

INTRODUCING THE

Business Standards for 21st Century Leadership:

Public Consultation Report
and Draft Standards

MAY 2024

CORPORATE RACIAL EQUITY ALLIANCE

PolicyLink

FSG REIMAGINING SOCIAL CHANGE

JUST capital



Disclaimer

This report is 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.

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Acknowledgments

The Alliance is deeply grateful to the many individuals and organizations that have contributed to shaping the draft standards over the past three years through stakeholder consultations and corporate pilots. The Alliance is also indebted to our broad ecosystem of partners and the countless individuals and organizations across sectors whose innovative and courageous research, advocacy, and leadership on social issues have paved the way for this work and demonstrated the powerful role all institutions have in combating inequality. The Alliance continues to learn and draw inspiration from the field and looks forward to continued collaboration.

Alliance Founding Members

PolicyLink is a national research and action institute dedicated to advancing racial and economic equity by Lifting Up What Works®. For over two decades, PolicyLink has been dedicated to amplifying the expertise, wisdom, and resilience of people of color and low-income communities to make our social and economic systems work for all people.

Learn more at
<https://www.policylink.org/>.

FSG is a global nonprofit consulting firm that partners with foundations and corporations to create equitable systems change. Through customized consulting services, innovative thought leadership, and learning communities, FSG is working to create a world where everyone can live up to their full potential.

Learn more at
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JUST Capital is an independent nonprofit with a mission to tackle the most pressing social challenges of our time by galvanizing the collective power of corporate America and the private sector. Guided by the priorities of the public, JUST tracks, measures, and helps to improve corporate performance on the most important stakeholder issues.

Learn more at
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Executive Summary

The opportunity ahead for businesses

All institutions have a role to play in building a society where everyone can enjoy a dignified standard of living for themselves and their families, live in healthy communities of opportunity, and access what they need to thrive.

Alongside civil society and government, businesses have a leading role in making this positive future a reality. In 2023 alone, the private sector contributed \$22.3 trillion in real GDP to the U.S. economy, representing 88% of total real GDP.¹ With such tremendous influence over our economy and society, the private sector holds unparalleled potential to bring about a better world.

By advancing equity and inclusion, combating discrimination, and adopting socially responsible business practices across the enterprise, businesses can better meet the needs and expectations of all their stakeholders—their workers, their customers and suppliers, the communities in which they operate, their shareholders, and society-at-large. Doing so not only has the power to advance economic inclusion, well-being, and shared prosperity, but also can strengthen business resilience, support competitiveness, and contribute to the greater stability, health, and dynamism of our economy.

The imperative to do so has never been greater, with economic inequality growing, the climate crisis worsening, and polarization deepening. Yet the operating environment for businesses is particularly fraught right now. In the best of times, advancing equity, inclusion, and socially responsible business practices is hard work. In today's environment—in particular, in the midst of the politicization, misinformation, and bad-faith legal attacks on diversity, equity, and inclusion (DEI) and sustainability efforts—this work has never been harder.

Founded by PolicyLink, FSG, and JUST Capital, the Corporate Racial Equity Alliance (the “Alliance”) is dedicated to supporting businesses in meeting this challenging moment and achieving their highest potential. Together with a broad ecosystem of partners, we have undertaken a multi-year effort to develop the corporate performance standards discussed in this report, entitled the Business Standards for 21st Century Leadership (the “Performance Standards”).

The private sector contributed \$22.3 trillion in real GDP to the U.S. economy in 2023 (88% of total real GDP) and employed 134 million workers by the end of 2023. No other sector has as much influence over our economy and society and no other sector has as much *promise* to bring about a better world.

For businesses, market relevance, competitiveness, and sustainability are on the line:

- Our society is the most diverse in the world and it is growing even more richly diverse, with the U.S. set to become a majority people-of-color nation by 2045.² **Understanding and meeting the needs of a population with increasingly diverse perspectives and backgrounds is a matter of business relevance and competitiveness.**
- In addition, **study after study has shown that advancing equity, inclusion, and socially responsible business practices is a source of strength and resilience for businesses, especially in challenging economic times.** For example, in a study of the 2008 Great Recession, companies that stayed the course in their diversity and inclusion efforts flourished financially, outperforming other companies by 400%.³
- And to successfully meet today's sustainability challenges and those that are assuredly to come, **adopting business strategies that are people and planet centric is essential.** Proactively integrating equity, inclusion, and social responsibility into how business is done is the most pragmatic way of doing so.

Informed by extensive research, a broad team of subject matter and technical experts, multiple corporate pilots, and consultations with hundreds of people from all walks of life, the standards aim to give businesses a common language and clear roadmap to advance equity and inclusion, combat discrimination, and embody the best of socially responsible business within their four walls, within communities, and across society.

The Performance Standards meet this moment and aim to stand the test of time by focusing on fundamentals: (1) addressing structural barriers to equal opportunity and (2) defining the level of business performance that meets the needs and expectations of all corporate stakeholders.

When we embarked on this effort over three years ago, our research illuminated the need for greater breadth and depth in corporate efforts to



advance equity and inclusion. Today, we continue to see businesses struggle to operationalize this work across the entire enterprise.

The Performance Standards will help business leaders navigate the pressing issues that are already top of mind for many, such as how to attract top talent in an increasingly diverse society; ensure everyone has a fair shot to advance in their careers and build a better life regardless of their background; unlock new market opportunities; effectively engage with and invest in communities; protect the most vulnerable from the impacts of climate change; foster a stable and vibrant democracy; and much more. In essence, the standards are a tool for business leadership in the 21st century.

The Performance Standards will also support other stakeholders, including investors, workers, consumers, civil society organizations, and the public in their efforts to influence corporate priorities on equity, inclusion, and socially responsible business.

Since releasing our standards development approach and methodology in 2022,⁴ we have engaged with hundreds of stakeholders, refined and strengthened our approach, and completed our initial development of the standards. This report marks the next key milestone in our work: the opportunity to share the draft standards for broad public feedback.

This report is organized in five sections.

- **Section 1** includes an overview of the Alliance and our rationale for developing the standards.
- **Section 2** includes an overview of our development process, a summary of the results of our 2022 public comment period and key updates since then.
- **Section 3** shares how the standards are governed, including a summary of our governance charter and plans to establish an advisory committee.
- **Section 4** outlines our implementation plans for the final standards in 2025, including a digital platform and membership program for companies and practitioners, as well as other use cases for the standards.

- **Section 5** (as well as the closing of this Executive Summary), shares how you can get involved in the current public comment period to lend your voice in shaping the standards.

We are releasing the full text of the draft standards, including robust guidance and resources, in two phases. The first eight draft standards are released concurrently with this report and focus on building a strong foundation and protecting the value creation engine—specifically, corporate governance and leadership accountability, internal infrastructure, leadership skills, workplace culture, workforce and board diversity, job quality, products and services, and the value chain.

In September 2024, we will release and seek public feedback on the remaining six standards, which are focused on community and societal impacts—from sustainability strategies to civic and political engagement. We hope this phased release and extended comment period supports stakeholders in engaging more deeply across all the standards.

The following pages provide an overview of the draft standards. Individually and collectively, they represent the vital levers for companies to advance equity and inclusion, combat discrimination, and embody the best of what it means to be a socially responsible business.



The Business Standards for 21st Century Leadership

14 standards supporting positive outcomes for businesses and all their stakeholders.

Collectively, the standards unlock greater potential, mitigate business risk, and support meeting the needs of all stakeholders.

Within the company


BUILD A STRONG FOUNDATION

-  1 Governance and Leadership
-  2 Internal Infrastructure
-  3 Leadership and Board Skills
-  4 Workplace Culture

Standards 1 to 4 focus on building a strong foundation within the company, from strengthening corporate governance to investing in internal infrastructure, leadership skills, and workplace culture.

Within the company

PROTECT THE VALUE CREATION ENGINE

-  5 Workforce and Board Diversity
-  6 Job Quality
-  7 Products and Services
-  8 Value Chain

Standards 5 to 8 focus on protecting the value creation engine, from cultivating workforce well-being to inclusive products and services and a socially responsible value chain.

Within the community

BE A GOOD NEIGHBOR

-  9 Climate and Environment
-  10 Community Engagement
-  11 Corporate Philanthropy

Standards 9 to 11 focus on communities and being a good neighbor, from proactive community engagement to fostering thriving communities, mitigating climate impacts, and being a responsible steward of our natural resources.

Across society

BE AN ENGAGED CORPORATE CITIZEN

-  12 Communications
-  13 Civic and Political Engagement
-  14 Investments, Profits, Tax, and Treasury

Standards 12 to 14 focus on societal impact and being an engaged corporate citizen, from activating the power of communications to responsible civic engagement and advancing shared prosperity.

Standards 1-4

Within the company
BUILD A STRONG FOUNDATION

[DOWNLOAD THESE DRAFT STANDARDS HERE](#)

1 Governance and Leadership

Equity, inclusion, and social responsibility are integrated in governance and leadership accountability

- P1.1** Corporate purpose
- P1.2** Board and committee charters
- P1.3** Board oversight
- P1.4** Senior leadership accountability

2 Internal Infrastructure

Internal infrastructure is established for long-term success

- P2.1** Enterprise-wide resources
- P2.2** Coordination and alignment
- P2.3** Accessible spaces for all
- P2.4** Data disaggregation and analytics
- P2.5** Human rights assessments
- P2.6** Independent civil rights audit

3 Leadership and Board Skills

Senior leaders and Board members possess the skills to advance equity, inclusion, and socially responsible business

- P3.1** Board education
- P3.2** Senior leadership development
- P3.3** Senior leadership experience of non-managerial roles
- P3.4** Fostering equity, inclusion, psychological safety, and belonging for all

4 Workplace Culture

Workplace culture fosters inclusion and belonging for all

- P4.1** Anti-bias and anti-racism policy
- P4.2** Anonymous reporting and communication channel
- P4.3** Culture code
- P4.4** Culture and engagement surveys
- P4.5** Attrition rates
- P4.6** Workforce controversies

SNAPSHOT OF

Standards 5-8

Within the company
PROTECT THE VALUE CREATION ENGINE

[DOWNLOAD THESE DRAFT STANDARDS HERE](#)

5 Workforce and Board Diversity

The company has a diverse workforce and Board across race, ethnicity, gender, and other demographics

- P5.1** Recruitment practices
- P5.2** Hiring practices
- P5.3** Talent management systems
- P5.4** Retention and turnover
- P5.5** Promotions and internal hiring
- P5.6** Senior leadership opportunities
- P5.7** Board composition

6 Job Quality

The company provides quality jobs at all levels

- P6.1** Living wages for all
- P6.2** Essential benefits for all
- P6.3** Pay equity
- P6.4** Fair pay and rewards
- P6.5** Worker empowerment
- P6.6** Worker expertise in the boardroom
- P6.7** Worker collective action

7 Products and Services

Products and services are equitable, inclusive, and socially responsible

- P7.1** Product/service design, development, and lifecycle
- P7.2** Essential products and services
- P7.3** Customer & end user controversies
- P7.4** Business model red flags

8 Value Chain

The company promotes a diverse and socially responsible value chain

- P8.1** Procurement policy
- P8.2** Code of conduct for suppliers, business partners, and vendors
- P8.3** Fair business opportunities
- P8.4** Value chain controversies

SNAPSHOT OF

Standards 9-11

Within the community
BE A GOOD NEIGHBOR

COMING SOON!
JOIN OUR NEWSLETTER FOR
THE LATEST UPDATES

9 Climate and Environment

The company fosters a healthy climate, clean environment, and resource rich planet

- P9.1** Just transition principles
- P9.2** Clean and safe environment
- P9.3** Emissions and natural resource use
- P9.4** Restoring nature

10 Community Engagement

The company supports thriving, diverse communities

- P10.1** Community engagement
- P10.2** Shared power and prosperity from economic development
- P10.3** Mitigate gentrification, segregation, and displacement
- P10.4** Community controversies
- P10.5** Reckoning and repair

11 Corporate Philanthropy

The company stewards philanthropic resources to address inequality

- P11.1** Combat bias in philanthropic giving
- P11.2** Invest in addressing inequality
- P11.3** Trust-based philanthropy



SNAPSHOT OF

Standards 12-14

Across society

BE AN ENGAGED CORPORATE CITIZEN

COMING SOON!
JOIN OUR NEWSLETTER FOR
THE LATEST UPDATES

12 Communications

Internal and external communications are inclusive, authentic, and purposeful

- P12.1** Inclusive communications
- P12.2** Avoid equity-washing and green-washing
- P12.3** Plan for successes and challenges

13 Civic and Political Engagement

Civic and political engagement is socially responsible and advances shared prosperity

- P13.1** Responsible public policy engagement
- P13.2** Train key leaders and teams
- P13.3** Political spending
- P13.4** Protect our democracy

14 Investments, Profits, Tax, and Treasury

Investments, profit distributions, and tax and treasury practices are socially responsible and advance shared prosperity

- P14.1** Investment policies and practices
- P14.2** Tax approaches
- P14.3** Profit distribution
- P14.4** Treasury policies and practices



The Performance Standards comprise a living document.

We are releasing the standards in draft form because stakeholder engagement is core to our development effort. Over the course of this year, we expect to continue refining and strengthening the standards based on public feedback and through ongoing research.

In addition, we are concurrently conducting a six-month pilot with a cohort of 12 public and private companies, across the retail, tech, health care, food and beverage, transportation, and financial services industries. The companies are primarily medium-to-large, with employees ranging from 500 to over 100,000.

Over the past three-and-a-half years, we have also engaged with over 500 stakeholders within and outside of business. And, through the current public comment period, we aim to engage between 300 and 600 more stakeholders.

Even with all of our efforts thus far, we know we have more work to do to ensure the standards are impactful and can meaningfully support companies in achieving lasting positive change—from fine-tuning the breadth of guidance in each standard to ensuring companies of all sizes and types can make steady progress across the standards over time.

We look forward to continuing to engage with stakeholders in strengthening this work. The field of standards setting on social issues is emergent, and working together in partnership across sectors will be the key to our collective success.

500+
people engaged in
our work to date



The standards are about long-term strategic investments in business success

■ No single solution

No single performance target should be seen as a standalone solution or quick fix. Instead, the performance targets are interrelated and mutually reinforcing. Think of the standards as a **recipe for success**, supporting businesses in strengthening existing efforts, protecting hard-won progress, and stretching toward even greater positive impact across the enterprise.

■ Progress is not linear and neither are the standards

While all the standards and targets are numbered, adopting the standards is not a linear process. To support companies in determining the best path toward achieving all 14 standards, we are developing multiple pathways to make progress over time based on key factors such as company size, industry, and annual revenues. Get a sneak peek of the adoption pathways on our May 2024 standards release webinar ([registration and recording available here](#)) and stay tuned for their release in 2025 with the final standards.

■ Pro-business + pro-people + pro-planet

The standards are unabashedly pro-business, pro-people, and pro-planet—recognizing that economic growth and the pursuit of profit are best **when balanced** with fostering the well-being of all people and our planet. This is the essence of a sustainable business and what 21st century business leadership calls for.

■ Actionable goals for every part of the business

Performance is at the heart of the standards. Not only does each standard provide clear goals to aim for, each also includes robust guidance to get started and make steady progress over time. The comprehensive scope of the standards also aims to ensure the entire enterprise is rowing in the same direction.

Collectively, the standards embody what combating discrimination means in practice, what advancing equity and inclusion look like in action, and what socially responsible business means at its best.





■ Expanding our scope, while staying true to our original design

From day one of our effort, we have centered the nearly 100 million people in America experiencing economic insecurity as the primary beneficiaries of this work to ensure no one is left behind and everyone can thrive and achieve their full potential. That includes people from all walks of life and with multiple identities, across race, ethnicity, gender, sexual orientation, disability, and age, to name a few. (See Appendix 1 for a profile of the members of the 100 million.)

As we developed the standards with the members of the 100 million in mind, the need to broaden the scope of our work to ensure no one gets left behind became very clear. Our living wage standard, which calls for 100% of workers to be paid a living wage, is one example of this.

First released in our 2022 public comment period, the living wage standard is deeply informed by the significant barriers to upward mobility experienced predominantly by people of color and women—especially, women of color. However, the standard is broadly applicable to **all workers**, recognizing that people from all walks of life and with multiple identities experience economic insecurity.

The draft standards released with this report stay true to that design: they are informed by the structural barriers experienced by members of the 100 million and they are broadly applicable to ensure they stand the test of time and no one is left behind.

Accordingly, each standard promotes and supports advancing equity and inclusion, combating discrimination, and ensuring equal

opportunities **for all**, across race, ethnicity, gender, sexual orientation, disability, age, socioeconomic status, and any other social category or protected characteristic. In this way, we aim to establish new business norms with lasting power—whether adopted today, or tomorrow, or 10 years from now.

While we do not take this broadened scope lightly, it meets the foundational purpose and design of our effort and establishes the necessary scaffolding for companies to meaningfully focus on intersectionality, a consistent request of stakeholders across multiple engagement channels over the years.

Learn more, in Section 2 of this report, about the steps we have taken and will continue to take to hold true to our original goals, deliver on the expanded scope, and combat unintended consequences.

We believe in the power of the American economy, and we believe it can work better. For businesses to thrive for generations to come, advancing equity, inclusion, and socially responsible business practices is an imperative—not only to meet the needs of workers, consumers, and communities, but also to cultivate a strong labor force, increase business resilience and competitiveness, protect sustainable value creation, and secure a stable economy and democracy.

With a focus on the fundamentals and leaving no one behind, the standards address the contemporary performance challenges of U.S. businesses and are well positioned to counter any retreat in DEI and sustainability efforts.

Your Voice Matters

Join us in shaping the standards

Alongside testing with companies and ongoing research, we invite all stakeholders to join us in continuing to shape the Performance Standards. Incorporating feedback from people from all walks of life and across sectors is essential to ensure these standards are impactful and can meaningfully support companies in achieving lasting positive change.

We hope to hear from anyone who has a stake in these standards. This includes workers, investors, business leaders, business advisors, young people, civil society, community leaders, consumers, under- and unemployed people, standards setters, academics, public leaders, and you!

■ Ways to lend your voice to shape the standards

1. Download the draft standards

View the full report for more about our work and download the standards.

[DOWNLOAD THE DRAFT STANDARDS HERE](#)

2. Provide your feedback

a. Join a virtual roundtable: Register for a virtual roundtable that suits your schedule. Roundtable discussions last from 60 to 90 minutes, and access links will be provided upon registration.

[JOIN A ROUNDTABLE](#)

b. Complete the survey: Share your feedback by completing our survey (letter submissions will also be accepted). It should take less than an hour to complete after reviewing the report and the draft standards you select to review.

[TAKE THE SURVEY](#)



We invite you to contribute your feedback during our third public comment period from **May 20** through **October 31, 2024**.

We look forward to feedback on several critical questions, including the following:

Are the standards clear and compelling?

Do you agree with the performance targets and do you suggest others?

Do the standards provide the guidance needed for companies to get started and steadily make progress?

What additional implementation approaches, if any, do you think we should consider to accelerate adoption of the standards?

What is most important to you in the governance of the standards?



We will use the feedback we receive to finalize the standards and inform our implementation and governance approaches. A synthesis of the feedback and a record of comments received will be published on our website no later than the launch of the final standards in 2025.

Thank you to all who lend their time and expertise to help us strengthen this critical work.



A Note on Inclusion and Accessibility

Too often, individuals with the most at stake are not meaningfully included in standards-setting processes. We are committed to honoring the needs, aspirations, and insights of people with marginalized identities in the development of our standards through robust equity, inclusion, and accessibility practices. These practices include offering equitable compensation for participation; making language supports available, such as Spanish-language, American Sign Language, and closed-captioning services; scheduling virtual roundtables to accommodate a variety of schedules; and providing multiple methods for feedback.

Find more information about the 2024 public comment period and our commitment to equity, inclusion, and accessibility in our standards development process on our website at <https://corporateracialequityalliance.org/corporate-standards>. For any questions, reach out to CREAlliance@policylink.org.



SECTION 1

Why Standards and Why Now

Why Standards and Why Now

Our Vision, Mission, and Who We Are

Our vision is a future where everyone can participate fairly in our economy and democracy, and share in prosperity. Yet, in the United States alone, nearly 100 million people struggle to make ends meet. More than half are people of color, but they are not alone. Nearly 25% of all white people in the U.S. are also trapped by the structural barriers that have held back people of color for centuries.

United by the vision of a just and equitable society for all, PolicyLink, FSG, and JUST Capital co-founded the [Corporate Racial Equity Alliance](#) (the “Alliance”) in 2021. Our mission is to support the evolution of equitable, inclusive, and socially responsible businesses that can contribute effectively to achieving this vision.

The foundation of our work is *The 2021 CEO Blueprint for Racial Equity* (the “CEO Blueprint”), which offers business leaders actionable guidance on how to move from incremental improvement on racial equity to enterprise-wide transformation and lasting

change within the company, in communities, and across society.⁵

Building on the foundation of the CEO Blueprint, we have undertaken a multi-year effort to develop the corporate performance standards discussed in this report (the “draft standards”), engaging a broad ecosystem of partners and stakeholders. Entitled the Business Standards for 21st Century Leadership (the “Performance Standards”), we aim to close a distinct gap in the landscape of corporate standards, where our research has found few social standards with a racial equity focus, and none as comprehensive as the CEO Blueprint framework.

The goal of the standards is to give U.S. businesses a common language and clear roadmap to ensure equal opportunities for all by advancing equity and inclusion, combating discrimination, and embodying the best of socially responsible business across the enterprise. The standards will also support other stakeholders, including investors,



workers, consumers, civil society organizations, and the public in their efforts to influence corporate priorities on equity, inclusion, and socially responsible business.

We believe it is time to establish new norms in business—norms that value people and our planet no less than the bottom line, recognizing that when we do so, we all prosper.

The Performance Standards aim to bring these new norms to life—from improving corporate governance to building a strong workforce; designing products with broader reach; fostering a socially responsible and resilient value chain; protecting the most vulnerable from the impacts of climate change; combating discrimination of all forms; and ensuring equal opportunities for all, regardless of race, gender, ethnicity, socioeconomic status, or any other social category.

In the spirit of co-creation, we invite the public to review this report, along with the draft standards, and share your feedback as part of our public comment period from May 20 to October 31, 2024 (see Section 5 to learn more).

Our three organizations bring to this effort complementary expertise in racial and economic equity, inclusive and socially responsible business practices, innovative strategies for effecting social change, data-driven tools and insights, and leading platforms for empowering stakeholders.

Our combined capabilities and decades of experience give the Alliance a unique perspective on how systemic barriers manifest and harm the most marginalized and underserved groups in our society, how to help companies adopt more equitable and inclusive business practices, and how to use data and insights to engage all stakeholders in building a just and equitable society.



For more on our vision, mission, theory of change, and sources of inspiration, see our 2022 report, *Corporate Performance Standards on Racial and Economic Equity: Developmental Approach and Methodology* (the “2022 Standards Report”).⁶

The Corporate Racial Equity Alliance

PolicyLink



JUST capital

Corporate Performance Standards On Racial & Economic Equity: Developmental Approach and Methodology

Exposure Draft

April 2022

Rationale for Performance Standards

As we detailed in our 2022 Standards Report, the rationale for our development of the Performance Standards is rooted in the following circumstances.

Inequality is a systemic risk that affects everyone, including businesses, investors, and the very stability of our economy and democracy.⁷

In the U.S. today, nearly one in three people face structural barriers to equal opportunity, making it difficult for them to achieve even a basic standard of living and often leaving them unable to pay for groceries, rent, utilities, medical bills, and other life essentials.⁸ People of color and women disproportionately experience economic insecurity, but they are not alone. People from all walks of life and with multiple identities, across race, ethnicity, gender, sexual orientation, disability, and age, are also part of this population. In turn, inequality has cascading effects on businesses, investors, and society-at-large: it weakens labor force participation, limits the talent base for businesses, impacts the market reach of businesses, threatens investment portfolios, dampens economic productivity, and puts society and our democratic institutions at heightened risk of instability.⁹

U.S. businesses have, and will continue to have, tremendous influence over our economy and society.

The private sector contributed \$22.3 trillion in real GDP to the U.S. economy in 2023 (88% of total real GDP) and employed 134 million workers by the end of 2023.¹⁰ In addition to outsized roles as employers and engines of economic growth, businesses also shape our economy and society as innovators, buyers, wealth creators, taxpayers, investors, cultural and political influencers, and environmental actors. By virtue of these many roles, businesses have wide-ranging social impacts—positive and negative, intended and unintended. Operating a business **means** having a social impact. Thus, the responsibility of businesses to manage their social impacts is inherent to the endeavor of doing business.

There is broad and growing stakeholder demand for greater business action to advance equity, inclusion, and socially responsible business practices—from workers to consumers, communities, trade groups, and investors alike.¹¹

For example, 91% of Americans responding to a 2023 JUST Capital poll say it is important for America's largest companies to promote an economy that serves all Americans, but only 38% of respondents agree that they do.¹² The same poll reveals that the vast majority (79%) of Americans want corporate leaders to advance diversity, equity, inclusion (DEI), and belonging in the workplace. Business leaders are also increasingly recognizing social issues as business issues: a 2023 Bain & Company survey of executive leaders reveals more than 85% view social issues as urgent concerns for their companies.¹³

■ The business and societal value proposition for advancing equity, inclusion, and socially responsible business practices is stronger than ever.

Not only can businesses create greater value for their customers, workers, and shareholders alike, but by doing so they can attract and retain more top talent, increase productivity, decrease costly turnover, unlock new market opportunities, and build greater organizational resilience.¹⁴ For example, for more than 100 years, economists have validated the broad benefits of higher wages for low-income workers—from supporting worker and community well-being to increasing performance and productivity, decreasing turnover, lowering hiring and training costs, improving quality and customer service, reducing absenteeism, and enhancing brand reputation.¹⁵ More equitable, inclusive, and socially responsible businesses also contribute to the greater stability, health, and dynamism of our economy.¹⁶ This is the enduring social contract of business.

■ A distinct gap remains in the landscape of corporate standards.

Since our 2022 Standards Report, where we summarized the gaps in the standards landscape, there remain few social standards with a racial equity focus, and none as comprehensive as the CEO Blueprint framework. While there has been greater consolidation in the standards landscape since 2022 and an increase in corporate reporting obligations on social issues, a comprehensive set of corporate performance standards addressing social issues remains an important need. The Performance Standards fill the gap by focusing on what matters most—performance and outcomes related to advancing equity, inclusion, and socially responsible business practices.



■ Greater breadth, depth, and internal collaboration is needed in business efforts to advance equity and inclusion, combat discrimination, and adopt socially responsible business practices across the enterprise.

Businesses continue to struggle to operationalize this work across their enterprises and are especially challenged in sustaining the work in tough economic times. The politicization, misinformation, and bad-faith legal attacks on DEI and sustainability efforts have made things even more difficult—fomenting fear about lawful and beneficial practices and threatening to undo years of progress. In addition, there is often insufficient collaboration and alignment across complementary business functions (such as human resources, DEI, human rights, civil rights, sustainability, and corporate social responsibility teams), which is critical to long-term success. The Performance Standards address these issues by providing a comprehensive roadmap and robust guidance for leadership to set a clear strategic vision across business units, for teams to align their goals and systems, and for meaningful outcomes to be achieved over time.

Business in America has always pushed the bounds of human possibility and asserted the promise of a better future. Advancing equity and inclusion, combating discrimination, and embodying the best of socially responsible business is the next critical endeavor for all businesses to pursue—not just because it is the right thing to do, but also to meet the expectations of stakeholders, cultivate a strong labor force, increase business resilience and competitiveness, protect sustainable value creation, and secure a stable economy and democracy for generations to come.



A Note on Terms

The Alliance is dedicated to supporting businesses in improving their sustainability performance related to social issues. Such work can go by many different names—from advancing equity and justice to DEI, human rights, civil rights, social sustainability, and other names too. We will continue to use the terms that are **most direct** in conveying sustainable business performance across

social dimensions. See the glossaries of each draft standard for key terms that are foundational to our work.

While discourse around DEI and sustainability issues remains challenging, we recognize that businesses may use a variety of terms that suit their context. What is important is that businesses proactively improve their sustainability performance across social

dimensions. Our collective futures depend on it and doing so is the most pragmatic approach to tackling growing inequality and securing the precursors to sustainable, long-term value creation and economic stability—namely, a healthy labor force, an economically secure consumer base, a healthy planet, and a stable operating environment for businesses large and small.



SECTION 2

Listening Is Core to Our Work

Listening Is Core to Our Work

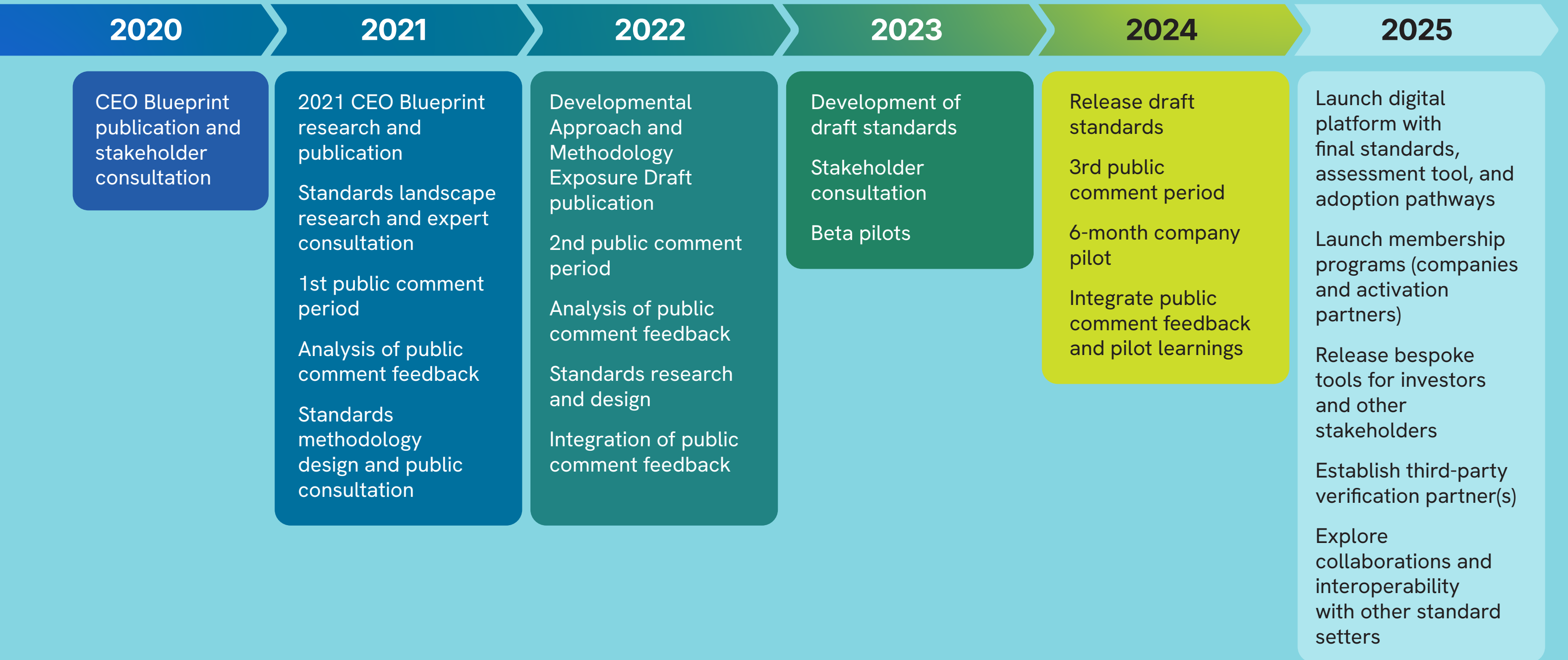
About our development process, stakeholder engagement, and standards evolution

Our effort rests on more than 20 years of research and action on racial and economic inequity, more than 20 years of social impact consulting, and 10 years of tracking and analyzing the performance of companies and their investors on addressing the public's priorities. Building on the CEO Blueprint, we began our standards development effort in 2020 by formulating our guiding principles and developing our methodology. Since then, we have released our standards development approach and methodology, developed the draft standards, and conducted robust engagement with a broad array of stakeholders to gather feedback and test our work.



Timeline of Development

This is a snapshot of what we have accomplished to date and where we are headed. See Section 4, Implementation Plans, for more detail on upcoming plans. From time to time, we may update the timing of our planned milestones. [Subscribe to the Alliance newsletter](#) to stay informed of updates in our development process.



Guiding Principles

Our work is guided by a belief in the power of business to tackle inequality and our commitment to design standards that will address the challenges and achieve the aspirations of the nearly 100 million people in the U.S. who struggle to make ends meet. The following foundational principles bring this to life and guide our efforts.



1

Achieving equitable outcomes



2

Following equitable processes



3

Lifting up what works



4

Championing transparency



5

Building a big tent and robust standards that stand the test of time



6

Embedding accountability in processes and outcomes

Based on the rich stakeholder feedback we received in our 2022 public comment period, we have refined and expanded the descriptions of each of our guiding principles.

[LEARN MORE ON OUR WEBSITE](#)

Our engagement with stakeholders informs and strengthens our work

■ In line with our guiding principle to *follow equitable processes*, broad stakeholder engagement is core to our standards development. Gathering feedback throughout our development process is one way that we aim to ensure the standards we build meet the needs of **all people** who have a stake in our work.

Our approach to stakeholder engagement not only follows industry best practices, including the ISEAL Code of Good Practice,¹⁷ but also aims to build consensus and connection across the broad array of corporate stakeholders (especially those most impacted by our current economic system) and increase the likelihood of adoption by businesses.

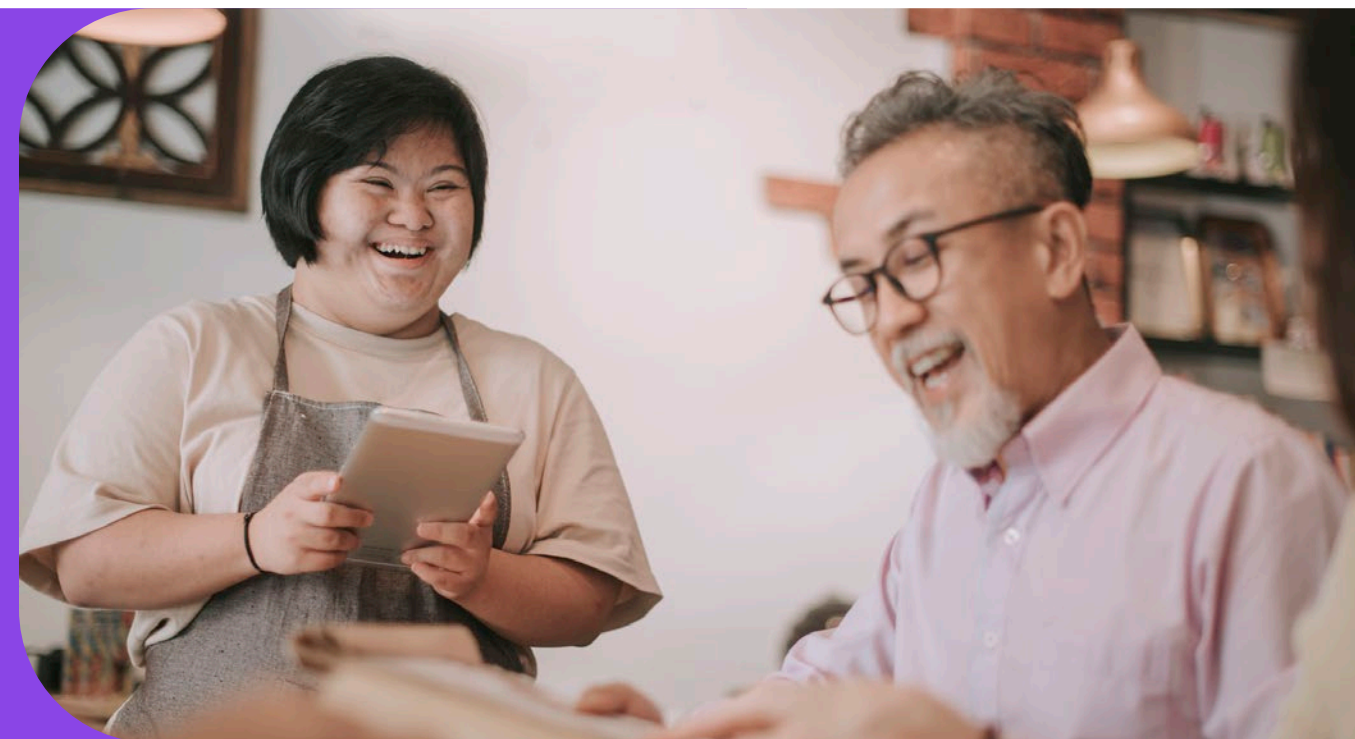
Over the past three years, we are proud to have meaningfully engaged over 500 people through two public comment periods, three corporate pilots, and numerous other stakeholder consultations. We have heard and learned from a rich diversity of voices that have affirmed and strengthened our work—from frontline workers to young people, equity advocates, under- and

unemployed people, community leaders, consumers, investors, business leaders, standards setters, academics, public leaders, business advisors, trade groups, and more.

This report marks our opportunity to share detailed results of our 2022 public comment period and other vital stakeholder engagement since then.

500+

people engaged in our work to date



We received rich and nuanced feedback across a diversity of voices

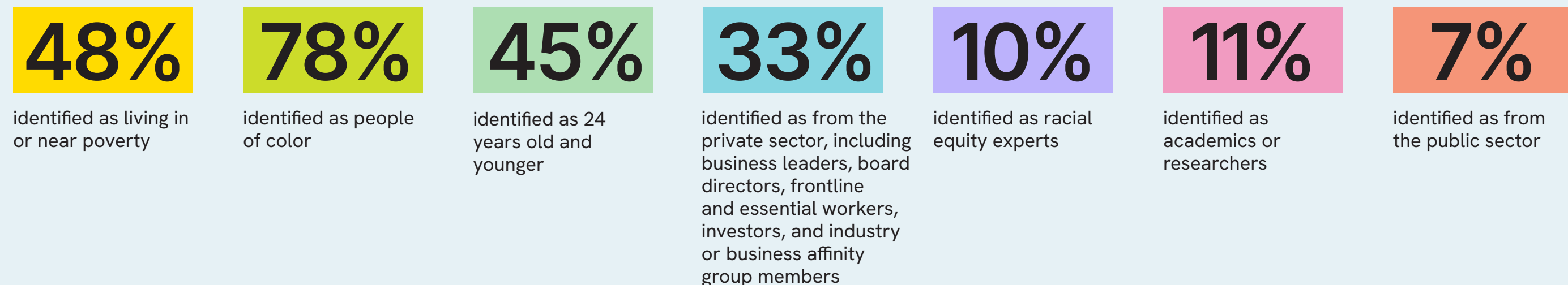
From April 5 to June 3, 2022, we conducted our second public comment period to gather broad stakeholder feedback on our standards development approach and methodology, as well as on three sample standards. We designed the public comment period to elevate the voices of historically excluded groups—including people of color, young people, and those who experience economic insecurity—and it was a resounding success, with 300 individuals participating across 11 virtual roundtables and an online survey.

To achieve these results, we established demographic engagement goals in advance, invested in broad outreach, and undertook several measures for inclusion and accessibility, including hosting daytime and evening sessions, offering equitable compensation, and offering Spanish translation and interpretation services.

Feedback from the private sector was not as high as we would have liked it to be, so

we invested further in convening additional sessions with leaders in various roles at investment firms and public and private companies, including Fortune 500 companies, other well-known national brands, and small businesses across multiple industries. Our engagement of business leaders has also continued through the corporate pilots discussed on the following pages.

Participant Demographics



■ Scope of 2022 Public Comment Period Feedback

In both the survey results and roundtable discussions of the 2022 public comment period, the feedback we received was overwhelmingly positive and affirmed our approach.

Collectively, we received over 1,000 comments in response to questions we posed on the following topics:

- Our model of systems change
- Our rationale for developing corporate performance standards
- The 10 racial and economic equity outcomes
- The 18 levers of change
- The three illustrative performance standards on equitable worker compensation, environmental justice, and contributing to a healthy multiracial democracy
- Our approach to materiality

■ Key Themes from the Feedback

Six top themes emerged across the feedback we received, reflecting feedback on areas where our work resonated with stakeholders and areas identified for improvement. The following pages summarize each theme and our responses, including how we have integrated the feedback into the draft standards. For the complete record of comments, [see the 2022 public comment record here](#).



See Appendix 2 for the full list of survey questions, participation rates, and quantitative results.

PUBLIC COMMENT THEME #1

On the whole, the feedback overwhelmingly affirms our approach.

97%

agree our rationale is clear and compelling. Respondents expressed appreciation for the way the standards create a uniform, objective set of expectations for companies and a North Star for continuous improvement.

94%

agree our model of systems change is sound, in part due to the comprehensive scope of the standards across all aspects of business.

98%

agree our outcomes are clear and compelling and that the corporate levers of change cover key actions needed to embed equity in business.

Feedback received through our 11 virtual roundtables was consistent, with overwhelmingly positive support for our approach and the scope and substance of the equity outcomes and levers of change.

In sum, across all demographic groups, respondents overwhelmingly approve of our approach and methodology for standards development.



Response:

We appreciate this positive feedback and have developed the draft standards released with this report in line with the rationale, model of systems change, equity outcomes, and corporate levers of change presented to stakeholders. Refinements in language and the ordering of the equity outcomes and corporate levers of change are discussed in the next section.

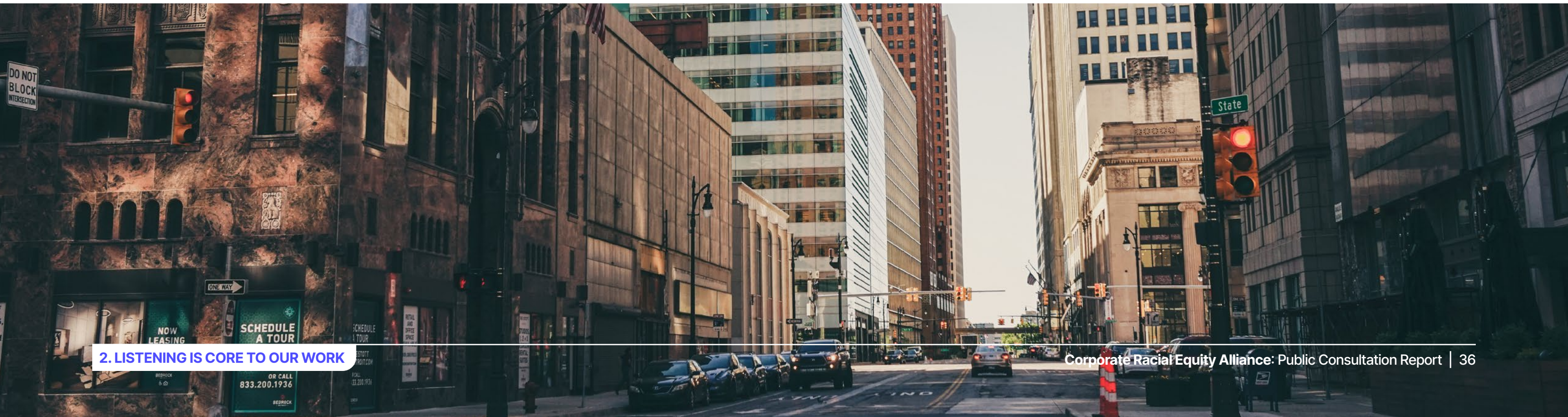
PUBLIC COMMENT THEME #2

Respondents wrestled with applying our conceptual framework and anticipated standards to the current structure of capitalism.

While many respondents affirmed that our approach is comprehensive and addresses structural barriers experienced by underrepresented and marginalized demographic groups, we also received at least **20 comments** expressing doubt as to whether our model of systems change could have the desired effect within a capitalist system that prioritizes shareholder returns above

all else. These respondents encouraged us to take a bolder approach, including adding standards content related to reparations, the redistribution of resources, and changing hierarchical business structures.

CONTINUED ON THE FOLLOWING PAGE →



PUBLIC COMMENT THEME #2

Respondents wrestled with applying our conceptual framework and anticipated standards to the current structure of capitalism.

Response:

We acknowledge the tremendous challenge in applying our work within an economic system that historically prioritizes profit and shareholder returns, rather than recognizing that social and business interests do align and, when pursued together, provide greater value to all stakeholders including shareholders. We also acknowledged in our 2022 Standards Report that standard-setting is an important part of influencing meaningful change, but it is not a complete solution. Achieving an equitable economy for all will still depend on other institutions and sectors taking meaningful action too. **Nevertheless, we believe that a critical way to redesign the world as it should be is through the world as it currently is.**

Accordingly, the draft standards aim to reflect the contributions needed from the private sector to ultimately achieve an equitable economy—that includes multiple performance targets focused on new ways of working that give greater voice and power to workers, customers, and communities; ensuring resources are not concentrated at the top, but shared across the enterprise in ways that reflect the tremendous value workers at all levels bring every day; avoiding practices that harm workers, communities, our economy and

society-at-large; and proactively protecting the fundamentals of a healthy democracy.

While many of the standards go where no other standards setter has gone before, they will not create overnight change. Companies that take on the standards will need time to make progress and achieve all the performance targets. **Therefore, after our multi-year standards development journey, we will have ahead of us a multi-year standards adoption journey supporting companies in making meaningful progress and achieving lasting positive outcomes.**



PUBLIC COMMENT THEME #3

Respondents underscored the importance of stakeholder engagement in our process and in the standards.

We received at least **17 comments** from respondents across race, ethnicity, income, and age that celebrated our stakeholder engagement approach or offered suggestions for improvement. Respondents affirmed how we operationalize our guiding principle to *follow equitable processes* by having a diverse standards development team, actively recruiting community members and workers to provide feedback at each stage of our development process, and providing multiple channels for engagement to ensure meaningful inclusion of those whose voices are most often excluded from standards development processes.

We also received suggestions for specific groups we should engage with, nearly all of whom we have included in our engagement efforts and are committed to continuing to include going forward, such as young people, workers, people of color, people living on a low income, consumers, and business leaders.

In addition, we received feedback to develop standards focused on equitable and effective stakeholder engagement for businesses.

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FOLLOWING PAGE →



PUBLIC COMMENT THEME #3

Respondents underscored the importance of stakeholder engagement in our process and in the standards.

Response:

We will continue to engage stakeholders from various backgrounds and sectors early and often in our standards development process, with a focus on engaging historically excluded groups in our public comment periods, including people of color, young people, and people experiencing economic insecurity. See Appendix 2 for all of the demographic highlights of those who participated in our 2022 public comment period.

For the 2024 public comment period, we are increasing our stakeholder engagement goals and have established new partnerships with organizations that are led by and/or serve communities where we hope to improve stakeholder representation in our engagement efforts.

We have also incorporated performance targets and guidance in the draft standards specifically focused on equitable and effective stakeholder engagement related to employees, value chain workers, customers, end users, and communities.



PUBLIC COMMENT THEME #4

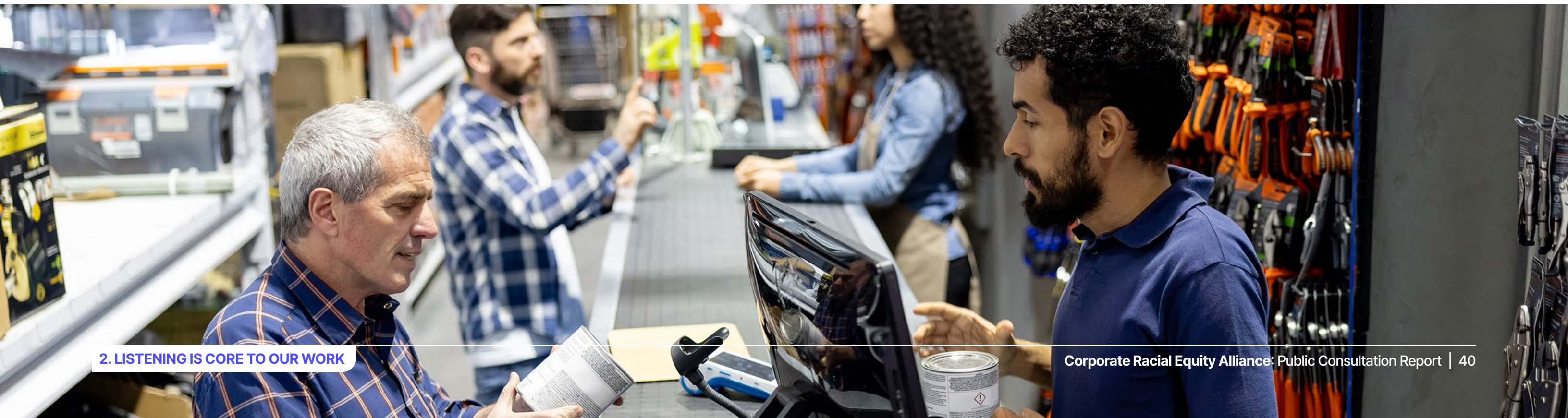
Respondents suggested incentives, methods for accountability, and avenues to support corporate action that results in lasting positive change.

Often hand-in-hand with comments about the need to hold companies accountable were comments about the importance of creating incentives and support to motivate and enable companies to implement the standards. The suggested accountability mechanisms included legislative and regulatory action as well as the need to support investors and community members in influencing businesses to take action in alignment with the standards. Respondents suggested financial incentives, organizing public support

for companies that adopt the standards, and campaigns to exert pressure on companies that do not.

Respondents' suggestions for company support included ensuring sufficient organizational capacity to execute and sustain the work, providing education and training, and creating clear roadmaps for standards implementation with differentiated guidance based on company size and industry.

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FOLLOWING PAGE →



PUBLIC COMMENT THEME #4

Respondents suggested incentives, methods for accountability, and avenues to support corporate action that results in lasting positive change.

Response:

The primary use case for the standards is to support companies with a common language and comprehensive roadmap that details what combating discrimination requires in practice, what championing equity and inclusion look like in action, and what socially responsible business means at its best. For our primary users (companies), the standards will support their resilience and competitiveness too.

To support companies in determining the best path toward achieving all the standards, we are developing multiple pathways for them to adopt the standards based on objective factors such as company size, industry, and annual revenues. The adoption pathways guidance will be released with the final standards in 2025. In addition, we plan to launch a membership platform and program for companies that will include recognition for meaningful progress made, as well as assessment and implementation tools, disclosure guidance, programming for ongoing learning, and third-party verification of progress against the standards.

In parallel, we plan to launch a membership program for individuals and organizations interested in supporting companies to implement the standards—from racial equity and human rights practitioners to DEI consultants, civil rights auditors, social

sustainability experts, and standards verification experts. We are excited to amplify the important work of such experts in bringing about positive change.

Along with supporting companies, the final standards will be a public good. Once finalized and launched in 2025, they will also support other stakeholders, including investors, workers, consumers, civil society organizations, and the public in their efforts to influence corporate priorities on equity, inclusion, and socially responsible business. Read more about our long-term implementation plans and other stakeholder use cases in Section 4, including tools for investors, civil society organizations, public sector leaders, and other standards setters.



PUBLIC COMMENT THEME #5

Respondents encouraged us to expand our approach to address other dimensions of social exclusion and integrate intersectionality into our work.

We received over **30 comments** from respondents across race, ethnicity, income, and age encouraging us to broaden our approach to include a focus on addressing other dimensions of social exclusion as well as to integrate intersectionality into our work. In addition to focusing on racial and economic equity, many of the comments encouraged us to also focus on gender equity, disability inclusion, and combating discrimination based on immigration status, religion, housing insecurity, body type,

zip code, and parental status. Some comments noted nuances to consider in our approach to intersectionality, such as cautioning against losing an explicit focus on race and racism, or cautioning that emphasizing one aspect of identity over another can limit the ability of the standards to address underlying barriers to equity in a holistic way.

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FOLLOWING PAGE →



PUBLIC COMMENT THEME #5

Respondents encouraged us to expand our approach to address other dimensions of social exclusion and integrate intersectionality into our work.

Response:

Not only was feedback about intersectionality a key theme in our 2022 public comment period, it has also been a key theme in our ongoing stakeholder engagement efforts. Alongside this feedback, as we developed the standards over the course of 2023, the technical need to broaden the scope of the standards to ensure we are setting the highest bars for equity and inclusion became very clear to us.

From day one of our effort, we have centered the nearly 100 million people in America experiencing economic insecurity as the primary beneficiaries of this work. That includes people from all walks of life and with multiple identities, across race, ethnicity, gender, sexual orientation, disability, and age, to name a few. (See Appendix 1 for a profile of the members of the 100 million.)

In designing standards with that population in mind, we have focused on the structural barriers they experience and set performance targets that are broadly applicable to ensure no one is left behind and everyone can thrive and achieve their full potential. Our living wage standard, which calls for 100% of workers to be paid a living wage, is one example of this.

First released in our 2022 public comment period as an illustrative standard, the living wage standard is deeply informed by the

significant barriers to upward mobility experienced predominantly by people of color and women—especially women of color. However, the standard is broadly applicable to all workers, recognizing that people from all walks of life and with multiple identities experience economic insecurity.

The draft standards released with this report stay true to that design: they are informed by the structural barriers experienced by members of the 100 million and they are broadly applicable to ensure they stand the test of time and no one is left behind.

Accordingly, each standard promotes and supports advancing equity and inclusion, combating discrimination, and ensuring equal opportunities for all, across race, ethnicity, gender, sexual orientation, disability, age, socioeconomic status, and any other social category or protected characteristic. In this way, we aim to establish new business norms with lasting power—whether adopted today, or tomorrow, or 10 years from now.

While we do not take this broadened scope lightly, it meets the foundational purpose and design of our effort and establishes the necessary scaffolding for companies to meaningfully focus on intersectionality—all of which affirms the consistent request of stakeholders across multiple engagement channels over the years.

Delivering on our original goal to advance racial and economic equity necessitates focusing on structural barriers to equal opportunity wherever they may be and setting broadly applicable performance targets to ensure no one is left behind—whether those targets are adopted today, or tomorrow, or 10 years from now. For stakeholders who have been on this journey with us from the beginning, this is how the “curb-cut effect” comes to life in our work—which posits that when we design the circumstances that allow those who have been left behind to participate and contribute fully, everyone wins.¹⁸

On intersectionality specifically, the draft standards require companies to apply an intersectional lens when implementing each standard related to the workforce, customers, end users, and communities, as well as the standards related to data gathering and analysis, workforce culture, and communications.

Notwithstanding all of the above points, there are critical challenges in expanding the scope of the standards. For example, we are acutely mindful of the maxim: If you design for everyone, you design for no one. Ensuring our work holds true to our original goal to set high bars for equity and inclusion, as well as combats unintended outcomes, we have taken and will continue to take a number of actions to further strengthen our work, including the following:

- **Ensuring the guidelines included within each standard require companies to combat discrimination in implementation,** including by gathering and tracking disaggregated demographic data—at a minimum across race, ethnicity, gender, sexual orientation, disability, and age—and taking concrete action to address any disparities that may be identified across demographic groups.
- **Developing robust data supplements for standards related to the workforce, the value chain, and communities, to ensure companies have a strong foundation in delivering positive outcomes for all.** The supplements will offer detailed data and research on specific barriers experienced by people of color, people living in economic insecurity, women, LGBTQ+ people, people living with disabilities, and several other historically underrepresented and excluded groups. As a preview, see the draft data supplement for standard 4 on workplace culture. Though the data supplements are not intended to be exhaustive, we aim to build on them over time and update them as new data becomes available.



- **Developing additional performance targets as well as targeted guidelines focused on specific demographic groups, where needed, to ensure no one is left behind.**

As an example, see draft Performance Target 2.3 focusing on a vital dimension of disability inclusion: ensuring physical and virtual spaces are accessible for all. See also draft Performance Target 6.2 focusing on ensuring all workers are eligible for essential benefits, which are defined in the guidelines as benefits inclusive of all genders and all types of families.

- **Partnering with even more technical and subject matter experts to inform all of our work,** especially the guidelines accompanying each performance target and our long-term implementation approaches. We are committed to ensuring our extended standards development team includes the necessary experts, including those with lived experience across all the historically marginalized and excluded groups the standards are meant to serve.

By expanding the scope of the standards, we also aim to stand in solidarity against the alarming increase in hate against many groups across our nation and the attacks on corporate DEI efforts in the wake of the U.S. Supreme Court's June 2023 affirmative action decision.¹⁹ By focusing on structural barriers to equal opportunity and defining the business performance and outcomes necessary to address those structural barriers, the standards are well positioned to support businesses in the current environment and counter any retreat in corporate DEI and sustainability efforts.

We recognize that this is a unique role we can play as a standards setter and also that the draft standards released with this report do not get us all the way there. We look forward to engaging with stakeholders on how we can further refine and strengthen the standards to ensure they promote and support advancing equity and inclusion, increasing diversity, combating discrimination, and ensuring equal opportunities for all, across race, ethnicity, gender, sexual orientation, disability, age, socioeconomic status, or any other social category or protected characteristic.



PUBLIC COMMENT THEME #6

Respondents expressed a desire for more accessible descriptions of the equity outcomes and levers of change.

We received consistent feedback to streamline and make more accessible our descriptions of the 10 equity outcomes and the 18 levers of change.



Response:

In response to this feedback, we have updated the descriptions of the 10 equity outcomes, added titles to the levers of change, and reorganized the levers to streamline, remove redundancies, and show greater thematic connections. This includes:

- Incorporating worker voice and power across multiple standards, including the workplace culture and job quality standards, rather than as a standalone lever.
- Incorporating reckoning and repair across multiple standards related to key stakeholder groups (employees, value chain workers, customers, end users, and communities), rather than as a standalone lever.

- Incorporating industry collaboration within key standards where relevant, rather than as a standalone lever.
- Combining public policy engagement at the local, state, and national levels into a single standard, rather than as separate standards.

As a result, we now have 14 levers of change, rather than 18. In addition, we have formally renamed the levers to “standards,” though we will continue to use the narrative frame of “levers” for companies to advance equity and inclusion. See Section 3 for more detail on these updates, and we look forward to engaging with stakeholders to hear your feedback.

For the complete record of comments received, [see the 2022 public comment record here](#).

Ongoing Stakeholder Engagement and Consultation

Since the 2022 public comment period, we have hosted close to **100 meetings** for all stakeholder groups to provide targeted input and feedback on the content of the draft standards as they were being developed. We also continue to engage multiple subject matter and technical experts, including a cohort of expert advisors, to further strengthen our work. Throughout all of these engagement efforts, we aim to engage a diversity of perspectives across sectors, industries, and demographic groups. We will continue to offer multiple opportunities for stakeholder engagement throughout the rest of the development process and as the standards evolve in the years to come.

Corporate Pilots
Learning from and testing our work with businesses has also been a key component of our development.

2023 Beta Pilots

Over the course of 2023, we successfully completed three “beta pilots” with companies to further test and refine the standards. Spanning three to nine weeks, the beta pilots involved five companies, primarily medium-to-large public and private companies in the retail, tech, and financial services industries.

We selected companies based on our public recruitment efforts, including a call for applicants and multiple informational webinars. Key criteria in our selection process included the following:

- An explicit organizational commitment to advance equity for all, in particular racial equity.
- Progress already made to operationalize their organizational commitment internally.
- Strong positioning in their industry or region to have a meaningful impact over time.
- Senior leadership support to participate in the pilot.
- An expression of readiness to potentially be among the early adopters of the standards.



Across the beta pilots, we gained rich insights not only on the structure, format, and content of the standards, but also on the support and guidance companies will need to adopt them. In particular, participants:

- Provided insight into where and how companies might be challenged on certain standards.
- Expressed clear alignment between the standards and other widely used frameworks, lending to relative ease of reporting.
- Shared an appreciation for the rigor and value of engaging with the Alliance and the substance of the standards.

2024 Pilot

Concurrently with the 2024 public comment period, we are conducting a six-month pilot with a cohort of 12 public and private companies, across the retail, tech, health care, food and beverage, transportation, and financial services industries. The companies are primarily medium-to-large, with employees ranging from 500 to over 100,000. This longer-term pilot is another key step in the finalization of the draft standards and will also inform additional guidance and tools that will accompany the standards. We will also synthesize and publish our pilot learnings either before or with the launch of the final standards.

Thank You

We are immensely grateful to the hundreds of individuals who have taken the time to share their perspectives and expertise with us across public comment periods, corporate pilots, and numerous other stakeholder consultations. Broad stakeholder engagement remains a central and invaluable part of our standards development process. The feedback we have received to date has strengthened our conceptual framework, deeply influenced the draft standards, and fortified our resolve to continue supporting businesses in advancing equity and inclusion, combating discrimination, and embodying the best of socially responsible business.

Additional Updates to the Standards

In addition to expanding the demographic scope of the standards and incorporating a focus on intersectionality (both described in theme five above), we have made a few other key updates to the standards scope and structure based on our ongoing research and the rich feedback received across our multiple stakeholder input channels.

■ Context based on company size

While the standards are universal to U.S.-based companies, and generally can be taken on by any such company, regardless of size, we indicate across relevant standards where adaptation may be required or helpful for public versus private companies and for smaller companies. That said, given the breadth and depth of the standards, the current standards are best suited for large corporations.

We have considered five company archetypes in our development efforts: (1) public companies with \$1 billion or more in annual revenues; (2) public companies with under a \$1 billion in annual revenues; (3) private companies with over \$1 billion in annual revenues; (4) private companies with \$250

million to \$1 billion in annual revenues; and (5) private companies with under \$250 million in annual revenues. At this time, the standards are well-suited for the first four company archetypes. To support companies that fall within the fifth archetype, we indicate across relevant standards where adaptation may be required or helpful. We also indicate where adaptation may be required or helpful for public versus private companies. It should also be noted that for companies with no employees or indirect workers, several standards will not be applicable (i.e., the workforce-related standards). On the launch of the final standards, we will release an organizational assessment tool for companies

to determine which standards apply to them and where they stand in their performance. We will also release guidance laying out multiple pathways for adoption of the standards over time.

We appreciate that continued consideration of varying company contexts, including those based on industry, will be important. After the formal launch of the standards, we plan to release additional performance targets and guidance for specific industries, starting with the industries with the most potential to improve outcomes for members of the 100 million.

Streamlining, reorganization, and additions to the standards

As noted above, we have formally renamed the “levers of change” as the “standards,” which now total 14. In addition, we have made a number of updates to the standards topics and how they are organized, based on stakeholder feedback, our ongoing research, and our effort to remove redundancies and show greater thematic connections. The updates comprise the following:

- Descriptive titles have been added to the standards and the description for each standard has been renamed as the “requirement” for each standard. This supports easier identification of each standard and what it requires.
- “Reckoning and repair” has shifted from being a standalone standard to being incorporated across multiple standards related to key stakeholder groups—namely, the direct workforce, value chain workers, customers and end users, and communities. This supports a more holistic focus on the needs of each stakeholder group under a given standard and also eliminates redundancies.
- A new standard has been added on building the internal infrastructure for long-term success. This standard is critical to ensure companies are set up for success across all the standards.
- Worker voice and power is now integrated across several standards, including within leadership capacity and workplace culture, and most prominently within job quality. We believe this shows how worker voice and power is critical across many areas and, most importantly, how it is an essential dimension of job quality.
- The leadership standard is now focused on the importance of building the necessary expertise and skills to advance equity and inclusion, combat discrimination, and adopt socially responsible business practices. Accordingly, leadership and board diversity are now included within the overall diversity standard. This change provides thematic coherence and elevates the importance of building leadership expertise and skills for companies to be successful in this work.
- Performance targets and guidance related to equitable and effective stakeholder engagement are now incorporated within the standards focused on the workforce, value chain, customers and end users, and communities.
- Industry collaboration has been incorporated within key standards where it is most relevant and needed (e.g., communications, civic engagement, and climate action), rather than as a standalone standard. This change provides thematic coherence and reduces the number of cross-references across the standards.

- The communications standard has been expanded to focus not only on inclusive representation, but also on combating misinformation, avoiding equity-washing, and ensuring companies are well-prepared to address negative stakeholder sentiment related to its efforts.
- All civic and political engagement—whether local, state, or federal—has been integrated into a single standard. This change provides thematic coherence and reduces the number of cross-references across the standards.
- The order of the standards “within the company” has been reorganized into two thematic groups. The first four standards relate to building a strong foundation, with a focus on governance, internal infrastructure, leadership skills, and culture. The next four standards relate to protecting the value creation engine, with a focus on talent management practices, job quality, products and services, and the value chain. The numbering of the standards is for ease of reference and is not meant to indicate a linear process.

- To show important connections and further demonstrate the relevance of the standards, we have mapped a number of leading standards and frameworks across all our standards. This includes the *United Nations (UN) Sustainable Development Goals (SDGs)*, the *Universal Declaration of Human Rights (UDHR)*, and the *UN Guiding Principles on Business and Human Rights (UNGPs)*.²⁰ A similar mapping will be provided for each performance target upon the launch of the final standards.

In addition, we have refined language for greater clarity, consistency, and cohesion across all the standards. Lastly, we have refreshed our research for each standard topic and will continue to do so on a periodic basis. See the Executive Summary for a preview of the draft standards and performance targets. The following pages provide an overview of the new format of the standards.



New format of the standards

Based on a combination of stakeholder feedback, our ongoing research, and our effort to bring greater clarity toward implementation, we have updated the format of the standards.

This is the format of the opening page for each standard.

- 1 The standard is an outcome-framed statement reflecting the level of performance required for the given topic.
- 2 The basic requirement of a given standard is expressed as one or more activities and outputs of the company.
- 3 These are the performance targets for the given standard, all of which must be achieved to meet it.
- 4 These are the most closely associated equity outcomes, showing how achievement of the standard contributes to positive societal impact.
- 5 We map each standard to key global frameworks. The mapping is not intended to be exhaustive.
- 6 This section provides a high-level summary of the business and societal value proposition, including key data and the rationale for the associated performance targets. Certain standards will also include data supplements. See the draft data supplement for standard 4 for a preview.

3 Senior leaders and Board members possess the skills to advance equity, inclusion, and socially responsible business.

2 Requirement

3 Performance Targets

4 Associated Equity Outcomes

5 Key Connections

6 Business and Societal Value Proposition

A glossary of the key terms applicable to a given standard and the associated performance targets follows the overview. Some terms are relevant across all the standards and are therefore repeated.

Corporate Racial Equity Alliance | Consultation Draft | Standard 3

Glossary

Belonging [Blurred text]	Disparity [Blurred text]	Inclusion [Blurred text]
Contingent workers [Blurred text]	Diversity [Blurred text]	Intersectionality [Blurred text]
Cultural Competency [Blurred text]	Equity [Blurred text]	Leaders or leadership [Blurred text]
Demographics or demographic groups [Blurred text]	Gap analysis [Blurred text]	Material decision [Blurred text]
Direct workers [Blurred text]	Impact [Blurred text]	
Disaggregate [Blurred text]		

Explore: [Glossary](#) | [P3.1](#) | [P3.2](#) | [P3.3](#) | [P3.4](#)

5

Corporate Racial Equity Alliance | Consultation Draft | Standard 3

Senior leaders or senior leadership [Blurred text]	Stakeholder- informed decision making [Blurred text]
Shadow or shadowing [Blurred text]	
Stakeholders [Blurred text]	

Explore: [Glossary](#) | [P3.1](#) | [P3.2](#) | [P3.3](#) | [P3.4](#)

6

This is the format of each performance target, which follows the glossary.

- 1 Each performance target is an outcome-framed statement reflecting the level of performance required in a given area to meet the standard.
- 2 The requirement states the activities and outputs of the company needed to achieve the associated performance target.
- 3 The metric supports measurement. Two types of metrics are used: (1) policy, activity, and practice screens, and/or (2) quantitative measures. Some performance targets have two metrics—both are relevant to measuring achievement of the performance target.
- 4 Each performance target includes context on the rationale as well as key data.
- 5 The implementation tips provide helpful context for implementing each performance target. They are advisory in nature.
- 6 The guidelines support implementation and are required steps to meet the performance target. The guidelines will also support verification upon the launch of the final standards.

Corporate Racial Equity Alliance | Consultation Draft | Standard 3

1 PERFORMANCE TARGET 3.1
The Board annually engages in education on advancing equity, inclusion, and socially responsible business.

2 Requirement

3 Metric

4 Rationale, Tips, and Guidelines

5 IMPLEMENTATION TIPS:

6 GUIDELINES:

Share Progress & Achievement

Explore: [Glossary](#) | [P3.1](#) | [P3.2](#) | [P3.3](#) | [P3.4](#)

7

Sharing progress and achievement is important, but it is not the first step.

- 7 To support accountability and meet the transparency needs of stakeholders, we include one or more methods for companies to demonstrate achievement of, or progress toward, meeting the associated performance or interim targets. This comprises several types of disclosure, tailored to the stakeholder group(s) with whom it is most relevant to share progress and achievement—from internal disclosures for the board and/or the workforce to external disclosures integrated within the company’s existing public reporting processes, such as an annual report or filing.

While transparency and accountability are paramount, the first steps are to commit, assess, make a plan, and steadily make progress. Too often the reporting tail wags the progress dog, with untold resources spent on reporting without a North Star guiding the performance level that should be attained in the first place. These standards do not aim to add another layer of reporting for companies; rather, organizations can share their progress where they are already reporting on social matters. In support of that, each standard is also mapped to multiple widely recognized disclosure frameworks.

For companies that join our soon-to-be-launched membership program (see Section 4, Implementation Plans), public disclosure of progress will be staged over time based on the adoption pathway that is applicable to the company (to be released as a guide with the final standards in 2025). The membership program will also include verification of progress against the standards and a recognition program to celebrate companies on their journeys.

PERFORMANCE TARGET 3.1

The Board annually engages in education on advancing equity, inclusion, and socially responsible business.

Requirement

Metric

7 Share Progress & Achievement

Explore: [Glossary](#) | [P3.1](#) | [P3.2](#) | [P3.3](#) | [P3.4](#)

Rationale, Tips, and Guidelines

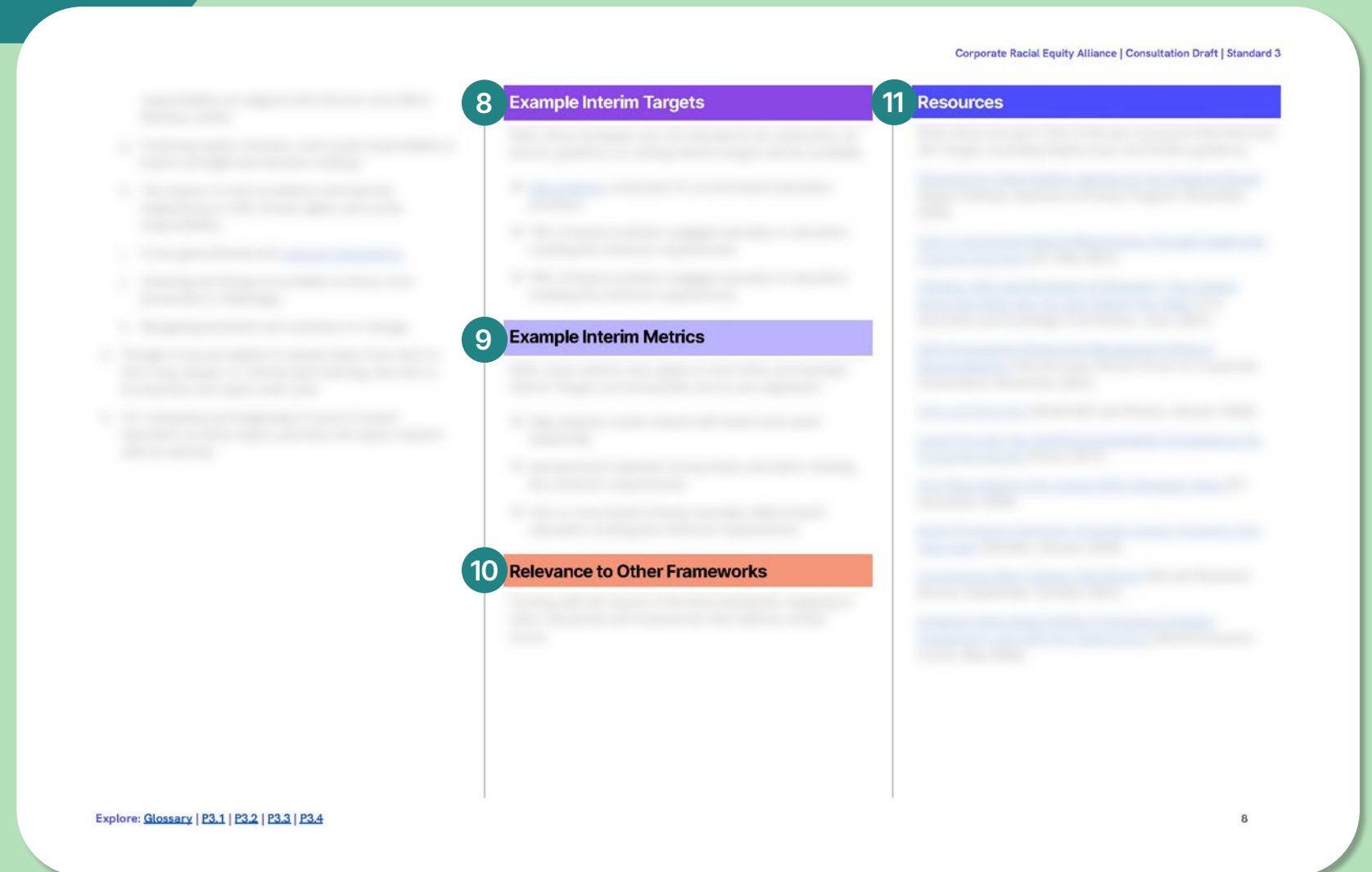
RATIONALE:

IMPLEMENTATION TIPS:

GUIDELINES:

Each performance target also includes more tools to get started and make progress.

- 8 Example interim targets are offered as potential starting and progression points when the company does not yet meet the performance target. They are not intended to be exhaustive. Each company should consider its particular context in designing the right interim targets to continuously make progress. With the launch of the final standards, we will provide a guide on how to develop interim targets.
- 9 Example interim metrics are offered to support measuring progress toward the example interim targets.
- 10 References to other standards and frameworks that address similar issues and/or use similar indicators will be provided upon the launch of the final standards to support connecting progress under each target to existing reporting.
- 11 Links to key resources that contributed to our evidence base, as well as helpful tools and further guidance are provided. In time, we will gather case studies of companies that have demonstrated strong performance with respect to a given target.



Equity Outcomes

The Performance Standards are designed to support companies in positively contributing to 10 powerful societal outcomes—the Equity Outcomes—collectively representing well-being for all people, a strong economy and democracy, and a fair and inclusive society where everyone can reach their full potential. The outcomes recognize the full humanity of all people and that our fates are interconnected. They are also aligned with the *UN Sustainable Development Goals (SDGs)*, the *Universal Declaration of Human Rights (UDHR)*, and the *UN Guiding Principles on Business and Human Rights (UNGPs)*. See Appendix 3 for the updated text of the 10 Equity Outcomes.

 1 Equitable Governance and Leadership	 2 Accountability Through Transparency	 3 Reckoning and Repair	 4 Balanced Power	 5 Wealth Generation and Economic and Social Mobility
 6 Thriving Multiracial Democracy	 7 Health and Well-Being	 8 Thriving, Diverse Communities	 9 Climate, Environmental, and Spatial Justice	 10 Inclusive Representation and Narrative Change

Refinement, reorganization, and additions to the 10 equity outcomes

Based on stakeholder feedback and our ongoing research, we have updated the Equity Outcomes, as follows:

- The outcomes related to governance and accountability are now at the beginning of the list of outcomes. This is not meant to indicate a specific order of importance, but rather based on a desire to group together foundational components that are mutually reinforcing.
- All components related to wealth generation are now included in the “economic and social mobility” outcome (rather than the “health and well-being” outcome) and the importance of building wealth through the acquisition of assets, not just growth in income, is now included.
- The outcome on health and well-being now explicitly includes the importance of mental health, affordable childcare, and all people having the ability to take time away from work to rest and care for themselves and their families.
- Climate justice is explicitly named in the title of outcome 9 (now “Climate, Environmental, and Spatial Justice”) and we have named that people of color are leaders in our just transition to a stable climate and healthy planet.
- Inclusive representation is explicitly named in the title of outcome 10 (now “Inclusive Representation and Narrative Change”) and we have included the importance of the stories and teaching of our past being honest and forthright.
- To show key connections and further demonstrate the relevance of the outcomes, we mapped the SDGs, UDHR, and UNGPs across all of the outcomes.

Across all the outcomes, we also refined language for greater clarity, consistency, and cohesion. In addition, we refreshed our research for the outcomes and will continue to do so on a periodic basis.





SECTION 3

How the Standards Are Governed

How the Standards Are Governed

As a standard-setting initiative, the Alliance is committed to championing transparency and making decisions equitably. Below, we outline our approach to the governance of the standards, including the responsibilities of the Founding Members and opportunities for others to get involved. For further information about our approach to governance, see our draft [Governance Charter here](#).

In addition to seeking feedback on the draft standards, we invite all stakeholders to share feedback on our governance approach, specifically considering these questions:

- Is the draft Governance Charter clear?
- What, if any, revisions or additions do you recommend to strengthen the draft Governance Charter?
- What is most important to you in the governance of the Performance Standards?

[Find more information here on providing your feedback.](#)

■ Governance Structure and Decision-Making

The Alliance is led by its founders, PolicyLink, FSG, and JUST Capital (the “Founding Members”). The Alliance’s responsibilities include the following:

- Initiative strategy and oversight
- Standards research, development, and testing
- Stakeholder consultation and public comment periods
- Standards learning and impact evaluation
- Fundraising
- Thought leadership
- Pilot design and execution
- Raising awareness and establishing partnerships with ecosystem partners
- Raising awareness and recruiting activation partners and companies

The Founding Members leverage their respective strengths and assets to carry out the mission of the Alliance, with PolicyLink serving as the Secretariat. As the Secretariat, PolicyLink leads strategy, manages administrative and financial matters, oversees day-to-day activities, and for material matters makes the final decision if consensus cannot be reached.

Commencing with or soon after the launch of the final standards in 2025, the Alliance will establish an advisory committee (described below) as well as a membership program to support companies in implementing the standards. See Section 4, Implementation Plans, for these additional opportunities to get involved.

Advisory Committee

The Alliance plans to establish a cross-sector advisory committee (the “Advisory Committee”) to support the ongoing governance of the Performance Standards. The Advisory Committee will provide essential expertise and input into the implementation approaches we adopt, ecosystem partnerships we establish, and the ongoing evolution of the standards.

Approximately every three or four years, we plan to review and update the standards as needed to address changes in circumstances and opportunities to deepen the positive impacts of companies in line with sustainable value creation that serves all stakeholders. After several years of standards

implementation in the U.S., if not sooner, we will explore ecosystem partnerships to adapt and deploy the standards to other regions across the globe. In support of these efforts and more, the Advisory Committee will provide critical feedback and guidance.

A call for applications and invitations to join the Advisory Committee will be issued in 2025. The Secretariat, with input and support from the other Alliance Founding Members, will review the applications and invite selected candidates to join the Advisory Committee. Ensuring that the composition of the Advisory Committee is diverse across multiple dimensions and includes those with lived

experience of marginalization and systemic barriers as well as the next generation of business leaders and workers is central to our aims and ongoing success.

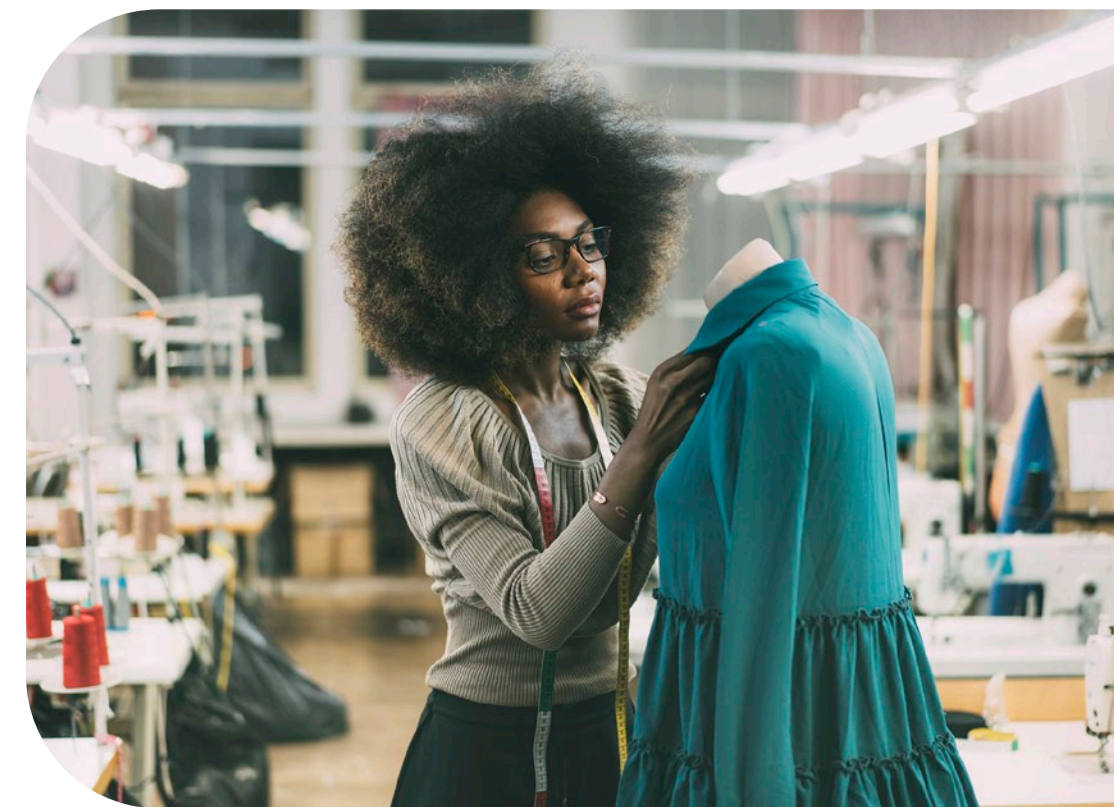
We envision members of the Advisory Committee serving for two-year terms with renewal possible upon mutual discussion and agreement. Participation will be virtual and equitable compensation will be offered in line with our guiding principles (see Section 2). [Subscribe to the Alliance newsletter](#) to stay informed of this opportunity, including more details about the first call for applications.

Grievance Mechanism and Dispute Resolution

The general public can raise any questions or concerns about the Alliance, the standards, their governance, or implementation approaches through the Alliance Contact Us webpage (<https://corporateracialequityalliance.org/contact-CREA>). The Alliance will aim to confirm receipt of all outreach within 30 days and aim to address any good faith concerns within a reasonable period thereafter. The Alliance will communicate promptly should more time be needed to address any questions or concerns.

We reserve the right, however, to refrain from responding to any outreach that the Alliance determines is not made in good faith or is disrespectful, defamatory, or diminishes the humanity of any person or group of people.

After the launch of the final standards, the Alliance will periodically evaluate our governance approach and may make changes to our structure and approach from time to time. Any changes we make will be shared in the Alliance newsletter and on our website.





SECTION 4

Getting Ready for Standards Implementation

Getting Ready for Standards Implementation

Final Standards Launch

After incorporating the feedback and learnings from our various stakeholder engagement efforts in 2024, we aim to launch the final standards in 2025 in digital format for companies that are ready to adopt the standards and track their progress.

With the launch, we will release an organizational assessment tool, guidance on adoption pathways, the results of the 2024 public comment period, and learnings from our corporate pilots.

Also, as mentioned in Section 2, we plan to release additional performance targets and guidance for specific industries, starting with the industries with the most potential to improve outcomes for those who experience economic insecurity. The timeline for industry-specific performance targets will be determined after the launch of the final standards and will depend in part on the partnerships we establish.



■ Alliance Membership Program

With the launch of the final standards, we plan to launch a membership platform and program for companies that will include recognition for meaningful progress made, as well as member-only tools, guidance, and programming for ongoing learning. This will include an enhanced assessment tool, more detailed guidance on adoption pathways, templates for the various policies and plans called for under the standards, and more.



For companies that join our membership program, public disclosure of progress will be staged over time based on the adoption pathway that is applicable to the company and tailored to the stakeholder groups that need transparency. The membership program will also include third-party verification of progress against the standards and a recognition program to celebrate companies on their journeys. As noted in Section 2, while transparency and accountability are paramount to this work, the first steps are to commit, assess, make a plan, and steadily make progress.

In parallel with the program for companies, we will launch a membership program for individuals and organizations interested in supporting companies to implement the standards—from racial equity and human rights practitioners to DEI consultants, civil rights auditors, social sustainability experts, and standards verification experts.

More details about the platform and both membership programs will be released with the launch of the final standards. [Subscribe to the Alliance newsletter](#) to stay informed of these opportunities.

If you would like your company to be among the inaugural corporate members, reach out to us at CREAlliance@policylink.org.

■ Collaboration and Interoperability

The Performance Standards will be a public good and driving greater consensus is one of our top goals. Accordingly, we invite partnerships with other standards setters, benchmarking organizations, and conformity assessment bodies. We welcome the opportunity to lend our learnings and work to other organizations focused on complementary efforts. We are also interested in partnerships with conformity assessment

bodies to play key roles in formally verifying company performance against the standards.

As part of our implementation strategy, we also envision partnerships with standards setters and benchmarking organizations to produce integration guidance or establish interoperability of our standards with other leading tools and frameworks.

To date, we have partnered in the development of the IRIS+ racial equity theme with the [Global Impact Investing Network](#) and [CapEQ](#), both Alliance Flagship Partners.

[B Lab](#) is also an Alliance Flagship Partner and we are exploring multiple ways our effort can support their growing network of certified B Corps.

■ Stakeholder Use Cases

As we shared in our 2022 Standards Report, we will also work with investors, public sector leaders, and others who are interested in leveraging the standards in their efforts to influence, track, and measure corporate priorities on equity, inclusion, and socially responsible business.

To date, the Alliance has shared its learnings and standards development work with multiple organizations with complementary missions, including with investors, civil society organizations, and public sector leaders.

Upon the launch of the final standards, we will develop tailored tools—including questionnaires and scorecards—for stakeholders across sectors to use in their complementary efforts. This will include bespoke tools for asset owners and asset managers in both public and private markets. This will also include bespoke tools aligned to the final standards for any stakeholders focused on specific topic areas, such as a workforce development questionnaire, a community impact scorecard, or a questionnaire focused on a particular underrepresented group.

We are excited about the possibilities for collaboration and welcome opportunities to grow our partnerships to extend the reach of the standards.

In addition to seeking feedback on the draft standards and our governance approach, we invite all stakeholders to share feedback on this overview of our implementation plans, specifically whether we should consider additional implementation approaches to accelerate adoption of the standards. Section 5 describes how you can lend your voice to this effort.



SECTION 5

Join Our Effort

Join Us in Shaping the Standards

A future where everyone can thrive and achieve their full potential calls for bold leadership across all sectors. While the standards alone cannot get us there, we believe they are an important step forward, providing a common language and clear roadmap for leading businesses to adopt new strategies, measure progress, and achieve lasting results.

We invite all stakeholders to join us in continuing to shape the draft standards, by participating in our third public comment period from May 20 to October 31, 2024. We need your feedback to ensure the draft standards are comprehensive, focused on what matters, and impactful for everyone. Working together in partnership across sectors is the key to our collective success, and your voice is vital to this work.

To participate, review the draft standards and offer feedback on several critical questions, including the following:

- Are the standards clear and compelling?
- Do you agree with the performance targets and do you suggest others?
- Do the standards provide the guidance needed for companies to get started and steadily make progress?
- What additional implementation approaches, if any, do you think we should consider to accelerate adoption of the standards?
- What is most important to you in the governance of the Performance Standards?

Together, we can establish new norms in business that value people and our planet no less than the bottom line, recognizing that when we do so, all of us can thrive and reach our full potential.

Submit your feedback by completing our survey (letter submissions will also be accepted) or attending one of our virtual roundtables.

[ACCESS THE STANDARDS, SURVEY, AND ROUNDTABLES HERE](#)



Appendices

Profile of the 100 Million

■ **The number of Americans living at or below 200% of the federal poverty level (the “FPL”) has fallen over the past five years from 98.7 million individuals in 2017 to 92.7 million in 2022.**

- From 2017 to 2022, the share of people living below 200% of the FPL fell for people across all racial and ethnic groups except for people of other or multiple races. However, this shift may primarily reflect changes to the Census Bureau questionnaire that influenced how survey respondents characterize their race and increased the number of respondents identifying as other or multi-race.
- **People of color continue to comprise a disproportionate share of people living below 200% of the FPL.** While people of color comprise 42% of the U.S. population, they make up 55% of the population living below 200% of the FPL.

In addition to more likely being a person of color, Americans living below 200% of the FPL in 2022 were also more likely to:

- **Live in Southern states,** including Oklahoma, Arkansas, Louisiana, Mississippi, and Alabama where 36-40% of the state population lives below 200% the FPL.
- **Be women:** 30% of women lived below 200% of the FPL compared to 26% of men; 54% of people living below 200% of the FPL were women and 46% were men.
- **Be unemployed:** Unemployment rates for individuals living below 200% of the FPL were double those above 200% of the FPL (5.1% compared to 1.9%).
- **Work in service occupations:** About 30% of employed individuals living below 200% of the FPL worked in service occupations compared to about 13% of employed individuals above 200% of the FPL.

- **Have a disability:** 20% of individuals living below 200% of the FPL had a disability compared to 11% of individuals above 200% of the FPL.
- **Lack citizenship status:** 9% of individuals living below 200% of the FPL did not have U.S. citizenship compared to 5% of individuals above 200% of the FPL.
- **Live in single female-headed households with children.** 48% of households with children living below 200% of the FPL were headed by single females.

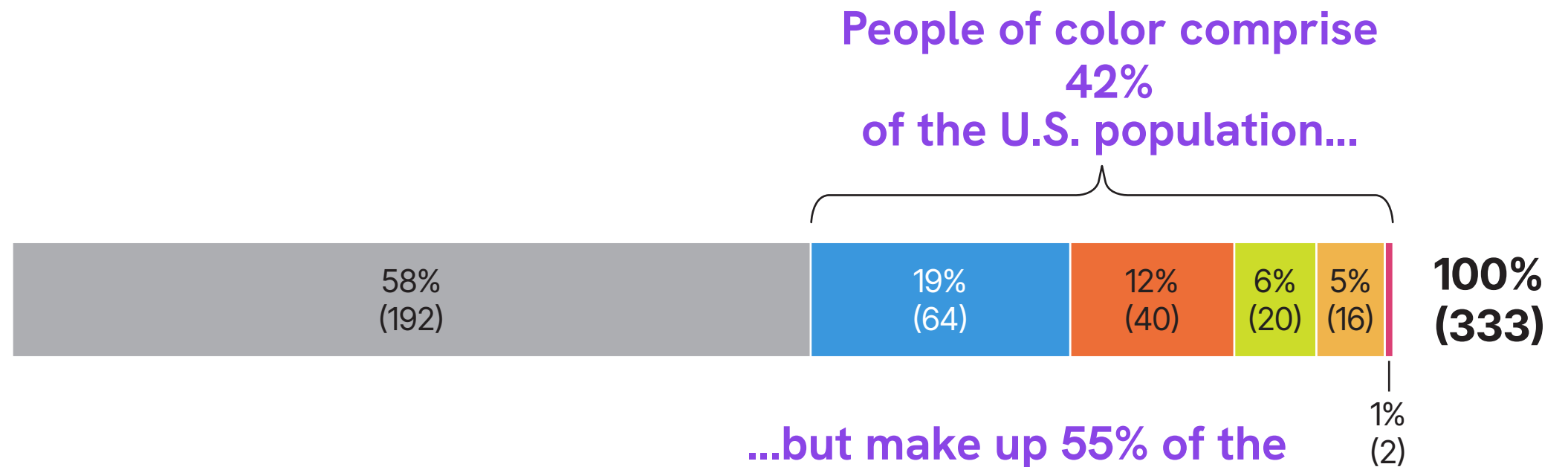
Individuals living below 200% of the FPL are less likely to be veterans (5% below vs. 7% above 200% FPL) and less likely, as veterans, to have service-connected disabilities (25% vs. 31%). Meanwhile, households below 200% of the FPL are about as likely as those above to be headed by same-sex couples (2% of households both above and below 200% of the FPL), but less likely to be headed by married couples.

Source: U.S. Census Bureau American Community Survey, 2017 and 2022 1-year estimates. Custom data extract created using IPUMS. Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rogers, and Megan Schouweiler. IPUMS USA: Version 14.0 [dataset]. Minneapolis, MN: IPUMS, 2023. <https://doi.org/10.18128/D010.V14.0>.

93 million Americans live below 200% of the federal poverty level with people of color comprising a disproportionate share

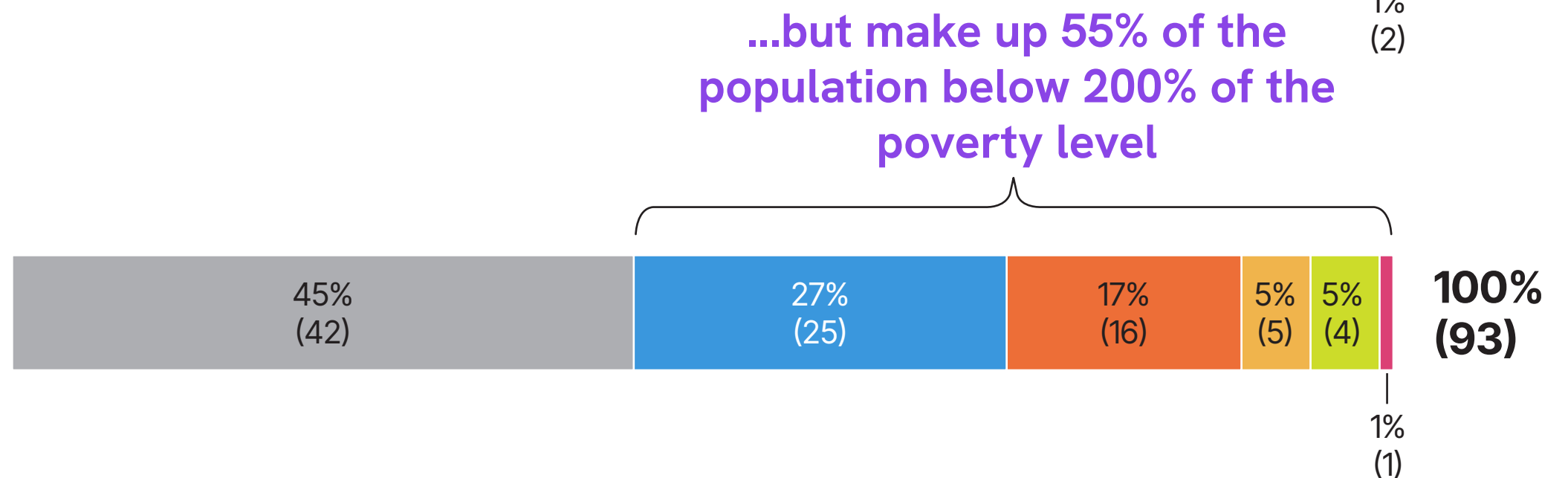
U.S. population by race/ethnicity, 2022

Percent and share of total population, by race/ethnicity (millions)



U.S. population living at or below 200% of the FPL by race and ethnicity, 2022

Percent and share of people with household incomes below 200% of the federal poverty level, by race/ethnicity (millions)



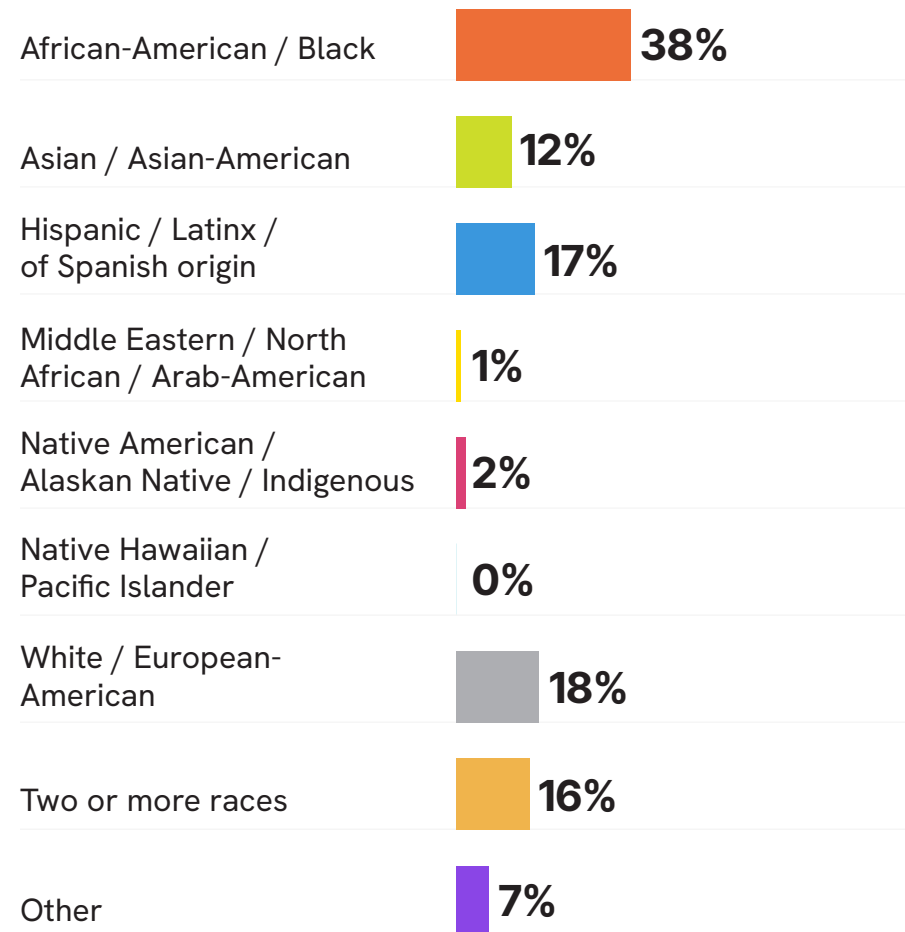
■ White, non-Hispanic
 ■ Hispanic
 ■ Black, non-Hispanic
 ■ Asian or Pacific Islander
 ■ Other race or 2+ races
 ■ Native American or Alaska Native

2022 Public Comment Period Results

Overview of Demographic Reach

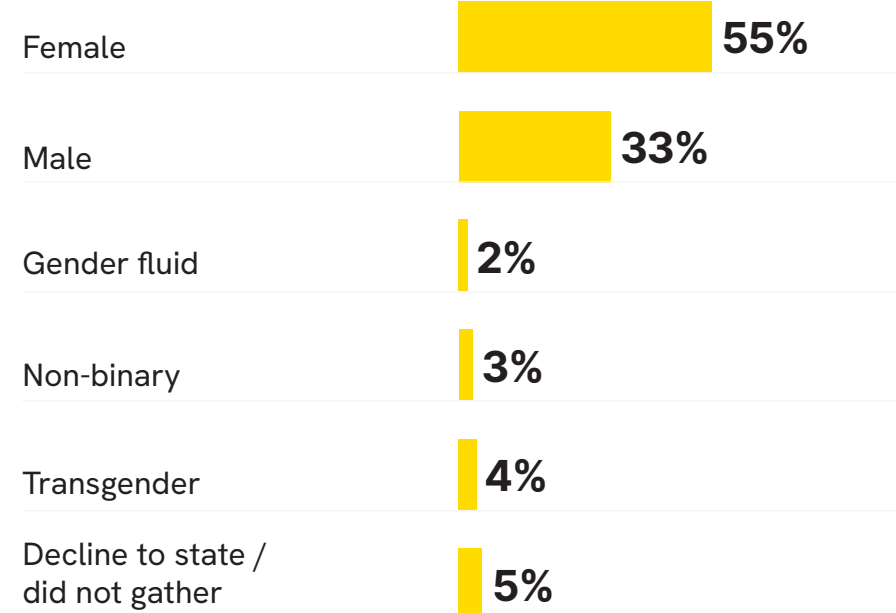
Race and Ethnicity

Percentages do not add up to 100% as some individuals selected multiple responses.

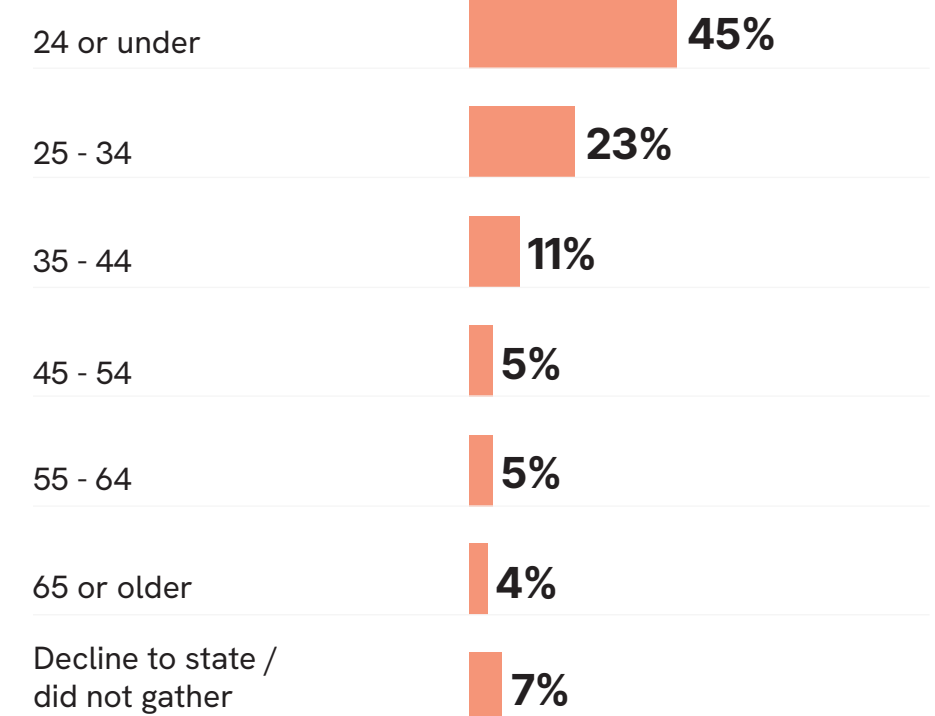


Gender

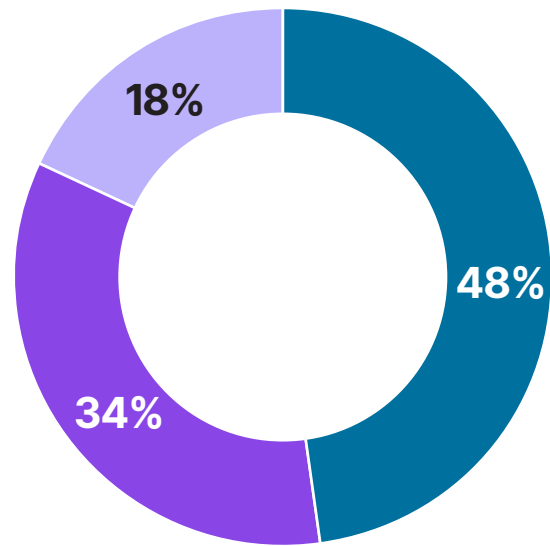
Percentages do not add up to 100% as some individuals selected multiple responses.



Age



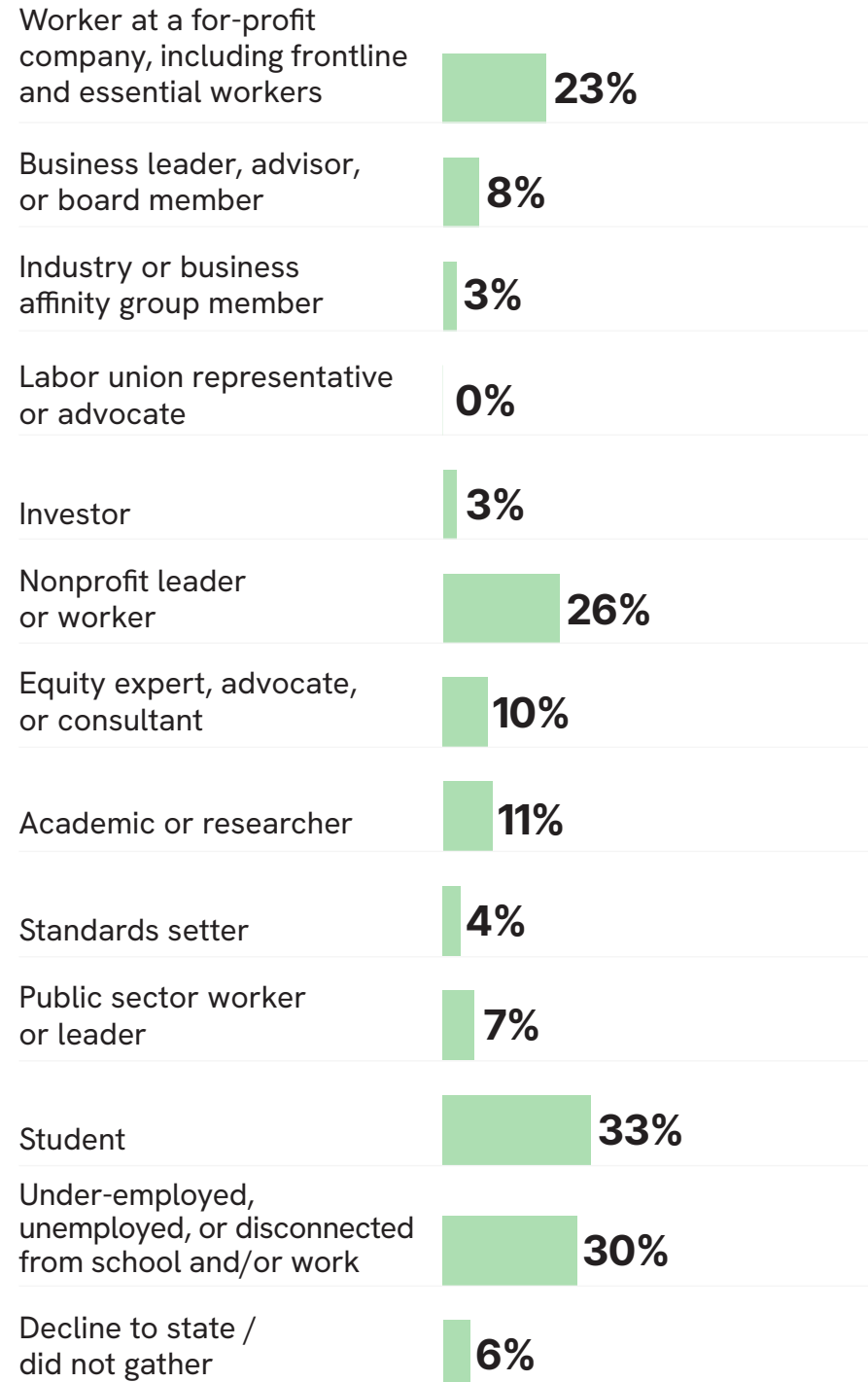
Income



- Less than \$26,000/year for a single person or less than \$53,000/year for a family of four
- More than \$26,000/year for a single person or more than \$53,000/year for a family of four
- Decline to state / did not gather

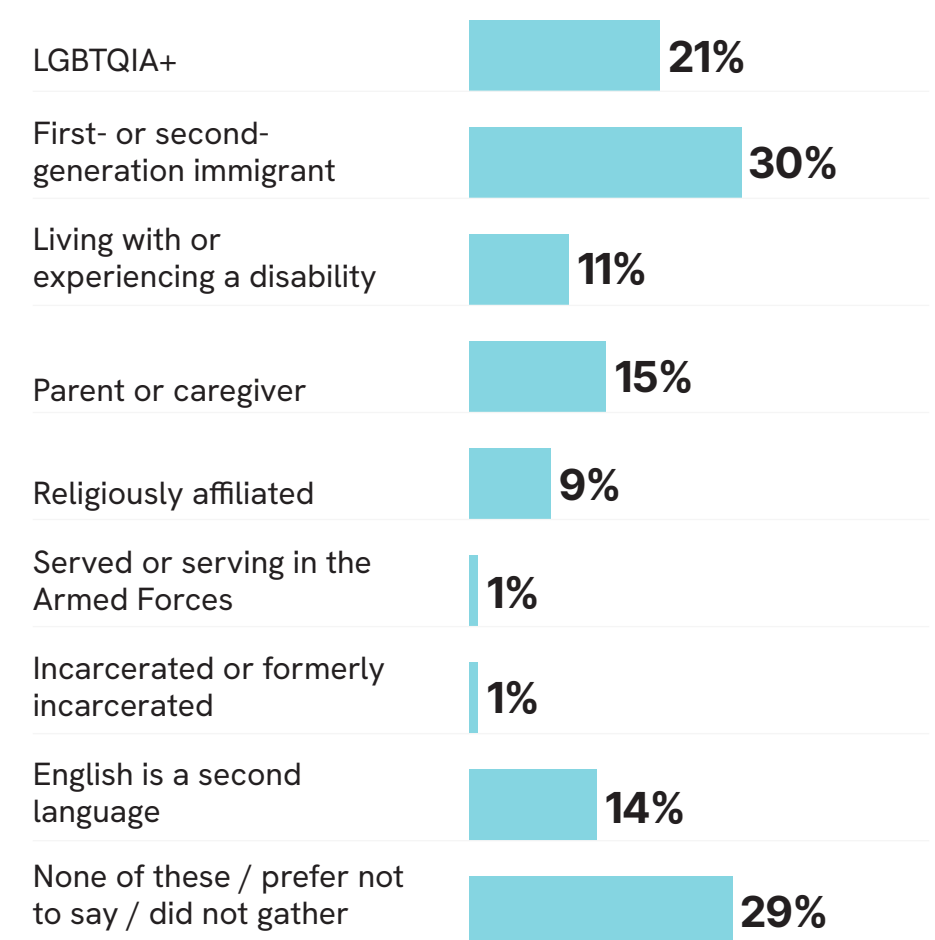
Expertise

Percentages do not add up to 100% as some individuals selected multiple responses.



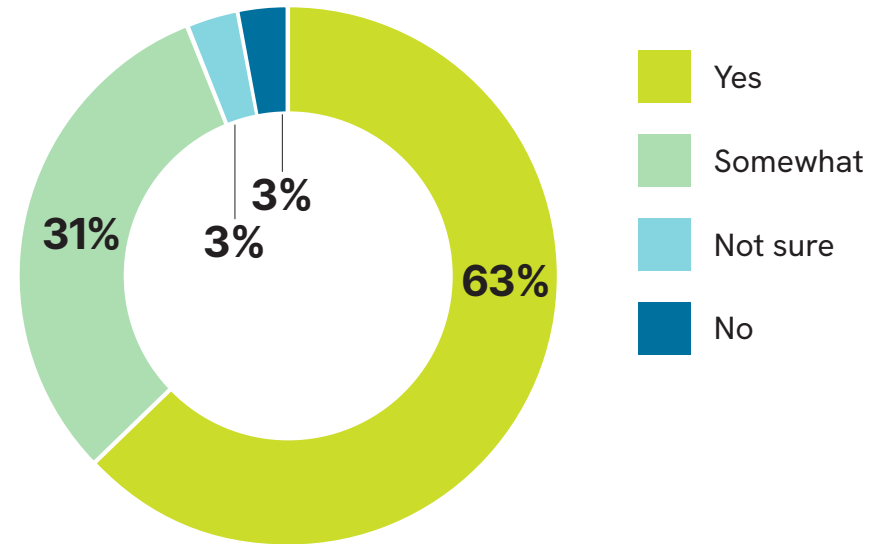
Lived Experience

Percentages do not add up to 100% as some individuals selected multiple responses.

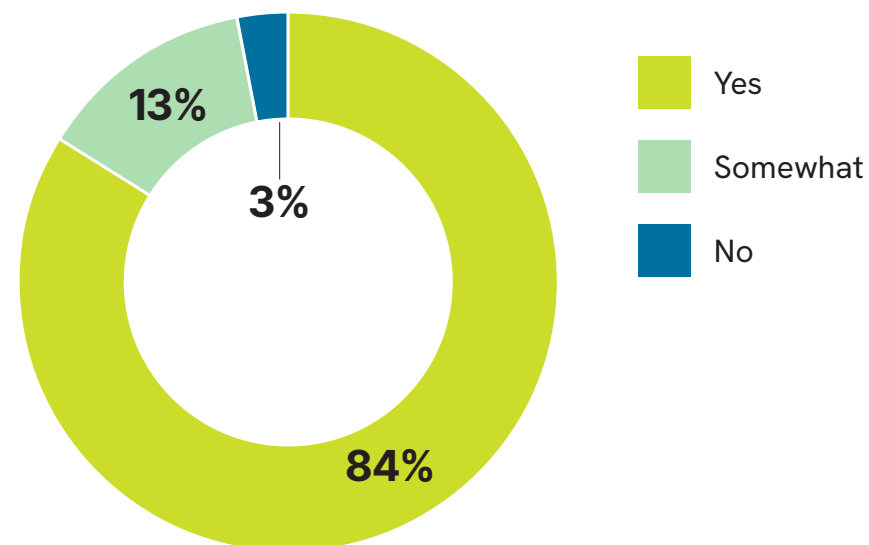


Quantitative Survey Results

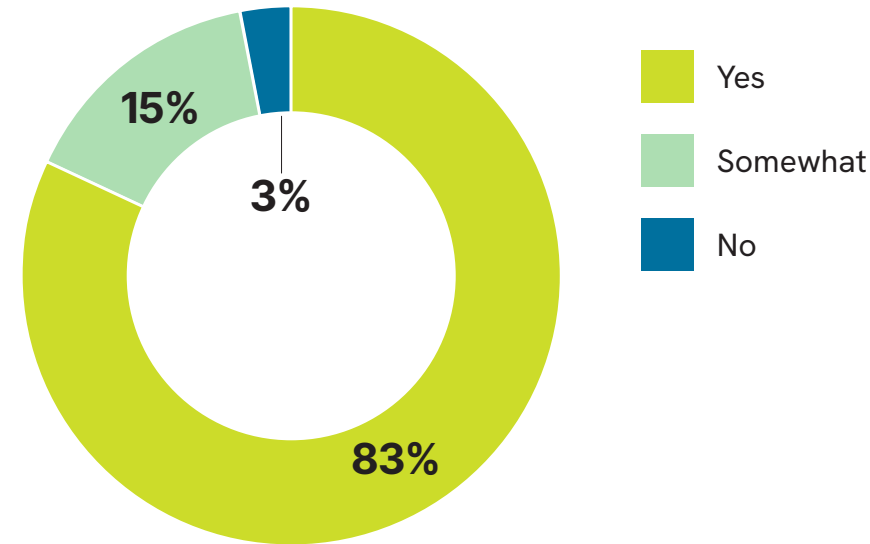
Do you believe our model of systems change will lead to meaningful changes in racial and economic equity within companies and across their broader spheres of influence?



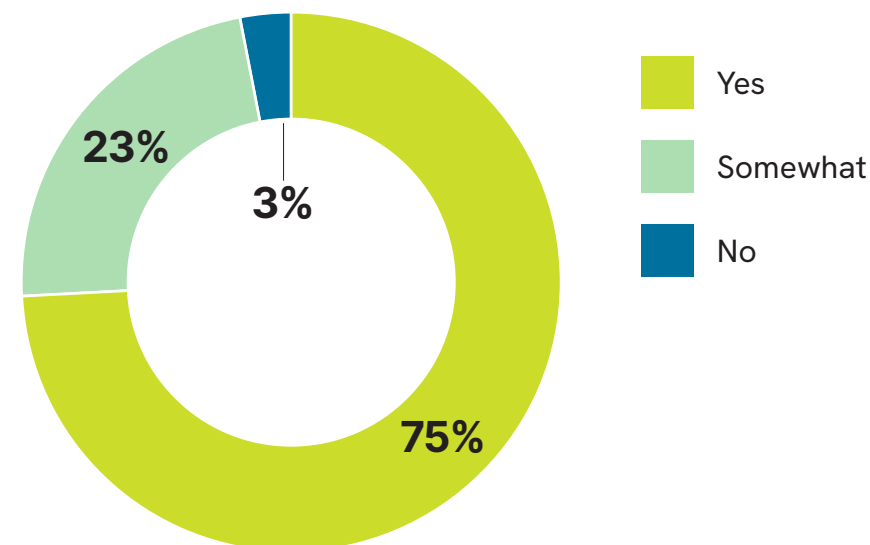
Is our rationale for developing corporate performance standards on racial and economic equity clear and compelling?



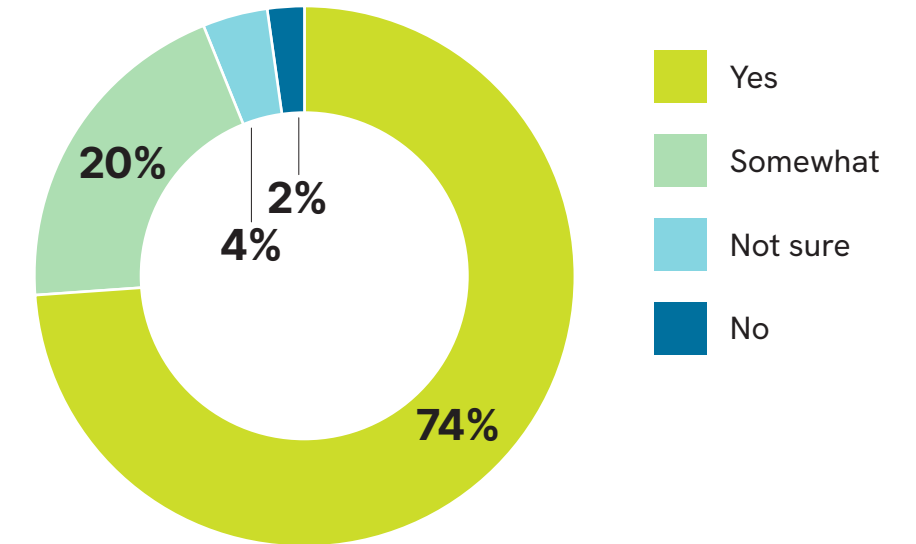
Are the 10 racial and economic equity outcomes clear and compelling?



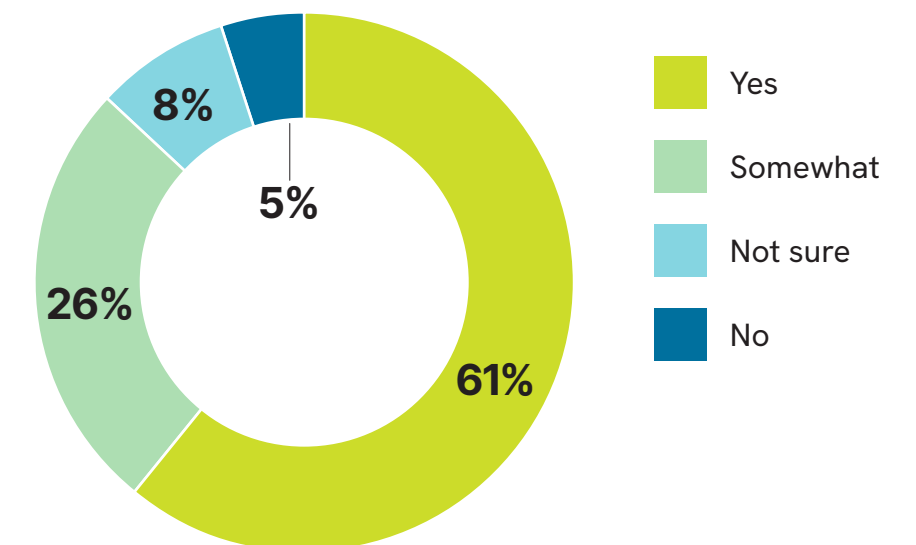
Do the 18 levers of change cover the key actions needed to embed racial and economic equity in businesses?



Do the illustrative performance standards provide the guidance businesses need to take action to advance racial and economic equity in those areas of impact?



Will our approach to materiality help corporations, investors, and other stakeholders determine what to prioritize to advance racial and economic equity?



Equity Outcomes

The Performance Standards are designed to support companies in positively contributing to 10 powerful societal outcomes—the Equity Outcomes—collectively representing well-being for all people, a strong economy and democracy, and a fair and inclusive society where everyone can reach their full potential. The outcomes recognize the full humanity of all people and that our fates are interconnected. They are also aligned with the *UN Sustainable Development Goals* (SDGs), the *Universal Declaration of Human Rights* (UDHR), and the *UN Guiding Principles on Business and Human Rights* (UNGPs).



Racial and economic inequality are recognized as systemic risks, and the antidotes of racial and economic equity are recognized as material to a thriving economy and democracy and, therefore, prioritized and embedded in the governance, design, and operation of all institutions.²¹

SDGs 10 and 16 | UNGPs Principles 16 and 19

Across sectors, institutions increase transparency across multiple dimensions, including by collecting and responsibly sharing disaggregated and intersectional demographic data to foster shared understanding, progress toward, and accountability for achieving racial and economic equity.²²

SDGs 10 and 16 | UNGPs Principle 21

Institutions proactively assess and acknowledge accountability for their contribution(s) to racial injustice; actively repair harm caused, including from institutionalized violence; and invest in the healing and safety of all those affected, including workers, customers, and communities.²³

SDG 16 | UNGPs Principle 22

People of color, people living in economic insecurity, and historically underinvested communities are proportionately represented in positions of power and leadership, and those most impacted by injustice and inequality are decision-makers in the design and implementation of equitable solutions.²⁴

SDGs 5, 8, 10, 16 | UDHR 23

People of color and people living in economic insecurity have equitable opportunities for generational wealth-building including quality education, career advancement in good jobs with family-sustaining wages, and access to affordable assets; poverty is eliminated and the racial wealth gap is closed; and neither one's racial identity nor zip code predicts socioeconomic outcomes.²⁵

SDGs 1, 4, 5, 8, 9, 10 | UDHR 23, 24, 25, 26

Like the draft standards, the Equity Outcomes comprise a living document and are core to our work. As we continue our development effort, the outcomes may be updated from time to time.




6
**Thriving
Multiracial
Democracy**

Our democracy is vibrant, diverse, and strong, and the nation benefits from the full participation of people of color, people living in economic insecurity, and young people in just and fair democratic processes.²⁶

SDG 16 | UDHR 1, 2, 21, 22



7
**Health and
Well-Being**

People of color and people living in economic insecurity have access to high-quality, affordable physical and mental health care, affordable childcare, and the ability to take time away from work to rest and care for themselves and their families.²⁷

SDGs 3, 5, 10 | UDHR 25



8
**Thriving,
Diverse
Communities**

Neighborhoods are racially and socioeconomically diverse, and all communities are invested in, benefit equitably from the full suite of public services (including constructed public resources and tax dollars), and enjoy self-determination, resulting in equitable economic opportunity and community health and well-being.²⁸

SDGs 8, 9, 10, 11 | UDHR 2, 22, 23, 24, 25



9
**Climate,
Environmental,
and Spatial
Justice**

People of color are leaders in our just transition to a stable climate and healthy planet; all people, including those in low-income communities and communities of color, enjoy equitable access to the natural and constructed resources needed to live and thrive, from clean water to safe and affordable housing.²⁹

SDGs 6, 7, 10, 13 | UDHR 25, 27



10
**Inclusive
Representation
and Narrative
Change**

The brilliance, beauty, and humanity of people of color and people living in economic insecurity are visible and celebrated in our nation's storytelling through culture, print and digital media, and marketing; the stories and teaching of our past are honest and forthright.³⁰

SDGs 3, 4, 5, 10 | UDHR 1 and 27



Endnotes

Endnotes

- 1 U.S. Bureau of Economic Analysis, “Real Value Added by Industry,” last revised March 28, 2024, [https://www.bls.gov/charts/employment-situation/employment-levels-by-industry.htm](https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&gl=1*os37ai*_ga*MTcyNjQzO-DQ3OS4xNzA4MDIyODA3*_ga_J4698JNNFT*MTcxMjY2OTAw-My4xMS4xLjE3MTI2NjkyNjluMzUuMC4w#eyJhcHBpZCI6MTksIn-N0ZXZljbMswyLDNdLCJkYXRhIjpbWyJjYXRlZ29yaWVzliwiU-3VydMvV5lI0sWyJOSVBBX1RhYmxiX0xpc3QilClYNSJdXX0=; U.S. Bureau of Labor Statistics, “Employment Levels by Industry, Seasonally Adjusted,” accessed April 2024, <a href=).
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