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Advisory Partners

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# Arjuna Capital Releases the Fifth Annual Racial and Gender Pay Scorecard

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On March 14, 2022, Arjuna Capital, an investment firm focused on sustainability and impact investing, released their [Fifth Annual Racial and Gender Pay Scorecard](#), which ranked 57 companies based on gender and racial pay equity disclosure, performance, and commitments. This scorecard seeks to educate companies, investors, and the public on the racial and gender pay equity landscape and target areas where companies can improve. The 57 companies, all within the finance, technology/communications, consumer, and healthcare sectors, have been previously engaged by investors through the shareholder proposal process regarding their practices, policies, and goals to reduce any racial and/or gender pay gaps.

Seven of the 57 companies received an “A” including Adobe, American Express, Bank of NY Mellon, Citigroup, Mastercard, Pfizer and Starbucks. These companies were graded across five categories: racial pay gap, gender pay gap, UK pay gap, coverage, and commitment. An “A” result reflects not only a narrowing racial and gender pay gap, but also robust disclosure and commitment to improving the pay gap over time.

## Historic Results of Racial and Gender Pay Scorecard

	2018	2019	2020	2021	2022
# of Cos. Covered	33	46	50	51	57
Highest Score	Apple	Citigroup	Starbucks	Mastercard	Pfizer
Grades	No. of Cos (%)				
A	6 (18%)	1 (2%)	3 (6%)	5 (10%)	7 (12%)
B	9 (27%)	9 (20%)	10 (20%)	11 (21%)	9 (16%)
C	5 (15%)	12 (26%)	10 (20%)	6 (12%)	11 (19%)
D	2 (6%)	1 (2%)	3 (6%)	3 (6%)	6 (11%)
F	11 (34%)	23 (50%)	24 (48%)	26 (51%)	24 (42%)

Arjuna Capital introduced racial pay equity in their scorecard beginning in the 2021 report. Previously, the scorecard covered only gender pay. The large year-over-year change in the number of companies receiving an “A” score in 2018 versus 2019 is due to company disclosure of the adjusted pay gap and median pay gap. In 2018, no companies reported both adjusted and median pay, whereas in 2019, Citigroup was the first, and only, company to disclose both measurements.

Since the first scorecard published five years ago, an “A” score has been awarded approximately 10% of the time, on average. An “F” score, however, has been awarded approximately 40% of the time, signaling that there is still room for improvement in pay equity analysis and reporting.



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