



# Trends in Gender Diversity and Pay Equity Disclosures



## IN THIS THOUGHT PIECE

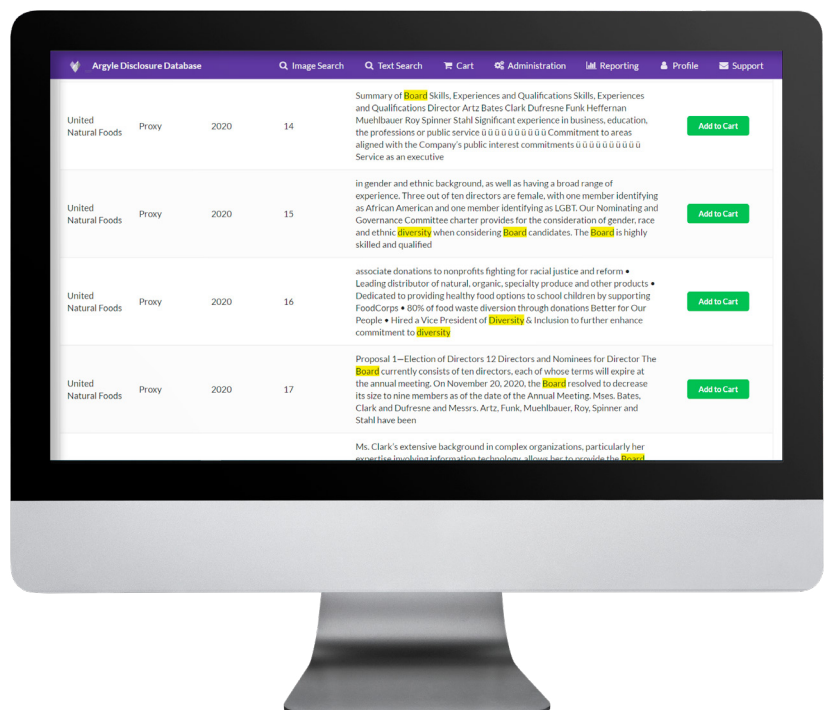
In this thought piece, we discuss developments surrounding gender diversity and pay equity in US and European corporations and the subsequent trends that can be observed in investor reports as a result of these developments.

*This thought piece was written by Lucy Fergusson, University of Nottingham, and Deborah Koenen, Argyle Advisory Director.*

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# Introduction

Diversity, equity, and inclusion (DEI) within the workplace are hardly new issues for corporations. With respect to gender, efforts to promote diversity across the globe have been varied and sometimes controversial, ranging from the introduction of government-regulated quotas in countries such as Norway and Belgium, to softer methods like increasing investment in female and gender nonconforming employees and promoting female and gender nonconforming candidates within the recruitment or promotion process. In 2023, discussions surrounding gender equality in the corporate world remain as pertinent as ever. In 2022, women held 8.8% of Fortune 500 CEO positions and, on average, attained 40% of new director appointments.<sup>1</sup> Despite these considerable efforts, progress has been slow, and women remain underrepresented in the C-Suite and boardroom.

What has changed more rapidly, however, is the attitude of investors towards the issue of gender diversity. Increasingly, we are observing a wave of socially engaged investors for whom gender diversity is a key topic. Investors are engaging more intentionally on gender diversity and equality by incorporating higher expectations into their voting guidelines.

Recent shareholder proposals have advanced gender diversity by seeking reports related to workplace diversity, US Employment Information Report (EEO-1) demographic data, and disclosures related to pay equity gaps and audits. Other proponents are looking beyond demographic data and want a picture of a company's DEI practices (e.g., sexual harassment policies, pay equity, and mandatory arbitration). These developments make it increasingly crucial for corporations to reflect internally on this topic. With this aim, this thought piece will summarize some of the most relevant developments within this field and explore how this issue has affected investor reporting.

<sup>1</sup> Hinchliffe, Emma. (May 23, 2022). *"The number of women running Fortune 500 companies reaches a record high."* Fortune.

# Regulatory Developments

## The European Approach

Europe has been at the forefront of major changes in relation to corporate gender diversity. As early as 2004, Norway became the first country to adopt gender diversity quotas at the board-level and has subsequently been followed by many other countries. These laws require between one-third and 40% of directors to be women, and while major changes have been made, some countries are lagging these mandates.

The European Union recently adopted a [new law on the gender balance of corporate boards](#). Member states are required to adopt national rules mandating that 40% of non-executive directors, or 33% of all board members, be women, and listed companies will have until the end of June 2026 to meet these targets. It is clear gender diversity has been and continues to be an important topic in Europe.

## The American Approach

Gender diversity has also been a hot topic in the United States (US), albeit a controversial one. In 2018, California became the first state to introduce [mandates for board gender diversity](#), requiring publicly listed corporations headquartered in the state to have a prescribed number of female directors. In May 2022, the Superior Court of California in Los Angeles held that the law was unconstitutional and enjoined its enforcement pending decision on appeal. Washington state passed a [board gender diversity bill](#) in 2020 that requires public boards to be at least 25% women. If the Washington requirement is not met, companies must explain their approach to developing and maintaining board diversity. Other states (such as Illinois, New York, and Maryland) have enacted laws that encourage board diversity through disclosure, but do not require mandated quotas.

In August 2021, the US Securities and Exchange Commission approved [new listing rules](#) requiring each NASDAQ-listed company to have at least two diverse directors or explain why it does not. The rules also require disclosure of directors' voluntary self-identified gender, racial characteristics, and LGBTQ+ status. Before this, though, major US corporations had been developing their own policies to promote gender diversity, with Facebook, Pinterest, Intel, Xerox, and Amazon, among others, implementing a version of the 'Rooney Rule' (a National Football League policy that teams interview at least one diverse candidate for head coach or manager positions). While the methods of achieving gender diversity remain varied, the appetite for increased female and gender nonconforming representation is clear.

# Pay Equity

Gender pay equity has also been a hot topic and for good reason as gender gaps still exist. According to a 2021 report by the World Economic Forum, “financial disparities continue to represent a major area of concern for working women and their dependents”: the wage gap is still approximately 37% and the income gap remains close to 51%.<sup>2</sup>

Recent regulatory developments are working to try to close that gap. The government of the United Kingdom (UK) has [required](#) employers with 250+ employees to report their gender pay gap since 2017. In 2021, Ireland implemented [legislation](#) that requires certain employers to begin reporting on differences in the mean and median pay between male and female employees. If a pay disparity exists, the company needs to provide a written explanation for why and outline any steps planned to close the gap. A forthcoming [European Union Directive](#) related to pay transparency will require employers with at least 50 employees to report publicly some statistical data on the company’s gender pay gap. If the reporting shows a gender pay gap of at least 2.5% and the employer cannot justify such difference in average pay level by objective gender-neutral factors, then the employer will be required to conduct a formal pay assessment.

In the United States, California, Colorado, and a dozen other states have either passed or are considering a variety of pay transparency bills. For example, as of March 2021, certain private employers in California must submit annual pay data reports to the Department of Fair Employment and Housing.<sup>3</sup>

<sup>2</sup> World Economic Forum. (March 31, 2021). “Global Gender Gap Report 2021.”

<sup>3</sup> State of California Civil Rights Department. (2022). “California Pay Data Reporting website.”

# Investor Response

Many institutional investors and proxy advisory firms have formal voting policies on gender diversity for directors and the broader workforce. Failure to meet investor or proxy advisor expectations can result in votes against members of those companies' nominating/governance committees. Fewer voting policies address pay equity. The following table outlines some of these guidelines.

	Date Adopted	Stance on Diversity
BlackRock	January 2023	<b>Board Diversity</b> <ul style="list-style-type: none"><li>• <b>In the US:</b> Believes that boards should aspire to be at least 30% diversity of membership. An informative indicator of diversity for such companies is having at least two women and a director who identifies as a member of an underrepresented group.</li><li>• <b>In Europe, Middle East, and Africa:</b> Looks for all boards to be taking steps towards at least 30% of their members being comprised of the underrepresented gender.</li></ul> <b>Workforce Diversity:</b> In the US, companies should disclose the steps they are taking to advance diversity, equity, and inclusion; job categories and workforce demographics; and their responses to the US Equal Employment Opportunity Commission's EEO-1 Survey.
Fidelity	February 2023	<b>Board Diversity:</b> Evaluates board composition and generally will oppose the election of certain or all directors if there are no women on the board or if a board of ten or more members has fewer than two women directors.
Glass Lewis	January 2023	<b>Board Diversity:</b> Beginning with shareholder meetings held after January 1, 2023, will transition from a fixed numerical approach to a percentage-based approach and will generally recommend voting against the nominating committee chair of a board that is not at least 30 percent gender diverse at companies within the Russell 3000 index. For companies outside the Russell 3000 index, the existing policy requiring a minimum of one gender diverse director remains in place.

	Date Adopted	Stance on Diversity
Goldman Sachs	March 2022	<p><b>Board Diversity</b></p> <ul style="list-style-type: none"> <li>• <b>In US:</b> Vote against or withhold from members of the nominating committee at companies incorporated in the US if the board does not have at least 10% women directors and at least one other diverse board director. Vote against or withhold from the full board at companies incorporated in the US that do not have at least one woman director.</li> <li>• <b>Outside of US:</b> Vote against or withhold from members of the nominating committee at companies not incorporated in the US if the board does not have at least 10% women directors or does not meet the requirements of local listing rules or corporate governance codes or national targets.</li> </ul> <p><b>Workplace Diversity</b> A company should have a clear, public Equal Employment Opportunity (EEO) statement and/or diversity policy. Generally, vote for proposals seeking to amend a company's EEO statement or diversity policies to additionally prohibit discrimination on sexual orientation and/or gender identity.</p>
ISS US	February 2023	<p><b>Board Diversity:</b> Generally, vote against or withhold from the chair of the nominating committee at companies where there are no women on the company's board.</p> <p><b>Pay Gap:</b> Generally vote case-by-case on proposals requesting reports on a company's pay data by gender/race/ethnicity or a report on policies and goals to reduce any pay gaps, taking into account i) the company's current policies and disclosures related to both its diversity and inclusion policies and practices and its compensation philosophy and practices, ii) whether the company has been the subject of recent controversy, litigation or regulatory actions related to pay gap issues, iii) the company's disclosure regarding pay gap policies or initiatives compared to its peers, and iv) local laws regarding categorization of race or ethnicity.</p>
State Street Global Advisors	March 2022	<p><b>Board Diversity:</b> Expects boards of all listed companies to have at least one female board member. In 2023, State Street will expect companies in the Russell 3000, TSX, FTSE 350, STOXX 600 and ASX 300 indices to have boards composed of at least 30 percent women directors.</p> <p><b>Workforce Diversity:</b> May vote against the chair of the compensation committee at companies in the S&amp;P 500 that do not disclose their EEO-1 reports.</p>



	Date Adopted	Stance on Diversity
Vanguard	February/March 2023	<p><b>Board Diversity</b></p> <ul style="list-style-type: none"> <li>• <b>In the US:</b> Absent a compelling reason, a fund will generally vote against the nominating and/or governance committee chair if a company's board is making insufficient progress in its diversity composition and/or in addressing its board diversity-related disclosures. Board diversity disclosures should at least include the genders, races, ethnicities, tenures, skills, and experience that are represented on the board.</li> <li>• <b>In Europe and UK:</b> Asks European and UK companies to meet local market standards intended to support gender and ethnic diversity, and at a minimum to demonstrate progress towards at least 30% gender diversity at board level (to be read in conjunction with country-specific guidelines) and where necessary, disclose plans to align with any upcoming local requirements.</li> </ul> <p><b>Workplace Diversity</b> In the US, a fund may support shareholder proposals that request disclosure on workforce demographics inclusive of gender, racial and ethnic categories. This could include publishing EEO-1 reports.</p>

# Argyle Reflections on Best Practice

Some key trends have emerged in how corporations are choosing to report on gender diversity. The best ESG reports have recurring features in common, such as:

- Dedicating a separate section of their ESG report to DEI (or even publishing a separate human capital management/DEI report).
- Setting measurable DEI goals and reporting on year-on-year progress.
- Providing transparent links to their latest EEO-1 reports or other sources of diversity information at the board, leadership, management, and associate levels.
- Discussing all aspects of DEI, including board oversight, pay equity, and practices to foster a diverse and inclusive culture and workforce.
- Disclosing any executive incentives tied to DEI-related goals and metrics.

Strong DEI disclosures go beyond just demographic data and trends. Most also include a strong emphasis on an inclusive culture and values from the top of the organization, as well as a description of a DEI emphasis in recruitment and retention, training and professional development, and events and awareness raising.

# Examples of Gender Diversity and Pay Equity Disclosures

Considering the importance of disclosing on gender, companies should look to integrate the topic into multiple aspects of their ESG report, particularly within goal setting, narrative pages, and appendices/data disclosures. Below are examples of such disclosures from a variety of industries.

## Board Diversity

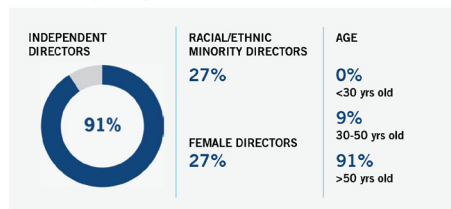
Disclosing statistics on director characteristics in proxy statements is not new to companies. Many are now including those characteristics, including gender and racial/ethnic diversity, in both their proxy statements and ESG reports. The same infographic used in the proxy statement can be repurposed for the ESG report.

### Comerica – 2021 Corporate Responsibility Report

#### Board Diversity

Comerica strives to have a diverse Board that represents the interests of four of Comerica's core constituencies: shareholders, employees, customers and communities. The Governance, Compensation and Nominating Committee considers diversity broadly in assessing potential director nominees. For example, the Committee seeks nominees with a broad range of experience, professions, skills, geographic representation, and/or backgrounds. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis as proscribed by law.

The Board's composition at year-end 2021 included:



Our [Corporate Governance Guidelines](#) outline the Board's evaluation process, which includes an annual self-evaluation of the full Board and its committees that focuses on areas for improvement.

Two of Comerica's female Directors hold key Board leadership positions, including Independent Facilitating Director and Governance, Compensation and Nominating Committee chair. In addition, one of Comerica's racial/ethnic minority Directors is the chair of the Enterprise Risk Committee.

#### Diverse Board Leadership



**Jacqueline P. Kane**  
Title: Governance, Compensation and Nominating Committee Chair



**Michael E. Collins**  
Title: Enterprise Risk Committee Chair



**Barbara R. Smith**  
Title: Facilitating Director

# United Therapeutics – 2022 Corporate Responsibility and Public Benefit Report

## Board Diversity

We believe it is important that our Board is composed of individuals reflecting the diversity represented by our employees, our patients, and our communities. In recent years, our Nominating and Governance Committee has taken this priority to heart in its nominations process, and the diversity of our Board has grown significantly. With the addition of Linda Maxwell, M.D. in 2020, we have continued to expand the diversity of our Board, which is among the most diverse of our peers.

### BOARD DIVERSITY MATRIX (AS OF APRIL 29, 2022)

<b>Board Size:</b>				
Total Number of Directors	12			
<b>Gender:</b>	<b>Male</b>	<b>Female</b>	<b>Non-Binary</b>	<b>Gender Undisclosed</b>
Number of directors based on gender identity	7	5	0	0
<b>Number of directors who identify in any of the categories below:</b>				
African American or Black	1	1	0	0
Alaskan Native or American Indian	0	0	0	0
Asian	0	0	0	0
Hispanic or Latinx	0	1	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	6	5	0	0
Two or More Races or Ethnicities	0	2	0	0
LGBTQ+	1			
Undisclosed	0			

In response to shareholder feedback, we expanded our director diversity and skills disclosure to include a detailed matrix. See page 20 of our most recent proxy statement.

## Board Skills

In addition to the qualifications described above, we seek to maintain a diverse set of skills on our Board.



# Workforce Diversity

More companies are including their employee demographics in their ESG reports, with a breakdown by employee classification and an analysis of year-over-year changes. EEO-1 reports are generally posted separately on company websites with links included in their ESG reports. As EEO-1 reports only include US-based employees, companies with international footprints make sure to state that context and add information on the diversity of their non-US employees. Company efforts to recruit, advance, support and retain diverse associates, supported by robust DEI goals, are an increasingly important part of these disclosures.

## Intel – 2021-22 Corporate Responsibility Report

### Inclusive Workforce

We believe that when every employee has a voice and a sense of belonging, Intel can be more innovative, agile, and competitive. An inclusive culture that welcomes all perspectives is critical for attracting, retaining, and progressing top talent, and top talent has a direct impact on innovation and on our products. Intel is committed to providing a work environment where employees from all backgrounds are valued, respected, challenged, acknowledged, and rewarded so they can achieve their full potential.

Through our 2030 goals, we are committed to further advancing the representation of women and underrepresented minorities in leadership and technical positions at Intel, advancing accessibility, and embedding inclusive leadership practices in our culture and across our business. Learn more about our strategy on our [Diversity and Inclusion](#) website.

Transparency and open sharing of our data enables us to both celebrate progress and identify key areas for action and improvement. In 2021 we continued our focus on career development and progression of diverse talent. We saw absolute numbers increase in all categories. Some of the numbers from 2020 to 2021 did not increase much as percentages or—in some cases—decreased, because of the unprecedented growth in our company. For example, the percentage of Intel employees who identify as veterans dropped slightly, from 7.3% in 2020 to 7.2% in 2021, yet the number of employees who identify as veterans increased by roughly 150. In addition, our global representation of technical women declined from 25.2% in 2020 to 24.3% in 2021, but more technical women—some 26,000—worked at Intel than at any time in our recent history.

#### Women at Intel – Global Data<sup>1</sup>

Positions	2019	2020	2021
Board of Directors	20.0%	30.0%	30.0%
Executives	20.1%	20.7%	20.7%
Senior Leadership	18.6%	18.8%	18.7%
Senior	20.3%	21.3%	21.7%
Experienced	29.4%	30.4%	31.2%
Entry-Level	37.8%	37.9%	36.5%
All Global Employees	27.5%	27.8%	27.7%
Technical	24.8%	25.2%	24.3%
Non-Technical	58.3%	57.7%	54.4%

#### US Workforce Representation Data<sup>1</sup>

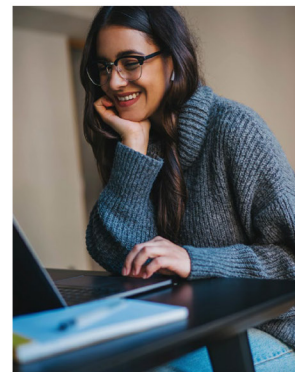
Group	2019	2020	2021
Women	26.4%	26.3%	25.8%
URMs <sup>2</sup>	15.8%	16.3%	16.1%
URMs in Senior Leadership	7.3%	7.6%	7.8%
URM Women	3.8%	3.8%	3.8%
White	45.9%	45.8%	44.1%
Asian	37.9%	37.6%	36.3%
Hispanic/Latinx	10.1%	10.5%	9.3%
African American	4.9%	5.0%	4.9%
Native American	0.8%	0.8%	0.9%
Pacific Islander	0.3%	0.4%	0.4%
Veterans	7.0%	7.3%	7.2%
Two or more <sup>3</sup>	N/A	N/A	2.2%
Other <sup>4</sup>	N/A	N/A	1.8%

<sup>1</sup> 2021 data as of Dec. 25, 2021; 2020 data as of Dec. 26, 2020; and 2019 data as of Dec. 28, 2019. "Executives" refers to salary grades 12+ and equivalent grades. "Senior Leadership" refers to salary grades 10+ and equivalent grades. "Senior" refers to salary grades 8-9 and equivalent grades. "Experienced" includes salary grades 6 to 7 and equivalent grades. "Entry Level" refers to salary grades 2 to 5 and equivalent grades. "Technical" is based on Intel's internal job codes and reflects technical job requirements. The definition of "technical" employee was revised in 2021 to better align with industry standards. While this data represents women and men, we acknowledge that this is not fully encompassing of all gender identities. See information about our self-identity initiatives related to our LGBT+ employees later in this section. 30% of our Board members self-identified as female.

<sup>2</sup> We define URM to include our Hispanic, African American, and Native American employees.

<sup>3</sup> "Two or more" ethnicity category includes employees who have checked two or more ethnicities as part of their self-identifiable data choices.

<sup>4</sup> "Other" = unknown, declined, not specified



#### Undesired Turnover

Group Represented	2021
Global Overall	5.6%
Global Women	5.3%
US Women	6.0%
US URM <sup>2</sup>	4.9%
US Hispanic/Latinx	4.6%
US African American	5.8%
US Native American	2.8%

These figures include all regular Intel employees who voluntarily left Intel, but do not include contract employees, interns, or employees who separated from Intel due to severance, retirement, voluntary separation packages, death, job elimination, or redeployment.



#### Raising the Bar

Intel's ambitious goals are designed to continue to raise the bar for ourselves and the industry to deliver greater value through corporate responsibility excellence. We will achieve those goals by strengthening our systems, processes, and programs to drive diversity, equity, inclusion, and accessibility throughout our workforce. To the right are descriptions of two of our workforce inclusion goals and progress we made in 2021. Read about our other 2030 inclusion goals in "Accessibility and Disability Inclusion" and "Supplier Diversity and Inclusion."

#### 2030 Goal: Representation in Senior Leadership

**Description.** Double the number of women and underrepresented minorities (URMs) in senior leadership roles.

**Baseline.** 1,250 women and 380 URMs in senior leadership roles as of April 30, 2020.<sup>1</sup> Target for 2030 is to reach 2,500 women and 760 URMs in senior leadership.

**Progress in 2021.** During 2021 we surpassed by 74 our milestone goal of reaching 1,375 women in leadership roles, ending the year with 1,449 women in senior leadership roles across the globe. The above-and-beyond results in 2021 set us up to continue making progress in women in senior leadership. Although the absolute number of women leaders increased, given the overall growth of the company, relative representation of women leaders decreased 0.1 percentage points. Our US URM senior leaders also increased, from 384 to 444. For 2021, we established a milestone goal to increase representation by 10% of Black/African American employees in senior, director, and executive roles in our US population. We exceeded this milestone, increasing representation by 11%.

**Looking Ahead.** We are on track to achieve our 2030 goal. We acknowledge the opportunity to leverage the company's growth and IDM 2.0 strategy to further progress the representation of women and URMs in our workforce.

#### 2030 Goal: Women in Technical Positions

**Description.** Exceed 40% representation of women in technical positions.

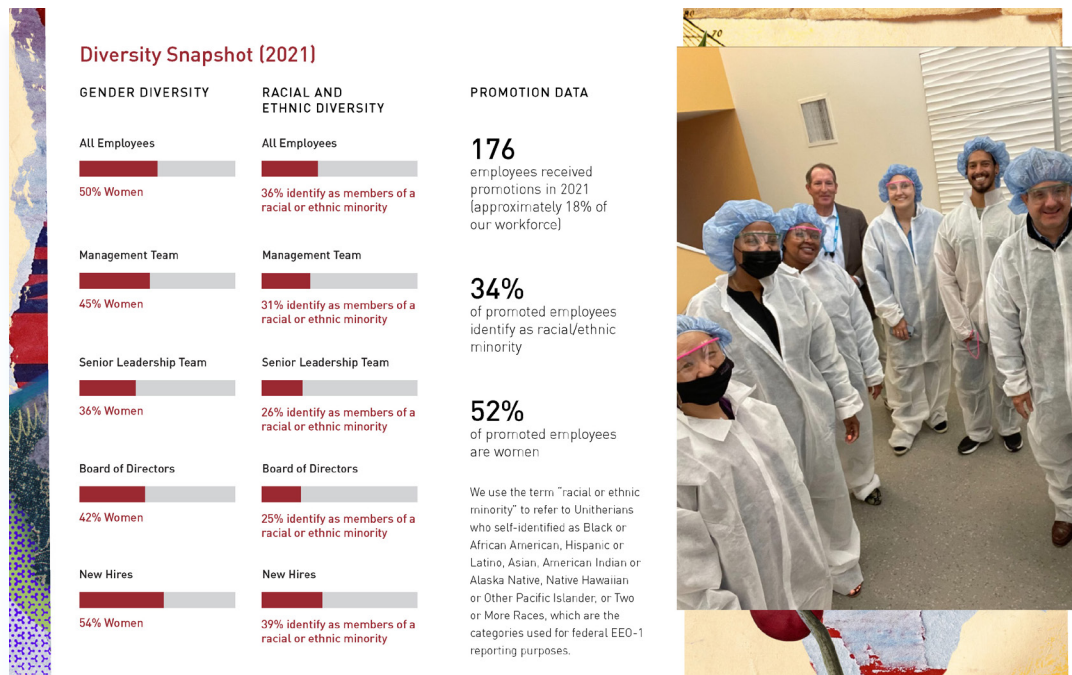
**Baseline.** 24.9% of technical roles held by women globally as of April 30, 2020.<sup>1</sup>

**Progress in 2021.** At the end of 2021, 24.3% of technical roles were held by women, a decrease from 25.2% at the end of 2020, despite the company having grown its technical headcount by 8.8%.

**Looking Ahead.** To meet our goal of increasing representation of women in technical roles to 40%, we will be implementing targeted programs to increase the number of women hired for technician, engineering hardware and software roles through sourcing, pipeline and workforce development initiatives. To drive additional corporate level focus we have made this an Annual Performance Bonus goal for all employees in 2022. In addition, we set a goal that our hiring for technical entry-level roles is at least 30% women.

<sup>1</sup> We selected the April 30 baseline to align with the completion of our annual performance review process and promotion cycle.

# United Therapeutics – 2022 Corporate Responsibility and Public Benefit Report

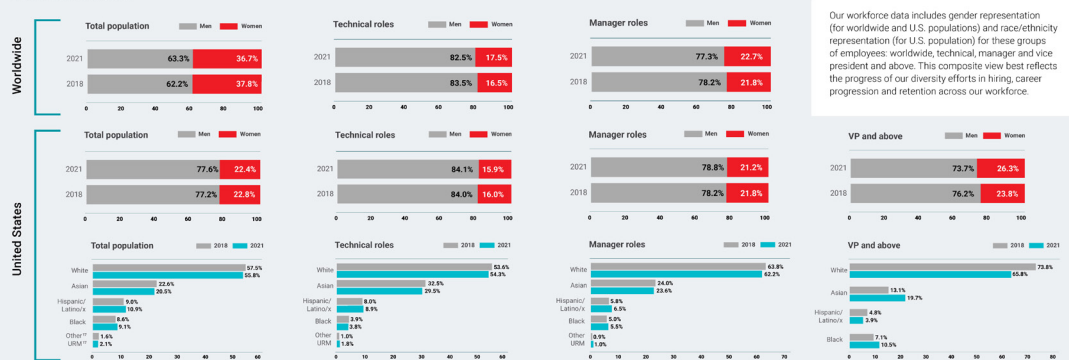


# Texas Instruments – 2021 Corporate Citizenship Report

## Workforce representation

While there is always more work to do, the progress we've made regarding diversity and inclusion is encouraging. For decades, TI has remained committed to diversity and inclusion. As part of that ongoing commitment, we regularly assess our workforce relative to availability across gender, race and ethnic demographics to understand where we have gaps and where we need to place more emphasis to continue our progress toward having diverse representation at all levels.

Women and underrepresented minorities are not reflected in engineering majors and careers at the same levels as men and non-minorities. For this reason, we are focused on growing the engineering pipeline through partnerships with high schools, universities and nonprofit organizations.

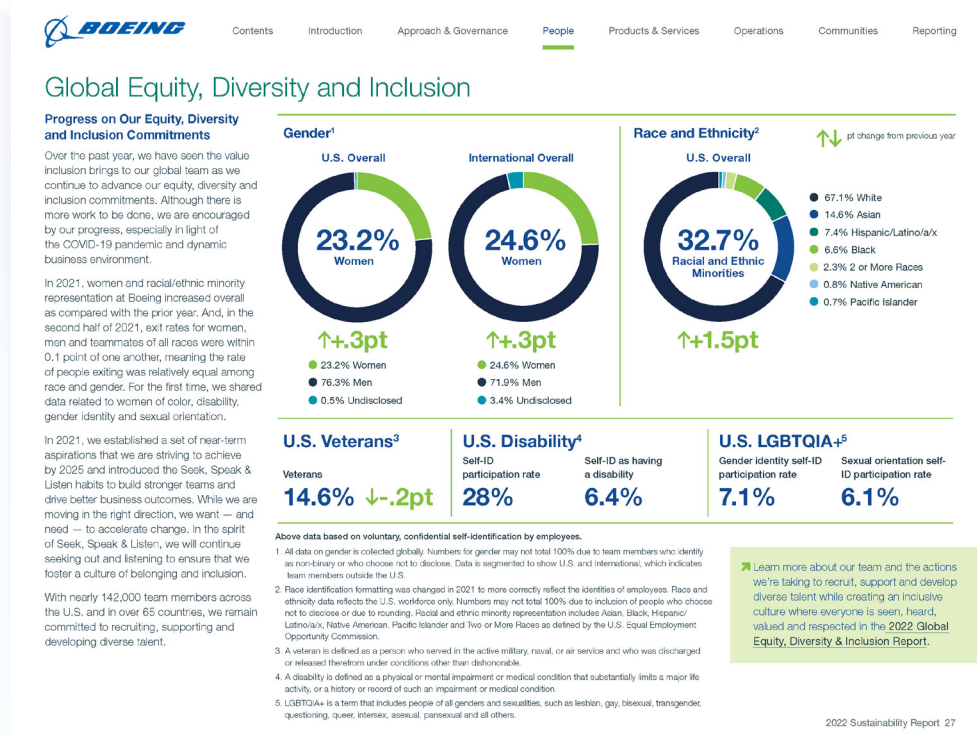


\*We define Other URM (underrepresented minority) as Native Hawaiian or other Pacific Islander, American Indian or Alaska Native, or two or more races. For more information, see our [EEO-1 report](#). Any data differences less than 100% are attributable to a small percentage of undisclosed data.

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# The Boeing Company – 2022 Sustainability Report



# Intuit – 2022 Corporate Responsibility Report



# Enel – 2021 Sustainability Report

## Taking action to close the gender gap

405-1 | 405-2

In 2021, Enel continued its commitment to overcoming the gender gap and achieving wage equality with an organic approach of actions that influence all phases of women's journey in the organization: from representation at entry level to empowerment and development in positions of responsibility, paying attention to various relevant moments in life, such as becoming parents and personal or family care.

The gender gap action plan consists of **measures that directly and indirectly affect** equal pay, given the fact that the gradual increase in female representation at different organizational levels is a prerequisite for natural generational exchange and thus for achieving parity in remuneration over time.

The **indirect measures** include a steady increase in women joining the Company and in positions of responsibility in the organization. Selection processes are closely monitored to ensure a fair balance of the two genders in the candidate pools, with a rising trend in the last five years (**52.1%** in 2021). The commitment to the growth of women in positions of responsibility is also significant: **23.6%** of managers were women in 2021 (21.6% in 2020), and **31.4%** of middle managers were female (30.4% in 2020), with an increase in the ratio between female managers and middle managers of 4%. Various actions have been taken at a global level, including the introduction to the Long Term Incentive Plan 2021 of a new performance target, with weighting of 5% of the total: the "percentage of women in managerial succession plans" by the end of 2023. This is an objective for all managers at Enel and its subsidiaries, including the Enel Chief Executive Officer, who occupy top positions of strategic interest to the Group; the powerful commitment in the Enel Group to ensuring equal representation of women is therefore emphasized, including in pools for managerial succession plans, and the increasing attention paid to the topic of "gender equality" is leveraged.

As at late 2021, women account for **22.5%** of the entire Group workforce, whereas they cover around **15.7%** of executive positions (CEO-1) out of the total of these positions (3 out of 19).

The **direct measures** include internal policies addressing succession plan management and salary review processes, which take into account gender diversity dimensions, as

## Gender gap: the action plan, direct and indirect measures

**52.1%**  
women in selection pools

**22.5%**  
women in the workforce

**23.6%**  
women manager

**15.7%**  
women in executive positions

**44.4%**  
women on the Board

**42.7%**  
women in managerial succession plans

well as the allocation of a budget dedicated to ensuring equal pay for equivalent roles. In addition, the commitment to promote gender equality also resulted in setting a specific MBO 2021 track as part of the MBO objectives assigned to the management of the People and Organization Function.

For the purposes of monitoring equal pay, the number and proportion of female managers show a trend of steady increase over the years; in particular, in 2021 there was an increase of 2% (from 21.6% to 23.6%) in the percentage of women managers, and this led to a slight decrease in the Equal Remuneration Ratio (ERR), which went from 83.3% to 81.1%. All the actions taken to advance women's standing are also continuing, not only in senior management; the effects of which will be fully appreciable in the medium to long term, also taking into account the generational dynamic.



# Pay Equity

Spurred by investor, employee and regulatory interest, more companies are including details related to their pay equity practices and audit results in their ESG reports, including whether a pay gap exists and the practices applied to close any identified gaps.

## Intel – 2021-22 Corporate Responsibility Report

### Pay Equity

At Intel, we strive for an inclusive and fully engaged workforce that is reflective of the best and brightest talent in our industry. Since 2019, we have achieved gender pay equity globally and we continue to maintain race/ethnicity pay equity in the US. We achieve pay equity by closing the gap in average pay between employees of different genders or race/ethnicity in the same or similar roles after accounting for legitimate business factors that can explain differences, such as location, time at grade level, and tenure.

Intel's legal and human resources teams work with third-party experts using proven statistical modeling techniques to monitor and advance global pay equity. Our comprehensive analysis includes base pay, bonuses, and stock grants. Individual employees who are identified as having a gap through this analysis receive appropriate adjustments.

A key component of our pay equity strategy is our commitment to transparency, which helps us to hold ourselves accountable and encourage action by others. In support of this goal, we first publicly released our EEO-1 survey pay data in 2019, we feel it is important to continue collecting and disclosing diversity and inclusion data publicly.

### Inclusive Culture

Inclusion is one of Intel's core values and it is at the heart of our culture. We have taken actions to integrate our inclusion expectations into our policies, performance management systems, leadership expectations, annual bonus metrics, and employee surveys.

The [Intel Code of Conduct](#) and [Intel Global Human Rights Principles](#) set out our commitment to nondiscrimination and to provide a workplace free of harassment. We have redesigned our employee performance management system and leadership promotions process to focus on results delivered, as well as how those results are achieved through alignment with Intel's values and commitment to inclusion.

**Inclusion@Intel.** The global Inclusion@Intel portal provides a community for employees and empowers them to build tangible and actionable inclusive practices into their everyday work environment. This unique platform provides highlights on inclusive leaders, inclusion training, sharing of best practices, videos, podcasts, and scenario cards that can be used to encourage critical conversations. Our Inclusive Leaders program is designed to equip managers to play leadership roles in growing Intel's inclusive culture and fostering leadership skills needed to build diverse and inclusive, high-performing teams. In 2021, we expanded the program across Intel worldwide via workshops and small-cohort-based learning. Employees completed over 4,000 individual learning modules in 2021. For further impact, we also integrated the inclusion content into new "Manager Academy" training and began rolling it out to our 13,000 managers worldwide in 2021.

**Inclusive Hiring Practices.** We have developed a set of best practices and training to mitigate the influence of unconscious bias in the hiring process. These practices include posting of formal requisitions for internal positions, using impartial descriptions of qualifications for all open jobs, and having diverse slates of candidates and diverse hiring panels. In 2021, we also required inclusive hiring training for all of our hiring managers.



### Linking Compensation to Diversity and Inclusion Goals

Since 2008, we have linked a portion of our executive and employee compensation to corporate responsibility metrics, including diversity and inclusion metrics. In 2021, we met these metrics, which focused on the 2030 workforce goal milestones of reaching 1,375 women in senior leadership roles globally and increasing by 10% the representation of Black/African American employees in senior, director, and executive level roles in our US workforce. In 2022, the goals related to inclusion include: increasing by another 10% the representation of Black/African American employees in senior, director, and executive level roles in our US workforce; women representing 30% of technical entry-level hires; and \$1.4 billion in annual spending with diverse suppliers. For more information, see our 2022 Proxy Statement, "Supplier Diversity and Inclusion," later in this section of the report, and the [Sustainable](#) section of this report.

## Texas Instruments – 2021 Corporate Citizenship Report

### Our commitment to equitable pay

We pay our employees fairly and equitably. TI has had competitive and equitable compensation policies regardless of gender, race, ethnicity or other protected characteristics, and we have designed checks and balances into our compensation system, including regular in-depth analyses, to ensure that we achieve it.

In 2021, we conducted a separate compensation analysis examining gender and race pay parity (including base, and bonus pay and equity), that considered job type, job level and country. Our analysis confirmed that within the U.S. and worldwide, TI pays women as much as men, and in the U.S., TI pays minorities as much as non-minorities.

## Intuit – 2022 Corporate Responsibility Report

### Commitment to DEI results in strong belonging and pay equity

Because of our support of employees from the first interview to onboarding and beyond, we've created a work environment where our employees can thrive. To help us understand how they're experiencing inclusion and belonging, we ask them to complete a DEI survey once a year. This informs our long-term DEI strategy and helps us understand where we have opportunities to take action and improve. We look at the data across multiple dimensions.

For example, we ask our employees if they have a sense of belonging at Intuit. Our Belonging Score for the FY22 DEI survey ranks Intuit in the top 10% of our industry benchmarks. This score is an outcome of a variety of factors and demonstrates a culture of inclusion. We're proud of this accomplishment and are heartened to know that our employees overwhelmingly feel supported and appreciated by their teammates and managers.

**Top 10%** ranked among our peers in employee belonging

Pay equity is fundamental to our DEI strategy. Intuit adheres to equitable talent practices and policies to mitigate bias in performance management, pay, and promotions. These best practices also apply to the development of female tech talent and our URG employees.

Our pay equity analysis is key to bringing clarity to our equity goals, ongoing work, and progress. Twice a year, we conduct a survey through a third-party vendor to review all job codes in which we have a sufficient number of employees for analysis, and those employees have the same or similar job duties and compensation mix. We then compare base pay by gender and ethnicity, while factoring in location and time spent in the role, and make adjustments when there are unexplained statistical differences.

As of August 1, 2022, none of the identified job codes had statistically significant differences in pay between employees of different gender or between race/ethnicity in the U.S.



## Mattel – 2021 Citizenship Report

### Diversity, Equity & Inclusion (DE&I)

Mattel continued to make important progress with its DE&I initiatives. We remain committed to fostering a culture where all employees are included and valued and can realize their full potential.

#### Progress Toward Goal

- Maintained 100% base pay equity by gender globally and by ethnicity in the U.S.\*
- Increased representation of women, which comprised 58% of the global non-workforce and 47% of all management positions.\*
- Increased representation of ethnically diverse employees in the U.S. to 44%.\*

- Recognized for creating an outstanding workplace culture by Forbes World's Best Employers of 2021; Forbes Best Employers for Women 2021; Fast Company Best Workplaces for Innovators 2021; Great Place to Work 2021; Newsweek 100 Most Loved Workplaces for 2021; Human Rights Campaign Best Places to Work 2021.
- Expanded Employee Resource Group (ERG) programming to promote accessibility for people with disabilities and support for active and veteran military employees, family members, and allies.
- Reorganized ERGs into regional chapters in North America, EMEA, LATAM, and APAC, and have global strategic alignment.
- Achieved 93% participation in the 2021 Global Engagement Survey, for the second year in a row, and incorporated an inclusion index to measure a sense of belonging at Mattel.

\*Please see GRI Supplemental Data Appendix for further details.

#### Highlights on Progress

Goal	Base Pay Equity	2020	2021
Achieve and maintain 100% base pay equity for all employees performing similar work with comparable roles and experience in similar markets	Pay Ratio by Gender	100% <sup>1</sup>	100% <sup>2</sup>
	Pay Ratio by Ethnicity	100% <sup>1</sup>	100% <sup>3</sup>
Goal	Representation of Women	2020	2021
Increase representation of women at all levels of the organization	Total Representation of Women	56% <sup>4</sup>	58% <sup>2</sup>
Goal	Representation of Ethnicity	2020	2021
Increase representation by ethnicity at all levels of the organization	Total Representation of Ethnically Diverse Employees	42% <sup>1</sup>	44% <sup>1</sup>

Table covers employees, excluding manufacturing labor and temporary and seasonal employees. Please see GRI Supplemental Data Appendix for further details.

1. As of December 31, 2020; U.S. employees only

2. As of December 31, 2021; worldwide employees

3. As of December 31, 2021; U.S. employees only

4. As of December 31, 2020; worldwide employees

# Going Forward



Looking forward, corporations should expect to see a continued focus on gender diversity and equality, especially as some of the investor and proxy advisor enhanced guidelines go in effect in 2023. Pay equity practices and disclosures will continue to mature as more companies conduct pay audits and more regulations are adopted. Additional diversity characteristics will be highlighted as company diversity and inclusion policies and reporting evolve. In addition to increased disclosure around race, ethnicity and LGBTQIA+, more companies are disclosing other characteristics, such as veteran or disability status.

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