

RACIAL JUSTICE SCORECARD

LARGE-CAP 3000



MARCH 31, 2025



AS YOU SOW

LEAD AUTHOR



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ACKNOWLEDGMENTS

This report was made possible by the generous support of the AJL Foundation, Global Commons Accountability Accelerator, Mighty Arrow Foundation, Sapelo Foundation, and Wallace Global Fund. Additional support was provided by the Argosy Foundation, Climate Finance Fund, Firedoll Foundation, Ford Foundation, Ann and Gordon Getty Foundation, Gund Foundation, Manaaki Foundation, Russell Family Foundation, Singing Field Foundation, and Stardust.

Editorial and project support were provided by *As You Sow's* Senior Racial Justice Research Associate Anne Schmidt, Meredith Benton and Jaylen Spann of Whistle Stop Capital, Creative Operations Coordinator Selena Newell, *As You Sow* CEO Andrew Behar, copyeditor Susan Honea, web developer Wesley Henjum, web consultant Hillary Bowling, and design consultant John Opet. We would like to thank our Racial Justice Advisory Committee, Dr. Michael K. Dorsey, Yusuf George, Patience Marime Ball, Renee Morgan, Donna Robinson, Kevin O'Neal-Smith, and Rev. Lennox Yearwood Jr., for their ongoing support. Lastly, thank you to our Racial Justice Research Fellows who assisted with the creation and production of the data.

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INTRODUCTION TO AS YOU SOW'S RACIAL JUSTICE INITIATIVE

In May of 2020, the world witnessed the horrific murder of George Floyd, forcing many to confront and challenge systemic racism within our lives. Not only did this event force a re-evaluation of our most fundamental beliefs and institutions, but it also became a catalyst for change within American society. *As You Sow*®, the nation's leading non-profit in shareholder advocacy, created the Racial Justice Initiative to educate companies on the importance of incorporating standards related to racial justice, diversity, equity, and inclusion. By showing the material benefit of cultivating a diverse workforce, with strong equity-based policies and practices, we help companies further positive actions for their employees, communities, shareholders, and stakeholders.

PROMOTING EQUITY THROUGH EDUCATIONAL SCORECARDS

Since 2020, the Racial Justice Initiative has developed Racial Justice Scorecards on the Large-Cap 3000, to monitor publicly available information on key actions related to racial equity, diversity, and inclusion disclosure and policies, and environmental justice. The Racial Justice Scorecards are an educational tool with guidelines that assist a variety of stakeholders in understanding and gauging corporate progress on racial equity and environmental justice. Companies, investors, consumers, and other stakeholders actively use our work to make policy, financial, and personal decisions.

As shareholder advocates, we educate and motivate companies to examine implicit biases built within their systems by engaging directly with public companies. The Racial Justice Scorecards serve as the backbone of our corporate engagement strategy and our key performance indicators (KPIs) are evaluation guidelines which track and monitor corporate progress.

Our data is thoroughly quality-checked, with a transparent methodology available on our website. The data is updated quarterly, giving companies we engage with the opportunity to improve real time, as well as annually with an intensive research update occurring each year.

COMMITTING TO ENVIRONMENTAL JUSTICE

The EPA previously defined Environmental Justice as the “fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations, and policies”. *As You Sow*'s racial and environmental justice work are informed by an environmental justice framework which highlights multidisciplinary, intersectional approaches to understand and gauge the ways in which systemic racism and harm is perpetuated.

Low income and communities of color have disproportionate exposure to toxic environments, which leads to an increase of negative health impacts and adverse social outcomes. Numerous studies have been conducted that expose the environmental inequities in American social and physical landscapes; “More than half of the

people who live within 1.86 miles of toxic waste facilities in the United States are people of color.”¹, and approximately 63,000 Americans are killed each year by air pollution. In the U.S., an estimated \$600 billion per year in 2050 will amount to the “total social cost due to air pollution mortality, morbidity, lost productivity, and visibility degradation. These Americans are disproportionately BIPOC and low-income community residents.”² There is no shortage of data which exposes the disproportionate harm experienced by low-income and communities of color.

Tracking environmental injustice at a corporate level is difficult; pollution monitoring tools may not capture the full picture of the on-the-ground harm experienced daily by frontline communities. There is no single scorecard to hold the responsible parties accountable for their actions, and corporate Environmental, Social, and Governance (ESG) statements often mask harmful practices. Yet, through acknowledging disproportionate harm and identifying sources of environmental injustice and racism, stakeholders can push for corporate change. Stakeholders stress the material importance of strong Environmental Justice policies and practices. Parnassus Investments recommends that companies complete the following steps to mitigate material risk: conduct an independent assessment or environmental justice audit, establish an environmental justice strategy, formalize and implement stakeholder-consultation processes, establish strong governance structures, and provide meaningful and regular updated disclosures to stakeholders³. Additionally, Investor Environmental Health Network, Interfaith Center on Corporate Responsibility, and Clean Action Production have released a report addressing the business case for Environmental Justice, highlighting that “companies that respond to these evolving expectations by proactively addressing environmental justice can mitigate emerging risks and strengthen the longterm sustainability and viability of their businesses”⁴.



Our environmental justice shareholder advocacy work focuses on elevating community voices to C-Suite management and the board of directors at public companies, with a long-term goal of using this approach to reduce systemic harm overall. We strive to make localized connections with grassroots environmental justice organizations and local community groups across America and recognize the importance of the Environmental Justice Movement and principles. Environmental Justice organizations have long led the charge to challenge corporations over their harmful actions. We take the time to form respectful, in-depth partnerships that lead to trusting relationships and allow *As You Sow* to support community goals and organizations’ missions. We exert inside pressure on corporate management through shareholder advocacy framed by compelling community stories and informed by community health and emissions data. As shareholders, we have legal standing to engage executives and boards of public companies. We carry the community message to management, reframe company inaction as a material business risk, and seek to drive rapid change through direct engagement, escalating to a formal shareholder resolution if needed. Using our inside-out leverage as shareholder advocates, we effectively broker change to create environmentally just business practices and policies that will decrease material risk to all stakeholders.

INVESTOR CONCERN AND THE ECONOMIC COST OF RACIAL INEQUALITY

According to *As You Sow's* Workplace Equity Initiative, the issues of diversity, equity, and inclusion have a direct material impact on investors as research shows financial returns correlate with strong diversity and inclusion programs. In addition to the deep societal harm that an economically unjust system causes, allowing biased and discriminatory employment practices to continue also damages the long-term health of companies. Below is a small sampling of available studies:

As You Sow, in its 2022 review of 277 EEO-1 reports, which detail a company's workforce composition, found a positive association between diversity in management and cash flow, net profit, revenue, and return on equity⁵.

Similarly, leading companies in racial and ethnic diversity were 33% more likely to outperform peers on profitability⁶.

A 2019 study of the S&P500 by the Wall Street Journal found that the 20 most diverse companies had an average annual five year stock return that was 5.8% percent higher than the 20 least diverse companies⁷. The benefits associated with diverse teams include access to top talent, better understanding of consumer preferences, a stronger mix of leadership skills, informed strategy discussions, and improved risk management.

RECOMMENDATIONS FOR STAKEHOLDERS

INVESTORS:

Increasingly, investors are expecting corporations to implement racially equitable policies and practices which not only raise the quality of a company's human capital management strategy, but also leads to financial outperformance among peers. Investors encourage companies to solicit stakeholder input and to examine their business practices for implicit bias, which could harm long-term value. Investors can encourage corporations to invest in strategies to analyze policies and practices through a racial equity and civil rights lens to reduce material risk. Despite recent shifts in political support for DEI, investors should understand that diversity in the workforce continues to be beneficial for companies and their shareholders. The Racial Justice Scorecards outlined in this report can assist investors in evaluating the degree to which companies are proactively reducing risk related to racial equity, DEI, and environmental justice.

CORPORATIONS:

We encourage companies to approach their racial equity journey with transparency, openness, and a willingness to engage with a variety of stakeholders, including investors, suppliers, consumers, employees and communities. Stakeholders named in this report are prioritizing their support of companies based on workforce data disclosure related to recruitment, retention, and promotion rates of people of color, pay equity, and workforce composition metrics, amongst other statistics. The more information stakeholders, particularly investors and consumers, have regarding measurable progress in these important areas, the more likely they are to invest time, resources, and money into the company. Commitment to equity and diversity are important, as these values contribute to a reflective and supportive corporate culture, which in turn, boosts productivity.

A critical component to measure corporate progress is conducting third party Racial Equity/Civil Rights audit. Companies can use these audits as risk management tools to examine and highlight biases embedded in policies and programs before they become a wider issue affecting stakeholder support and employee satisfaction. We highly recommend using PolicyLink's Civil Rights Audit Standards⁹ as guidelines for conducting corporate audits.

POLICYMAKERS:

Policymakers are charged with ensuring that regulatory decisions are made with public health, safety, and equity as priorities. Policymakers have opportunities to reshape how corporations interact with the public and their investors by regulating what DEI information can and should be disclosed. We encourage policymakers to continue to support Civil Rights, Shareholder rights, and the Equal Employment Opportunity Commission (EEOC). Policymakers should continue to create and support legislation that prevents discrimination in the corporate sphere.

CONSUMERS:

There is a growing consumer awareness surrounding Environmental, Social and Governance (ESG) issues, and a vast number of consumers support companies based on their ESG policies and actions. Consumers choose brands that support transparency in workforce data disclosure, racial equity programs, community engagement, and strong environmental justice policies. Consumers have the power to invest their values through conscious purchasing decisions. It is important to remember that consumer pressure can motivate companies to change strategies, adopt new policies and practices, and stand firm against anti-ESG and anti-DEI rhetoric.





RACIAL JUSTICE SCORECARD RESEARCH AND METHODOLOGY PROCESS

In collaboration with our Advisory Committee, organizational allies, and other stakeholders, 28 key performance indicators were established to measure companies' progress on racial equity and environmental justice, creating individual corporate scorecards. As *You Sow's* Racial Justice Research Team examines corporate websites and reports, corporate social media accounts, and credible primary, secondary, and tertiary sources for material information on each company in the Large-Cap 3000 to determine the level of action, or inaction, on racial equity, diversity, equity and inclusion, and environmental and climate justice. Our environmental justice research focuses on a multidisciplinary approach by pulling information from a variety of sources to build a profile of corporate environmental commitments and activities. The Racial Justice Initiative worked closely with environmental justice issue experts to develop KPIs which monitor corporate progress in an environmental justice framework that "shifts the burden of proof to polluters and dischargers who do harm, discriminate, or do not give equal protection to racial and ethnic minorities and other protected classes."⁹ Research and data for seven of the Workforce Disclosure KPIs are taken directly from our partner initiative at *As You Sow*, Workplace Equity. The remainder of our Racial Justice KPIs are researched and scored by the Racial Justice Initiative and subjected to an intensive, multi-level, quality assurance process. The scoring of each KPI is described in the following section, please note that there is no additional weighting to our current KPIs and that the companies' scores show the true valuation of their actions.

As *You Sow* releases quarterly updates to the Racial Justice Scorecard, as well as one large-scale annual update. It is possible that a company may have increases or decreases to their scores that are not represented in real-time. To inform us of corporate reporting not captured, please send an inquiry to info@asyousow.org. To learn more about the Racial Justice Initiative's corporate engagement on racial and environmental justice please visit our [webpage](#).

SCORING AND KEY PERFORMANCE INDICATORS

PILLAR 1: CORPORATE RESPONSIBILITY: THREE INDICATORS SHOW IF A COMPANY TAKES RESPONSIBILITY FOR DIVERSITY, EQUITY AND INCLUSION

KPI 1.1 EQUAL AI MEMBERSHIP

HAS THE COMPANY JOINED EQUALAI'S MEMBERSHIP, THEREBY COMMITTING TO COUNTERING AI BIAS?

Score: **0 or 1**

- Give a "1" if the company is a member
- Source: [EqualAI](#)

KPI 1.2 CEO RESPONSIBILITY

HAS THE COMPANY'S CEO SIGNED THE CEO ACTION FOR DIVERSITY & INCLUSION PLEDGE?

Score: **0 or 1**

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

KPI 1.3 THIRD PARTY RACIAL EQUITY AUDIT

THE RACIAL EQUITY OR CIVIL RIGHTS AUDIT HAS BEEN COMPLETED BY A THIRD PARTY, AND THE RESULTS HAVE BEEN MADE PUBLICLY AVAILABLE.

Score: **0-3-5**

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

PILLAR 2: INTERNAL DEI:

SEVEN INDICATORS SHOW HOW MUCH EMPHASIS A COMPANY PUTS ON INTERNAL EQUITY-BASED PROGRAMS AND THE TREATMENT OF BIPOC EMPLOYEES

KPI 2.1 ERGS FOR BIPOC EMPLOYEES

DOES THE COMPANY HAVE ERGS FOR BIPOC EMPLOYEES?

Score: **0 or 1**

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

KPI 2.2 DEI TRAINING FOR EMPLOYEES

DOES THE COMPANY OFFER DEI-RELATED TRAINING TO ITS EMPLOYEES?

Score: **0-3-5**

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

KPI 2.3 INTERNAL DEI DEPARTMENT

DOES THE COMPANY HAVE AN INTERNAL DEI DEPARTMENT?

Score: **0 or 1**

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

KPI 2.4 DEI LEADER TITLE

DEI LEADER TITLE

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

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

KPI 2.5 SUPPLY CHAIN DIVERSIFICATION

SUPPLY CHAIN DIVERSIFICATION

Score: **0-3-5**

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

KPI 2.6 ANTI-PRISON LABOR POLICIES

DOES THE COMPANY HAVE A PUBLIC POLICY AGAINST PRISON LABOR IN ITS DOMESTIC SUPPLY CHAIN?

Score: **0 or 1**

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

2.7 FAIR CHANCE HIRING POLICIES

DOES THE COMPANY HAVE A PUBLIC FAIR CHANCE HIRING POLICY?

Score: **0 or 1**

- Give a “1” if the company has public policy regarding Fair Chance Hiring.
- For more information on the definition and purpose of Fair Chance Hiring, please visit [The Case for Fair Chance Hiring — FreeCap Financial](#)¹⁰

PILLAR 3: WORKFORCE DATA DISCLOSURE

(KPIs AND CONTENT TAKEN FROM THE WORKPLACE EQUITY SCORECARD)

THESE METRICS ARE TRACKED BY THE WORKPLACE EQUITY INITIATIVE, THE GENDER SCORES ARE REMOVED AND THE 34 KPIS ARE CONSOLIDATED INTO ONE PILLAR FOR RACIAL JUSTICE.

This pillar is composed of seven metrics and examines the presence of, and the quality of a company's Diversity, Equity and Inclusion and Workforce data.

- **Workforce Composition:** Examines if a company discloses any information on the composition of its workforce.
 - The company discloses information relating to the composition of its workforce. (1)
 - The company does not disclose information relating to the composition of its workforce. (0)
- **Pay Equity:** Examines if a company published information on pay equity focused on race.
 - (2) The company discloses the mean and median pay gap by race/ethnicity.
 - (1) The company discloses the mean or median pay gap by race/ ethnicity.
 - (0) The company discloses no information relating to racial/ ethnic pay equity.

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

- **Retention & Turnover Rates:** Examines if a company published information regarding retention rates of employees and their diverse characteristics.
 - (7) The company has disclosed retention or turnover rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (6) The company has disclosed retention or turnover rates for six of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (5) The company has disclosed retention or turnover rates for five of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (4) The company has disclosed retention or turnover rates for four of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (3) The company has disclosed retention or turnover rates for three of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (2) The company has disclosed retention or turnover rates for two of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (1) The company has disclosed retention or turnover rates for one of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
 - (0) The company has disclosed retention or turnover rates for all of the following groups: White, Black, Hispanic, Asian, Native American/Native Alaskan, Pacific Islander/Native Hawaiian, Two or More Races.
- **Explicit Diversity Goals:** Examines whether or not a company has explicit diversity and inclusion metrics.
 - The company does have explicit goals regarding diversity and inclusion. (1)
 - The company does not have explicit goals regarding diversity and inclusion. (0)
- **EEO-1 Data Released:** Examines whether or not a company has disclosed their EEO-1 documents.
 - The company has disclosed their EEO-1 form. (1)
 - The company has not disclosed their EEO-1 form. (0)

PILLAR 4: EXTERNAL ACTIONS:

SIX INDICATORS SHOW CORPORATE ENGAGEMENT EXTERNAL STAKEHOLDERS SUCH AS BIPOC COMMUNITIES, INDIVIDUALS, AND ORGANIZATIONS

KPI 4.1 PRODUCTS/ SERVICES AS BIPOC COMMUNITY ENGAGEMENT

DOES THE COMPANY PROVIDE ITS PRODUCTS AND/OR SERVICES AS AN ACT OF BIPOC COMMUNITY ENGAGEMENT?

Score: **0 or 1**

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

KPI 4.2 FINANCIAL DONATIONS TO RACIAL JUSTICE

DOES THE COMPANY DONATE 1% OF ITS ANNUAL SALES TO RACIAL JUSTICE CAUSES AND ORGANIZATIONS?

Score: **0 or 1**

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

KPI 4.3 BIPOC RECRUITMENT

DOES THE COMPANY HAVE PIPELINE PROGRAMS TO RECRUIT BIPOC EMPLOYEES?

Score: **0 or 1**

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

KPI 4.4 SUPPORTER/ PARTNER OF HBCUS, HSIS, ETC.

DOES THE COMPANY SUPPORT OR PARTNER WITH HBCUS AND/OR OTHER COLLEGES FOR BIPOC INDIVIDUALS?

Score: **0 or 1**

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

KPI 4.5 SUPPORTER/ PARTNER OF CIVIL RIGHTS ORGANIZATIONS

DOES THE COMPANY SUPPORT/ PARTNER WITH NATIONAL AND/OR LOCAL CIVIL RIGHTS ORGANIZATIONS?

Score: **0-3-5**

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

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

- Source: Company website, press releases, reports

KPI 4.6 HUMAN RIGHTS VIOLATION DUE TO SYSTEMIC RACISM

DOES THE COMPANY OPERATE IN THE PRISON OR MILITARY WEAPONS INDUSTRY?

Score: **0 or -5**

- Give a score of -5 if the company is listed as operating in/ profiting from the prison industry or military weapons industry as per this list – **Publicly-traded companies - Invest Your Values**

PILLAR 5: ENVIRONMENTAL JUSTICE:

FIVE INDICATORS THAT TRACK CORPORATE ACTIONS RELATED TO ENVIRONMENTAL AND CLIMATE (IN)JUSTICE

KPI 5.1 ACKNOWLEDGEMENT OF ENVIRONMENTAL/ CLIMATE JUSTICE

PUBLIC CORPORATE ACKNOWLEDGEMENT OF ENVIRONMENTAL AND CLIMATE JUSTICE

Score: **0 or 1**

- Give a “1” for a mentioning of either “environmental justice”, “climate justice”, or “environmental racism”.
Note: This KPI is similar to the original “Acknowledgement of Environmental Justice” KPI (KPI 6.1) but has been updated to also include the term “climate justice”.
- Source: Company website

KPI 5.2 ABIDES BY ENVIRONMENTAL REGULATIONS (SINCE 2020)

COMPANY ABIDES BY ENVIRONMENTAL REGULATIONS 2020 THROUGH PRESENT (I.E. IN THE PAST FIVE YEARS)

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

- Give scores based on the total number of violations listed on the following three sites:
 - <https://violationtracker.goodjobsfirst.org/>
 - <https://echo.epa.gov/>
 - <https://cumulis.epa.gov/supercpad/Cursites/srchsites.cfm>
 - 0 = the company has no environmental violations
 - 1 = the company has between 1-25 violations
 - 2 = between 26-50 violations
 - 3 = between 51-75 violations
 - 4 = between 76-100 violations
 - 5 = more than 100 violations
- **Note:** We are counting violations by the **parent company as well as any subsidiaries in the US**
- Source: Government data sourced from the EPA and related databases (see above)

KPI 5.3 ENVIRONMENTAL FINES AND PENALTIES (SINCE 2020)

COMPANY ENVIRONMENTAL FINES AND PENALTIES 2020 TO PRESENT (I.E. IN THE PAST FIVE YEARS)

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

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

Total possible score on this KPI is -6

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

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

KPI 5.4 ADVERSE EFFECTS TO BIPOC COMMUNITIES (SINCE 2020)

ADVERSE EFFECTS TO BIPOC COMMUNITIES 2020 TO PRESENT (I.E. IN THE PAST FIVE YEARS)

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

- Give scores based on whether or not the company's business practices can be proven to have adverse effects on BIPOC communities:
 - 0 = no known adverse effects
 - -1 = each -1 contributes the company's business practices adversely affect BIPOC communities (based on sector-specific subject areas)
- This KPI incorporates a sector analysis of disproportionately adverse effects on BIPOC communities due to a company's core business practices and outcomes.
 - Each sector is assigned five sector-specific subject areas that are typically associated with business outcomes.
- Source: Researchers use reputable, credible sources to evaluate the company's involvement in any of the five sector-specific subject areas. Information from government data sourced from the EPA & related databases; reputable second- and third-party sources

LARGE-CAP 3000 SECTORS

SECTOR: COMMUNICATION SERVICES

1. Racially targeted advertising
2. Exclusionary products used in a racially charged manner (e.g., AI bias in business or HR systems, racist facial recognition, problematic surveillance)
3. Supports/ profit from/ furthers the spread of hate speech
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: CONSUMER DISCRETIONARY

1. Racially targeted advertising
2. Racially targeted locations (e.g., locations causing adverse harm)
3. Environmental justice scandals/ lawsuits with BIPOC communities
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: CONSUMER STAPLES

1. Racially targeted advertising
2. Exclusionary products
3. Environmental justice scandals/ lawsuits with BIPOC communities
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: ENERGY

1. Disproportionate climate impact on BIPOC communities
2. Unequal distribution of basic amenities (e.g., access to energy, clean water, electricity, utilities)
3. Environmental justice scandals/ lawsuits with BIPOC communities
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: FINANCIALS

1. Engages in predatory lending practices (e.g., payday lending, subprime mortgages)
2. Engages in discriminatory lending practices (e.g., racial lending bias, credit scoring, higher interest rate credit cards, mortgages)
3. Unequal access to financial services
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: HEALTH CARE

1. Unequal access to health care by race
2. Fails to support racial diversity in clinical trials/ product testing
3. Limited opportunities for professional growth for BIPOC
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: INDUSTRIALS

1. Disproportionate climate impact on BIPOC communities
2. Unequal distribution of goods, services (e.g., access to energy, clean water, electricity, utilities)
3. Environmental justice scandals/ lawsuits with BIPOC communities
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: INFORMATION TECHNOLOGY

1. Unequal access to technology products/ services
2. Exclusionary products (e.g., AI, facial recognition, surveillance) used in a racially charged manner
3. Supports/ profits from/ furthers the spread of hate speech
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: MATERIALS

1. Disproportionate climate impact on BIPOC communities
2. Unequal distribution of basic amenities (e.g., access to energy, clean water, electricity, utilities)
3. Environmental Justice scandals/ lawsuits with BIPOC communities
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: REAL ESTATE

1. Engages in redlining practices (e.g., racially bias appraisals)
2. Unequal access to real estate services (e.g., brokers, lenders, appraisers)
3. Discriminatory buying behaviors (e.g., furthering gentrification)
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

SECTOR: UTILITIES

1. Disproportionate climate impact on BIPOC communities
2. Unequal distribution of basic amenities (e.g., access to energy, clean water, electricity, utilities)
3. Environmental justice scandals/ lawsuits with BIPOC communities
4. Pay inequity/ inequality/ wage disparity
5. Racial discrimination actions (e.g., lawsuits, arbitration, scandals)

KPI 5.5 SUPPORTER/ PARTNER OF ENVIRONMENTAL/ CLIMATE JUSTICE GROUPS

DOES THE COMPANY SUPPORT/ PARTNER WITH NATIONAL AND/OR LOCAL ENVIRONMENTAL/ CLIMATE JUSTICE GROUPS?

Score: **0-3-5**

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

PILLAR	RACIAL JUSTICE SCORECARD KEY PERFORMANCE INDICATOR	SCORING RUBRIC
1. Corporate Responsibility	1 Equal AI Membership	0 or 1
	2 CEO Responsibility	0 or 1
	3 Third Party Racial Equity/ Civil Rights Audit	0, 3, 5
2. Internal DEI Policies/Programs	4 ERGs for BIPOC Employees	0 or 1
	5 DEI Training for Employees	0, 3, 5
	6 Internal DEI department	0 or 1
	7 DEI Leader Title	0, 1, 2, 3, 4, 5
	8 Supply Chain Diversification	0, 3, 5
	9 Anti-Prison Labor Policies	0 or 1
	10 Fair Chance Hiring Policies	0 or 1
3. Workforce Data Disclosure	11 Workforce Composition	0 or 1
	12 Pay Equity	0, 1, 2
	13 Promotion Rates	0, 1, 2, 3, 4, 5, 6, 7
	14 Recruitment Rates	0, 1, 2, 3, 4, 5, 6, 7
	15 Retention Rates	0, 1, 2, 3, 4, 5, 6, 7
	16 Explicit Diversity	0 or 1
	17 EEO-1 Data Released	0 or 1
4. External Actions	18 Provides Products/Services as BIPOC Community Engagement	0 or 1
	19 Financial Donations to Racial Justice	0 or 1
	20 BIPOC Recruitment	0 or 1
	21 Supporter/Partner of HBCUs, HSIs, Etc.	0 or 1
	22 Support/Partner of Civil Rights Organizations	0, 3, 5
	23 Human Rights Violation due to Systemic Racism	0 or -5
5. Environmental Justice	24 Acknowledgement of Environmental/ Climate Justice	0 or 1
	25 Abides by Environmental Regulations (five-year history)	0, -1, -2, -3, -4, -5
	26 Environmental Fines and Penalties (five-year history)	0, -1, -2, -3, -4, -5, -6
	27 Adverse Effects to BIPOC communities (five-year history)	0, -1, -2, -3, -4, -5
	28 Supporter/Partner of Environmental/ Climate Justice Groups	0, 3, 5

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

- Source: Company website, press releases, reports

QUARTERLY KEY FINDINGS

Based on our historic Racial Justice Scorecards comparing the Large-Cap 1000 to the Large-Cap 3000 exposes stark differences in corporate progress on social and environmental issues. In a marked contrast to the more than 50% of the companies in the Large Cap 1000 making some kind of racial justice statement following the murder of George Floyd in 2020, only 22% of the Large-Cap 3000 made a racial justice statement in 2025. These disparities demonstrate the sociopolitical changes influencing the corporate sector.

By evaluating companies on publicly available information, we encourage companies to share progress on their racial equity and environmental justice journeys. Companies are encouraged to be forthcoming about their environmental justice efforts and publicly acknowledge how their business outcomes potentially cause adverse effects to BIPOC communities. Corporate engagement with a variety of stakeholders is vital to keeping companies on track for equity issues. Our Large-Cap 3000 dataset demonstrates the fact that many corporations are not taking an active stance on racial and environmental justice issues, either verbally or in practice. Others are progressing slowly on racial equity, or acting exclusively behind the scenes, with limited public disclosure. Despite this, a large number of companies are standing firm against recent pressure and are continuing their equity-based policies which benefit workplace culture, employee satisfaction, community engagement, and the financial bottom line. In the current environment of anti-ESG and anti-DEI attacks, vocal corporate support is vital to sustaining the momentum of social change that began following in 2020. The valuable ground that was gained in that period is in danger of being lost unless stakeholders continue to hold corporations accountable and encourage efforts to achieve true equity.

RACIAL JUSTICE SCORECARDS: QUARTERLY UPDATE KEY FINDINGS AS OF MARCH 31ST, 2025

- During this year's research, no clear indication has been found that companies have stopped the usage of the term "ESG" on their website or as part of their reporting. However, many companies no longer label their annual ESG data disclosure "ESG Report" but instead opt for – often colorful – alternatives: Do More Good Report, Sail and Sustain Report, Stewardship Report, Health for Humanity Report, Responsible Business Practices Report, Snacking Made Right Report, Comfort Report, to mention a few.
- Since 2020, only a very small number of companies (32) conducted a racial equity audit and/or released their findings. Only 5 reports were released in 2024, none in 2025 so far.
- A third of the Large-Cap 3000 companies (1003) have some kind of Employee Resource Group (also referred to as Affinity/ Business/ Colleague/ Resource Group or Network) for BIPOC employees. However, we also found that some companies that previously mentioned each of their ERGs by name now only mention the overall number of groups, without disclosing their actual make-up.
- A number of companies (1103) require or offer some form of DEI training – either for all employees (629 companies) or at least for a certain group of employees (472 companies) – with the majority of companies simply calling it "anti-discrimination" training, while others emphasize "diversity", "inclusion", or "unconscious bias"
- Despite the recent discussions around DEI, the percentage of companies in the Large-Cap 3000 with initiatives, programs, and policies that would typically fall under the purview of a DEI department has remained at around 65%

- DEI leaders hired in late 2020 and 2021 were predominantly in executive positions. We have seen a gradual decline since then, with 277 companies having a C-Suite employee as its DEI leader in March 2024 compared to only 175 companies in March 2025. Another trend is the renaming of “DEI” to “Employee Engagement”, “Culture”, Talent Acquisition” and “Belonging”
- The number of companies with a diverse supplier program has decreased from 25% to 22%
- Only 130 of the Large-Cap 3000 companies state that they support, or partner with, a civil rights organization
- Only 93 of the Large-Cap 3000 companies publicly recognized, or made statements, regarding environmental and/ or climate justice in relation to their business practices
- 524 of the Large-Cap 3000 companies have between 1 and 25 environmental violations since 2020
- Only four companies, Chevron Corp., Lowe’s Companies Inc., The Home Depot Inc., and United Parcel Services Inc., have more than 100 environmental violations each since 2020
- Only one company, McDonald’s, received the lowest possible score for having disproportionate effects on BIPOC communities
- Of the Large-Cap 3000 companies, 145 companies have a total score that is less than zero, meaning that they do more harm to communities of color than they make up for with positive policies and practices. The majority of the low scorers are in the Industrials sector.

LEADERS: TOP 10 (AS OF MARCH 31, 2025)

RACIAL JUSTICE TOP 10	SCORE	MARKET CAP	SECTOR	STATE	REGION	EMPLOYEES
	60%	75B+	Consumer Discretionary	Oregon	West	60,000+
	60%	75B+	Financials	California	West	14,000 – 30,000
	58%	75B+	Information Technology	Washington	West	60,000+
	58%	75B+	Healthcare	New York	Northeast	60,000+
VICTORIA'S SECRET	57%	0B – 15B	Consumer Discretionary	Ohio	Midwest	30,000 – 60,000
	55%	15B – 25B	Healthcare	Illinois	Midwest	60,000+
	55%	0B – 15B	Real Estate	Illinois	Midwest	60,000+
	54%	25B – 35B	Utilities	New York	Northeast	14,000 – 30,000
	54%	0B – 15B	Communication Services	California	West	0 – 7,000
AMERICAN EXPRESS	52%	35B – 75B	Financials	New York	Northeast	14,000 – 30,000

LAGGARDS: BOTTOM 10 (AS OF MARCH 31, 2025)

RACIAL JUSTICE BOTTOM 10	SCORE	MARKET CAP	SECTOR	STATE	REGION	EMPLOYEES
	-7%	0B – 15B	Energy	Texas	South	0 – 7,000
	-7%	0B – 15B	Industrials	California	West	0 – 7,000
	-7%	0B – 15B	Energy	Texas	South	0 – 7,000
	-9%	0B – 15B	Industrials	Wisconsin	Midwest	0 – 7,000
	-9%	15B – 25B	Materials	Texas	South	14,000 – 30,000
	-10%	15B – 25B	Industrials	Florida	South	0 – 7,000
	-10%	0B – 15B	Industrials	New York	Northeast	0 – 7,000
	-12%	75B+	Financials	Nebraska	Midwest	60,000+
	-13%	0B – 15B	Industrials	North Carolina	South	7,000 – 14,000
	-16%	0B – 15B	Materials	Missouri	Midwest	0 – 7,000

CONCLUSION

According to Brookings, America is becoming a more diverse country; census population projections indicate that by 2045, people of color will be the majority of the population. This change will affect the labor market as well as the consumer base. Companies will need to be in tune with these changing demographics to remain competitive. In recognition of this growing diversity, it is important for corporate America to adapt to and be prepared for this change to ensure they can continue to attract and retain the talent they need to serve their customer base. Companies need to be reflective of their communities to remain relevant and viable.

Furthermore, companies exist within the social framework of their communities and have a responsibility to preserve and protect those communities from harm, including environmental damage caused by corporate actions. An appreciation of the value of diversity and a clear understanding of current barriers to racial equity will prepare companies to grow with the demographic changes.

We continue to see signs of progress. According to *As You Sow's* historic Racial Justice dataset, over half of the Large-Cap 1000 companies made a statement in response to the call for racial justice in 2020, which indicated a readiness to further conversations on workplace equity. We continue to have substantive discussions with companies in the Large-Cap 3000, demonstrating ongoing commitments to having equity-based policies and programs.

Having accurate statistical data on DEI targets and accomplishments and environmental justice serve as guidance for measuring progress toward racial equity and justice. Our findings indicate a serious lack of statistical data on racial diversity within companies and a lack of information and transparency on specific DEI metrics and disclosure. Our research found that a small number of companies explicitly acknowledged a connection between environmental justice and their business practices. Tracking corporate progress is vital to achieving racial equity, which is of material concern to every company. *As You Sow's* Racial Justice Database and Scorecards highlight best practices to guide the conversation within each sector and track corporate progress toward ending systemic racism.



ENDNOTES

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