diversity. (3)
- The company does not mention diversity in their supply chain or a supplier diversity program. (0)

Pillar 6: External Actions

This pillar is composed of three metrics outlining cash donations towards racial justice, community engagement and involvement on the issue, as well as advertising on hate-promoting platforms.

- *Community Engagement on Racial Justice:* Examines whether a company engages with communities of color to further racial justice.
 - Company actively engages with communities of color to further racial justice. (1)
 - Company does not engage with communities of color to further racial justice. (0)
- *Racial Justice Donations:* Examines the donations made by the company to further racial justice. This donation total is looked at in relation to a company's market capitalization.
 - Annual donations comprising 5% or more of the company's market cap (5)
 - Annual donations comprising 4% of the company's market cap (4)
 - Annual donations comprising 3% of the company's market cap (3)
 - Annual donations comprising 2% of the company's market cap (2)
 - Annual donations comprising 1% or less of the company's market cap (1)
 - The company has made no donations (0)
- *Hate Speech Accountability:* Examines if a company is proactively involved in profiting from or furthering the spread of hate speech.
 - 2023 Q3 - Present
 - no evidence that the company is involved in hate speech (0)
 - the company is involved in/ supports/ furthers the spread of hate speech (-1)
 - Through 2023 Q2
 - The company discontinued advertising on Fox News / NewsMax. (1)
 - The company has no known advertising on Fox News / NewsMax. (0)
 - The company has advertising on either Fox News or NewsMax. (-1)
 - The company has advertising on Fox News and NewsMax. (-2)
- *Third-Party Racial Equity Audit:* Examines if the company has conducted an independent/ third-party Civil Rights or Racial Equity audit
 - The company has not conducted a Civil Rights or Racial Equity audit. (0)
 - The company has agreed to conduct a Civil Rights or Racial Equity audit or is in the process of conducting an audit. (3)
 - The company has completed a Civil Rights or Racial Equity audit and has made the results publicly available (5).

Pillar 7: Environmental Justice

This pillar is composed of four different metrics that look at a company's environmental justice track record. This is done through the examination of environmental violations, fines and general business practices.

- *Acknowledgement of Environmental Justice*: Examines if a company has a statement published addressing and acknowledging the key term “Environmental Justice”.
 - The company has a statement addressing and acknowledging “environmental justice”. (1)
 - The company has no statement addressing and acknowledging “environmental justice”. (0)
- *Abides by Environmental Regulations (5 Year Look Back)*: Examines how many times a company has violated environmental regulations in the US for the past five years. Superfund sites add an additional -1 point.
 - The company and its subsidiaries have no environmental violations. (0)
 - The company and its subsidiaries have between 1 and 25 environmental violations. (-1)
 - The company and its subsidiaries have between 26 and 50 environmental violations. (-2)
 - The company and its subsidiaries have between 51 and 75 environmental violations. (-3)
 - The company and its subsidiaries have between 76 and 100 environmental violations. (-4)
 - The company and its subsidiaries have over 100 environmental violations. (-5)
- *Environmental Fines and Penalties (5 Year Look Back)*: Examines the amount of environmentally related fines and penalties, or criminal charges that a company has on record for the past five years.
 - The company and its subsidiaries does not have any environmental fines, superfund sites, or related criminal charges. (0)
 - The company and its subsidiaries has environmental fines totaling up to \$1,000,000. (-1)
 - The company and its subsidiaries has environmental fines totaling more than \$1,000,000 but less than \$5,000,000. (-2)
 - The company and its subsidiaries has environmental fines totaling more than \$5,000,000 and less than \$10,000,000. (-3)
 - The company and its subsidiaries has environmental fines totaling more than \$10,000,000. (-4)
 - The company has related criminal charges. (Additional -1)
 - The company has Superfund sites. (Additional -1)
- *Adverse Effects to BIPOC Communities (5 Year Look Back)*: Examines the impact that companies have had on communities of Black and Indigenous People of Color (BIPOC). This metric considers custom practices of the various sectors that make up the Russell 1000. Each sector is assigned five sector-specific subject areas that are typically associated with this sector’s business outcomes. A company can yield up to five negative points (-5), one for each subject-area. If a company’s business practices can’t be proven to have negative effects on BIPOC communities, that company receives a zero (0). Only reputable sources that provide measurable data are being used.

Communication Services

- Racially Targeted advertising. (-1)
- Exclusionary products (e.g., AI, facial recognition, surveillance). (-1)
- Supports, profits from, or furthers the spread of hate speech. (-1)
- Pay inequity, inequality, or wage disparities. (-1)

- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Consumer Discretionary

- Racially targeted advertising. (-1)
- Racially targeted locations. (-1)
- Environmental Justice scandals or lawsuits with BIPOC communities. (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Consumer Staples

- Racially targeted advertising. (-1)
- Exclusionary products (-1)
- Environmental Justice scandals or lawsuits with BIPOC communities. (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Energy

- Disproportionate climate impacts on BIPOC communities. (-1)
- Unequal distribution of basic amenities by race (e.g., access to energy, clean water, electricity, utilities). (-1)
- Environmental Justice scandals or lawsuits with BIPOC communities. (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Financials

- Engages in predatory lending practices (e.g., payday lending, subprime mortgages) (-1)
- Engages in discriminatory lending practices (e.g., racial lending bias, credit scoring, higher interest rate credit cards, mortgages) (-1)
- Unequal access to financial services. (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Health Care

- Unequal access to health care by race. (-1)
- Fails to support racial diversity in clinical trials and product testing. (-1)
- Limited opportunities for professional growth for BIPOC.
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Industrials

- Disproportionate climate impacts on BIPOC communities. (-1)
- Unequal distribution of basic amenities by race (e.g., access to energy, clean water, electricity, utilities). (-1)
- Environmental Justice scandals or lawsuits with BIPOC communities. (-1)

- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Information Technology

- Unequal access to technology products or services. (-1)
- Exclusionary products (e.g., AI, facial recognition, surveillance) (-1)
- Supports, profits from, or furthers the spread of hate speech. (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Materials

- Disproportionate climate impacts on BIPOC communities. (-1)
- Unequal distribution of basic amenities by race (e.g., access to energy, clean water, electricity, utilities). (-1)
- Environmental Justice scandals or lawsuits with BIPOC communities. (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Real Estate

- Engages in redlining practices (e.g., racially bias appraisals). (-1)
- Unequal access to real estate services (e.g., brokers, lenders, appraisers)
- Discriminatory buying behaviors (e.g., furthering gentrification). (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

Utilities

- Disproportionate climate impacts on BIPOC communities. (-1)
- Unequal distribution of basic amenities by race (e.g., access to energy, clean water, electricity, utilities). (-1)
- Environmental Justice scandals or lawsuits with BIPOC communities. (-1)
- Pay Inequity, inequality, or wage disparities. (-1)
- Racial discrimination actions (e.g., lawsuits, arbitration, scandals). (-1)

ⁱ NAACP, *Fossil Fueled Foolery*, April 2021, NAACP Environmental and Climate Justice Program, <https://naacp.org/resources/fossil-fueled-foolery-20>