



4 Workplace Culture

PolicyLink

FSG REIMAGINING SOCIAL CHANGE

JUST capital

Disclaimer and Permissions

This is a living document intended to facilitate public feedback on draft business standards (the “draft standards”) developed by the Corporate Racial Equity Alliance (the “Alliance”), an initiative by PolicyLink, FSG, and JUST Capital. The primary goals of the draft standards are to promote and support the improved sustainability performance of U.S. businesses related to social issues, including advancing equity and inclusion, eliminating bias and discrimination, and ensuring equal opportunities for all, regardless of race, gender, ethnicity, socioeconomic status, or any other social category or characteristic protected by applicable law. The draft standards do not call for and should not be read as recommending or requiring businesses to make employment or other decisions based on any protected characteristic in violation of applicable law. Any such application constitutes a misuse of the draft standards.

The draft standards are the product of a multi-year process informed by, and incorporating, broad stakeholder feedback through multiple consultations. The draft standards are not final and remain subject to further review and revision. The draft standards were created based on a snapshot in time. Laws relating to these draft standards may evolve overtime. The Alliance makes no representations or warranties concerning any changes in laws or legal precedent as it relates to these draft standards and is not providing any legal advice. Although all information in the draft standards was obtained from sources believed to be reliable, no representations or warranties, express or implied, are made as to their accuracy or completeness. The Alliance shall not be liable for any claims or lawsuits from any third parties arising from the use or distribution of the draft standards. The draft standards are for distribution only under such circumstances as may be permitted by applicable law.

Permission to access and use the draft standards is solely for members of the public to review, evaluate, and comment on the draft standards. This permission will expire upon the launch of the final standards. Except as stated above, no other right is granted with respect to the draft standards.

Learn more about the Alliance and the draft standards in our latest report, *Introducing the Business Standards for 21st Century Leadership: Public Consultation Report and Draft Standards* available at <https://corporateraciaequityalliance.org/corporate-standards>.

4 Workplace culture fosters inclusion and belonging for all.




Requirement

■ Cultivate and maintain a workplace culture of inclusion and belonging for all workers.

Performance Targets

- P4.1** A formal anti-bias and anti-racism policy is adopted and operationalized.
- P4.2** An anonymous reporting and communication channel is implemented for direct workers to raise issues.
- P4.3** Cultural norms embodying equity, inclusion, and belonging are adopted and operationalized.
- P4.4** Workers across demographic groups report feeling safe and a strong sense of fairness, inclusion, and belonging at work.
- P4.5** Voluntary separation rates across demographic groups are steadily decreasing if not already low.
- P4.6** Workforce controversies are rare and addressed promptly and effectively.

Associated Equity Outcomes

-  Balanced Power
-  Health and Well-Being
-  Inclusive Representation and Narrative Change

Key Connections

- SDGs 3, 8, and 10
- ESRS S1
- IFRS S1
- UNGPs 15, 16, 17(b), 19, 20(b), 21, 22, 24, 28, 29, and 31

Business and Societal Value Proposition

Nurturing an organizational culture where the workforce feels safe, meaningfully heard, and able to give their best is vital to business success.

It is also one of the most effective ways to invest in and retain a diverse workforce. This involves building a culture that is equitable, inclusive, and fosters belonging for all—from championing inclusive working norms to adopting practices that combat discrimination and exclusion.

The imperative to cultivate a culture of inclusion and belonging is profound. In one study, [51% of women from marginalized racial and ethnic groups](#) experienced racism in their current workplace and the numbers are higher for women with darker skin tones, queer women, and transgender women. Inequitable and noninclusive workplace cultures [negatively affect the health of workers](#), [hamper productivity](#), and [increase costs for companies](#), including costs due to absenteeism, attrition, and discrimination claims. Underinvesting in culture may also undermine investments in workforce diversity and negatively impact trust among current and prospective talent.

Investing in a workplace culture that fosters inclusion and belonging, on the other hand, supports companies in becoming [an employer of choice for all](#), better meets the expectations of [today's belief-driven workforce](#), and [increases business resilience, especially in tough economic times](#).

The performance targets for this Standard therefore focus on adopting essential policies and practices that help foster a culture of inclusion and belonging, plus key measures that help illuminate whether the company is on the right track. Other key aspects of culture are also in Standards 1, 2, 3, 5, 6, and 12.

CORPORATE RACIAL EQUITY ALLIANCE

PolicyLink

FSG REIMAGINING SOCIAL CHANGE

JUST capital