



DiversIQ

MAY 2023

Disclosure Trends + Workforce Diversity Data from America's Largest Companies

THE STATE OF EEO-1 REPORTING

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ABOUT DIVERSIQ

The only research firm focused solely on diversity, equity, and inclusion (DEI) data, DiversIQ delivers the most comprehensive set of benchmarks for thousands of publicly traded companies. Using proprietary technology and a team of seasoned analysts, we collect, scrutinize, and normalize thousands of DEI and human capital data points, and seamlessly deliver them to asset managers, institutional investors, management consultants, and public company stakeholders.

In addition to the world's biggest library of EEO-1 data, we maintain comprehensive data on S&P 500 and Russell 1000 c-suites, boards of directors and non-executive officers; data on issues such as pay equity and employee development; and a wide range of DEI and human capital disclosure transparency rankings.

DiversIQ data is used to enhance a wide range of activities, including:

- Equity research and portfolio analysis
- Quantitative analysis
- Corporate DEI strategy and communications
- Performance benchmarking
- DEI risk assessment and management
- Investor relations

OUR RESEARCH METHODOLOGY

- ▶ DiversIQ's research analysts go to great lengths to ensure that our data can be used with confidence, and in real-time. Specifically, we use numerous tools and processes to uncover, vet, and deliver new DEI and human capital data within a week of publication. Our rigorous data normalization process, which includes frequent engagement with public company IR teams, also contributes to the highest level of data quality in the industry.
- ▶ Every DiversIQ data point is backed up by an original source document, which we archive in case the record is removed or edited. This source library, which contains thousands of raw EEO-1 files, goes all the way back to 2014.
- ▶ All data, infographics and comparisons in this report are based on the most recent EEO-1 disclosures in our database. In addition, not every company discloses EEO-1 data, so all comparisons involving indices and sectors are based on the universe of companies that have reported, and not necessarily the entire index or sector. For more information about our product, our data dictionary, or our methodology, please visit diversiq.com.



RECENT EEO-1 NEWS

In Illinois, a new *equal pay law* includes a provision that lets the state's attorney general publish the EEO-1 report of any covered employer.

According to our research, this mandatory public disclosure affects over 50 public companies which have not previously disclosed any EEO-1 data, including Brunswick Corp., DoorDash, Dollar Tree, Markel, and Paramount.

The return of EEO-1 “Component 2” pay reporting requirements could come in 2023, when the five-member EEOC is expected to have a Democratic majority.

Previously, this pay data was collected from certain private employers in 2017 and 2018, until a legal challenge from the Trump administration stymied the process. In the end, only two public companies – *Intel* and *Micron* – wound up publicly releasing their pay data.

In April 2023, after years of legal and administrative actions, the Office of Federal Contract Compliance Programs (OFCCP) finally published the EEO-1 reports of thousands of federal contractors.

This mandatory disclosure affected all contractors from 2016-2020, who did not object to the disclosure of their EEO-1 data via OFCCP's lengthy opt-out process.

A recent report by As You Sow and Whistle Stop Capital found that return on equity, net profit and other metrics were associated with higher levels of diversity in management.

The *report*, which used DiversiQ's EEO-1 data on 277 public companies, also showed that diversity data is a material factor and warrants pressure on companies to increase their disclosure of quantitative data.

A woman with glasses, wearing a striped shirt, is seated at a desk in an office. She is looking at a large computer monitor that displays several charts and graphs. A laptop is open on the desk in front of her. The background shows a blurred office environment with shelves. The entire image is overlaid with a semi-transparent teal filter. In the bottom right corner, there is a solid orange triangle pointing upwards.

EEO-1 REPORTING TRENDS

For much of the past decade, the search for EEO-1 data consumed institutional investors, journalists, social activists, and public company stakeholders at large. During that time, workforce diversity data rarely was made public, and what did exist was often buried in public company disclosures.

Today, the story is quite different, as companies are increasingly examining their diversity, equity, and inclusion goals, the makeup of their workforce, and their goals around EEO-1 transparency.

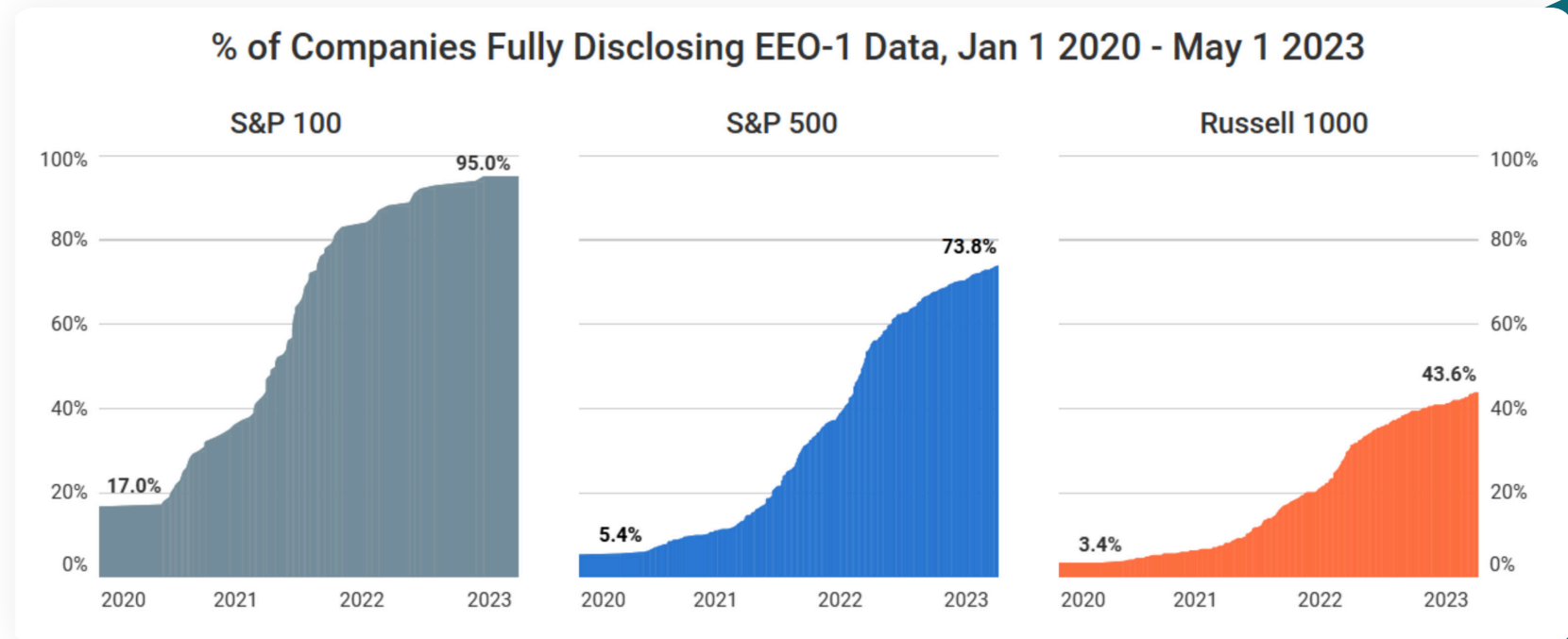


OUR COVERAGE

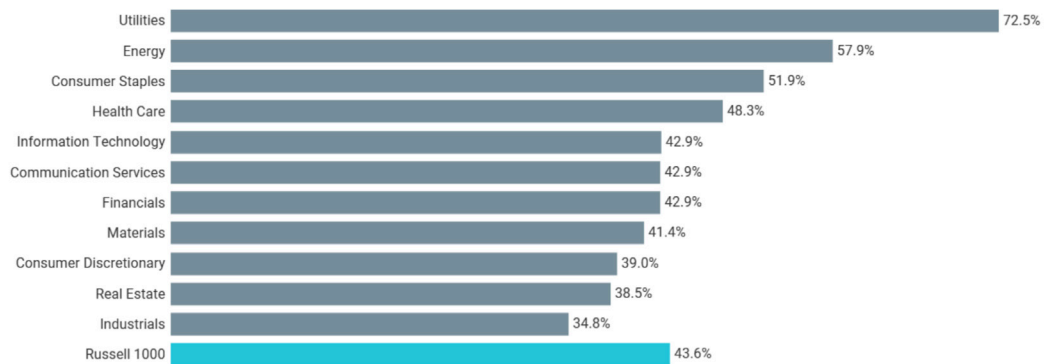
- ▶ As the world's only research firm focused on DEI data, we actively seek EEO-1 data using technology, seasoned analysts, and continuous engagement with our network of investor relations contacts.
- ▶ Frequently, we are the first to uncover new EEO-1 disclosures that are “quietly” published by companies. Our analysts have been the first to find many of these disclosures, including ones by ExxonMobil, Berkshire Hathaway, and Simon Property Group.
- ▶ As of May 1, 2023, we have collected and analyzed EEO-1 data from 369 S&P 500 companies, and 433 companies in the Russell 1000. Collectively, this represents the most comprehensive EEO-1 dataset anywhere in the world.
- ▶ Our extensive coverage continues to expand. Recent additions to our data library include Nike, American Airlines, Marriott, CoStar Group, Monster Beverage, Keurig Dr. Pepper, IBM, Estee Lauder, JM Smucker, Aon, Honeywell, GoDaddy, and Extra Space Storage.
- ▶ We are also tracking 11 public companies that have committed to disclose their EEO-1 for the first time in 2023 – Bath & Body Works, Charter Communications, Lululemon, Invesco, Domino's Pizza, Constellation Energy, Discover Financial, United Natural Foods, DXC Technology, Philip Morris, and DISH Network.

KEY POINTS

- ▶ EEO-1 disclosures by S&P 500 companies nearly doubled between 2021 and 2022, while disclosures by Russell 1000 companies more than doubled over that same period.
- ▶ So far this year, we're seeing a 5.4% increase in disclosure among S&P 500 companies, and a more than 7% increase among Russell 1000 companies. By the end of 2023, we expect at least 80% of the S&P 500, and at least 50% of the Russell 1000 to have disclosed their EEO-1.



% of Russell 1000 companies disclosing full EEO-1 data, by sector



% of S&P 500 companies disclosing full EEO-1 data, by sector



Nearly three quarters of S&P 500 companies now disclose their EEO-1 report. Energy, utilities, technology, and health care lead the way, while industrials and consumer discretionary trail behind with less than two thirds disclosing.

S&P 500

Sector	2019	2020	2021	2022	2023
Energy	0.0%	4.3%	21.7%	87.0%	87.0%
Utilities	6.7%	10.0%	46.7%	83.3%	83.3%
Information Technology	23.7%	25.0%	39.5%	76.3%	80.3%
Health Care	1.5%	10.8%	44.6%	73.8%	80.0%
Financials	3.1%	13.8%	47.7%	75.4%	76.9%
Consumer Staples	2.9%	11.8%	38.2%	64.7%	73.5%
Materials	3.4%	6.9%	24.1%	69.0%	72.4%
Communication Services	9.5%	14.3%	42.9%	57.1%	71.4%
Real Estate	0.0%	3.3%	20.0%	63.3%	66.7%
Consumer Discretionary	3.6%	7.1%	41.1%	66.1%	66.1%
Industrials	0.0%	0.0%	26.8%	59.2%	60.6%

All 2023 percentages are accurate as of 5/2/2023

Russell 1000

Sector	2019	2020	2021	2022	2023
Utilities	7.5%	10.0%	40.0%	72.5%	72.5%
Energy	0.0%	2.6%	13.2%	57.9%	57.9%
Consumer Staples	1.9%	7.7%	26.9%	46.2%	51.9%
Health Care	0.9%	6.0%	24.8%	42.7%	48.3%
Communication Services	7.1%	9.5%	23.8%	35.7%	42.9%
Financials	1.4%	6.3%	23.2%	39.4%	42.9%
Information Technology	12.8%	13.4%	19.5%	39.6%	42.9%
Materials	1.7%	3.4%	12.1%	37.9%	41.4%
Consumer Discretionary	2.4%	4.1%	21.1%	37.4%	39.0%
Real Estate	0.0%	1.5%	10.8%	36.9%	38.5%
Industrials	0.6%	1.3%	14.1%	34.0%	34.8%

All 2023 percentages are accurate as of 5/2/2023

In the Russell 1000, which has a higher concentration of small and mid-cap companies, EEO-1 transparency is even lower. Here, in 2023, only three sectors have an overall disclosure rate above 50% – energy, consumer staples and utilities.



GENDER DIVERSITY

Women make up slightly more than half of the U.S. population (50.5%), and over the last decade, their participation in the labor force has reached new highs. That said, very few of America's largest companies have gender balanced workforces, and even less have gender equity at the management and executive levels.

S&P 500: % of women in overall US workforce

Leaders		Laggards	
Ross Stores	79.9%	CSX	5.0%
Tapestry	79.6%	Union Pacific	5.4%
Estee Lauder	78.0%	Norfolk Southern	7.8%
HCA Healthcare	78.0%	Martin Marietta Materials	10.3%
TJX Companies	77.9%	United Rentals	10.8%
DaVita	77.8%	Halliburton	13.0%
Elevance Health (Anthem)	77.3%	Nucor	13.2%
Centene	74.5%	Otis Worldwide	13.8%
UnitedHealth Group	72.8%	CF Industries	14.4%
Quest Diagnostics	71.8%	Kinder Morgan	15.6%

% of companies where women make up more than half of workforce

	Overall workforce	Middle Managers	Exec/Sr Managers
S&P 100	24.0%	13.5%	1.0%
S&P 500	26.6%	15.8%	1.8%
Russell 1000	26.8%	16.4%	2.0%

OVERVIEW

In the S&P 500, women have an outsized presence at several companies in the retail and healthcare sectors, while several companies in the industrials, materials, and energy sectors are dominated by male employees.

Notably, less than one-quarter of all companies in the S&P 100, and just barely over a quarter of S&P 500 and Russell 1000 indexes have gender balanced workforces – and far fewer have it at the management and executive levels.

COMPANIES WHERE WOMEN LEAD

The past two years have often been characterized as the “Great Breakup,” a period during which women managers and executives have been switching, and leaving jobs, at unprecedented rates. Despite the environment, several S&P 500 companies maintain high levels of women managers and executives.

S&P 500: highest % of women in leadership positions

Executive/Senior Managers		Middle Managers	
Starbucks	60.0%	Tapestry	75.4%
Omnicom Group	52.6%	Estee Lauder	73.0%
Etsy	51.6%	Dollar General	72.9%
Tapestry	50.9%	DaVita	71.5%
Biogen	50.0%	HCA Healthcare	70.2%
CDW	50.0%	Elevance Health (Anthem)	66.2%
Realty Income	50.0%	Centene	65.5%
Interpublic Group	49.6%	Starbucks	65.5%
Target	49.0%	TJX Companies	65.4%
HCA Healthcare	48.9%	Zions Bancorporation	64.8%

A background image showing two men in business attire shaking hands. The man on the left is Black and smiling, wearing glasses. The man on the right is white, seen from the side. The image is overlaid with a teal gradient.

RACIAL AND ETHNIC DIVERSITY

DATA ON BLACK AND AFRICAN AMERICAN WORKERS

Black and African Americans are the country's second largest racial minority, making up approximately 12% of the population. Despite these large numbers, their presence is not as strong in corporate America. In fact, at more than 100 public companies, Black employees make up five percent or less of the total workforce.

COMPANIES WITH LOW LEVELS OF BLACK AND AFRICAN AMERICAN WORKERS, BY INDEX (5% OR LESS)

S&P 100: 15%

S&P 500: 17%

Russell 1000: 25%

Looking deeper into all three indices, we find that several companies, many of which are in the information technology sector, have miniscule levels of Black employees.

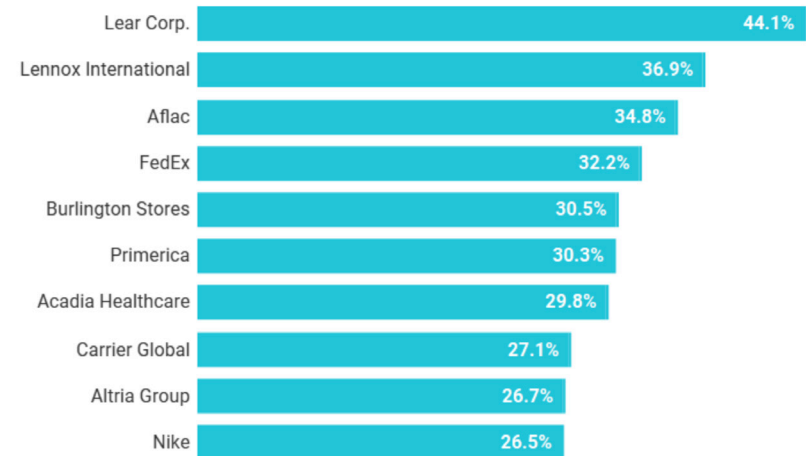
S&P 500 and Russell 1000 companies with the lowest % of Black/African American employees

IDACORP	0.2%
Cadence Design Systems	1.1%
Advanced Micro Devices (AMD)	1.3%
Freeport-McMoRan	1.4%
Broadcom	1.5%
Qualcomm	1.5%
Ansys	1.5%
Healthpeak Properties	1.5%
KLA Corp.	1.6%
Western Digital	1.7%

Public companies with large Black and African American workforces may be rare, but there are outliers. In fact, there are ten S&P 500 and Russell 1000 companies where Black employees make up more than one-quarter of the workforce. Collectively, these companies employ nearly half a million Black Americans.

It's no secret that Black workers face massive institutional challenges in corporate America. What results is a landscape where Black workers are overrepresented in low-paying frontline positions and underrepresented in management and senior leadership positions – a fact McKinsey believes will take another 95 years to change, on our current trajectory.

S&P 500 and Russell 1000 companies with the highest % of Black/African American employees



% of companies with Black/African American talent parity (12.1%)

	Overall workforce	Middle Managers	Exec/Sr Managers
S&P 100	37.9%	14.7%	5.3%
S&P 500	33.4%	8.6%	3.2%
Russell 1000	34.2%	9.3%	3.6%



RACIAL AND ETHNIC DIVERSITY

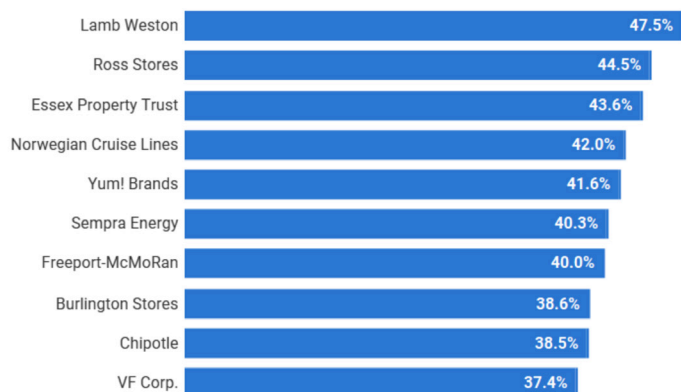
DATA ON HISPANIC AND LATINO WORKERS

In 2020, the number of Hispanic and Latino Americans surged to 62 million, or 18.7 percent of the entire U.S. population. According to the U.S. Department of Labor, nearly 36 million Hispanic Americans will be working by 2030, making them an outsized swath of the labor force.

If spending by Hispanic and Latino Americans were equated to GDP, it would amount to the world's eighth largest economy. While this power over the economy is immense, it often does not translate to influence in the upper echelon of corporate America.

In fact, only four S&P 500 and Russell 1000 companies have executive suites that meet or exceed Hispanic and Latino's 18.7% share of the general population, namely: Kraft Heinz at 47%, International Flavors & Fragrances at 26%, AES Corp. at 22%, and Colgate Palmolive at 19%.

S&P 500 and Russell 1000 companies with the highest % of Hispanic/Latinx employees



% of S&P 500 and Russell 1000 with highest share of Hispanic/Latinx employees, by sector

		Total	Exec/Sr Managers
Communication Services	Walt Disney	28.1%	4.3%
Consumer Discretionary	Ross Stores	44.5%	0.9%
Consumer Staples	Lamb Weston	47.5%	10.8%
Energy	NOV	28.9%	3.7%
Financials	Progressive	32.3%	6.6%
Health Care	Maravai LifeSciences	20.0%	4.4%
Industrials	JetBlue Airways	30.8%	2.2%
Information Technology	Western Union	19.8%	0.0%
Materials	Freeport-McMoRan	40.0%	6.1%
Real Estate	Essex Property Trust	43.6%	0.0%
Utilities	Sempra Energy	40.3%	15.1%



RACIAL AND ETHNIC DIVERSITY

DATA ON WHITE WORKERS

With 204 million people (64%), the White population remains the largest racial group in the U.S. Although this demographic has shrunk by nearly nine percent over the past decade, race has been historically and structurally built into the American workplace – a fact that contributes to the especially large presence of White managers and executives at America’s 100 largest companies.

% of S&P 100 companies with high concentrations of white employees

	60% or higher	70% or higher	80% or higher
Overall workforce	42.1%	13.7%	0.0%
Middle Managers	73.7%	28.4%	5.3%
Exec/Sr Managers	94.7%	71.6%	26.3%

S&P 500 companies with 95% or more white executives

Moderna	100.0%
SolarEdge Technologies	100.0%
VeriSign	100.0%
Tractor Supply Co.	98.3%
Raymond James Financial	97.0%
AvalonBay Communities	96.9%
Regency Centers	96.4%
Tyler Technologies	96.1%
Marathon Petroleum	96.0%
United Rentals	95.8%
Weyerhaeuser	95.6%

In the larger S&P 500, forty-one companies have executive suites where White professionals hold 90% or more of the positions, and 11 have ones with 95% or more. While these companies operate in a wide variety of sectors, many are in real estate, financials, and industrials.



RACIAL AND ETHNIC DIVERSITY

DATA ON ASIAN AMERICAN WORKERS

More than twenty million people identify as Asian American, but while the term sounds homogeneous, it encompasses a disparate range of individuals – including people from Pakistan, Vietnam, India, Korea, and Japan.

Not only is this group ethnically diverse, but it is also the country's most diverse group in terms of wage inequality, with Asian Americans overrepresented in both low and high-pay positions in technology, communications, healthcare, and other sectors.

The ten largest employers of Asian Americans, by a percentage of their total workforce, all are in the information technology sector. At these companies, Asian Americans are prominent in the overall workforce and the management level, but when it comes to executive positions, their representation slightly erodes.

% of S&P 500 companies with Asian American talent parity (7.2%), by sector

	Overall workforce	Middle Managers	Exec/Sr Managers
Information Technology	96.7%	93.4%	83.6%
Communication Services	93.3%	100.0%	60.0%
Health Care	90.4%	80.8%	71.2%
Financials	67.9%	69.8%	54.7%
Consumer Discretionary	40.5%	51.4%	56.8%
Real Estate	40.0%	40.0%	40.0%
Industrials	34.9%	37.2%	37.2%
Consumer Staples	29.2%	37.5%	45.8%
Energy	20.0%	25.0%	15.0%
Utilities	16.0%	16.0%	28.0%
Materials	14.3%	28.6%	42.9%

% of S&P 500 companies with the highest share of Asian American employees

	Overall workforce	Middle Managers	Exec/Sr Managers
Qualcomm	61.6%	52.3%	33.4%
Cadence Design Systems	57.8%	50.7%	35.7%
Western Digital	55.7%	52.2%	36.4%
NVIDIA	52.4%	51.0%	36.8%
KLA Corp.	46.5%	41.1%	26.8%
Juniper Networks	46.0%	38.5%	33.3%
Meta Platforms (Facebook)	45.9%	39.6%	27.5%
Advanced Micro Devices (AMD)	43.7%	30.7%	26.1%
eBay	43.6%	41.3%	16.7%
Broadcom	41.5%	37.0%	37.1%



Your objective source for diversity, equity, and inclusion data and analysis.

SCHEDULE A COMPLIMENTARY TRIAL OF OUR SERVICE

Using a rigorous framework, we uncover, analyze, and present DEI data in real-time – so you can confidently steer toward your strategic objectives. Schedule a complimentary trial of our service to learn more about our capabilities for asset managers, institutional investors, and corporate stakeholders.