



Delivering Racial Equity in the UK public markets

Launch Event of Racial Equity Scorecard

3-4pm GMT

1 Feb 2024

What can you expect today?

Through listening to the team who researched and developed the Racial Equity Scorecard, you will:

- Learn more about what Racial Equity means within the UK public investment context
- Understand how you can apply the scorecard, a practical and comprehensive tool, to assess performance on racial equity within a UK / European context
- Find out the next steps of the project and how you can get involved

Please note that this event will be recorded.

Agenda

Welcome remarks

Dilys Winterkorn, Project Director of Pathway Fund

Overview of the Racial Equity Scorecard

Bonnie Chiu, Co-Founder of Pathway Fund, Managing Director of TSIC

Panel Discussion: Delivering Racial Equity in the UK public markets

Bonnie Chiu, Co-Founder of Pathway Fund, Managing Director of TSIC

Peter Webster, CEO of EIRIS Foundation

Lisa Hayles, Director of International Shareholder Advocacy at Trillium Asset Management /

Peer Reviewer of the Racial Equity Scorecard

Dilys Winterkorn, Project Director of Pathway Fund

Q&A and Conclusion

The Racial Equity Scorecard evaluates the racial equity performances of UK companies, enabling investors, asset managers and companies alike to take direct action within their organisations and their public market investments.

Objectives of the Racial Equity Scorecard

- Enabling a shared understanding of racial equity among corporates and investors, going beyond generic understanding of DEI
- Contextualising the understanding of racial equity in the UK context
- Incentivising corporate progress on racial equity and increasing accountability

Research led and conducted by



Funded by



“Racial equity is a proactive commitment to ensuring all individuals, regardless of their race and ethnicity, have equal access to opportunities, resources and outcomes. It is the intentional and ongoing practice of changing policies, actions, attitudes and cultural messages, alongside actively dismantling systemic barriers and rectifying historical injustices that have led to disparities.”

Some Statistics

Within the UK's financial services industry, **68%** of ethnic minorities had experienced bias at work in 2020, and **82%** encountered unwelcome comments based on their background.

(Reboot, 2022)

In London, **less than 1%** of asset managers are Black, despite this ethnic group making up 13% of London's population.

10-20% of Britain's wealth can be identified as having had significant links to slavery.

(UCL, 2015)

If both corporate employers and entrepreneurship would focus on racial equity in career progression and trajectories, that would potentially add **£24 billion** to the GDP of the UK.
(The McGregor-Smith review, 2017)

Why a Scorecard?

Scorecards help track and incentivise corporate progress on social and environmental issues and ensure accountability.

Examples of scorecards successfully driving corporate behavioural change:

- Following **JUST Capital**'s rankings and data review process, disclosures on pay equity increased from 25% of companies in 2019 to 40% in 2022.
- In the US, 38 multinational companies took explicit steps to improve their racial equity policies and practices after being analysed by **As You Sow** in 2022
- **ShareAction**'s ethnicity pay gap reporting campaign in the FTSE100 has led to more companies disclosing their ethnicity pay gap.



5+2 Themes and 19+4 Indicators

Applying to public companies

Governance and Strategy

- Commitment to Racial Equity
- Race-sensitive Human Rights Due Diligence (HRDD) and Grievance Mechanism
- Board-Level Accountability
- Collaboration and Partnership
- Failure to have at least one ethnic minority board member by 2024 or to set 2027 senior management targets

Workplace Culture and Agency

- Diversity Across Different Employment Bands
- Pay Gap and Job Security
- Education in Diversity and Racial Equity
- Freedom of Association
- Wellbeing and Psychological Safety
- Flexible Work Patterns and Adjustments
- Failure to address discrimination and harassment on racial grounds as part of equal opportunities policies

Business Model

- Inclusive Products and Services
- Supply Chain and Value Chain
- Failure to address workers' rights OR apply HRDD in supply chains with a high risk of poor human rights or labour standards

Wider Community

- Reparations for Historical Injustices
- Investment in Key Social Determinants
- Failure to address historical injustices

Controversies

- Records of racial equity controversies and how the company has responded



Specific to financial services
(racial equity as an investment theme)

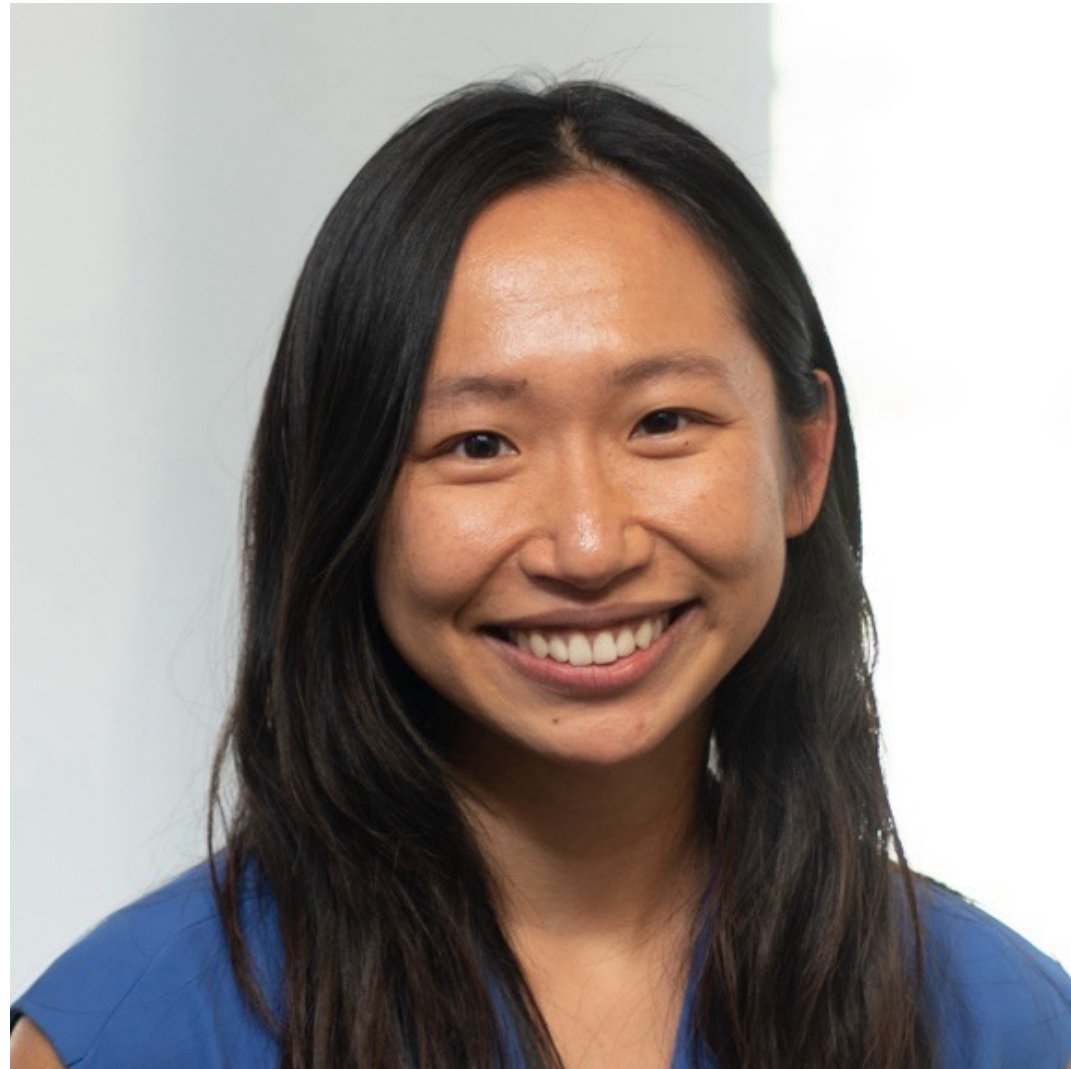
For Portfolios

- Racial Equity Impact Strategy
- Allocated Part of the Portfolio to Businesses that Advance Racial Equity

For Asset Managers

- Stewardship Activities Advancing Racial Equity
- Tools and Networks to Analyse Racial Equity

Panel Discussion: Delivering Racial Equity in the UK public markets



Bonnie Chiu

Co-Founder of
Pathway Fund

Managing Director of TSIC



Peter Webster

CEO of EIRIS Foundation



Lisa Hayles

Director of International
Shareholder Advocacy at
Trillium Asset Management

Peer Reviewer of the Racial
Equity Scorecard



Dilys Winterkorn

Project Director of
Pathway Fund

What's next?

We are looking forward to working with organisations interested to implement the scorecard for their portfolios; or to fund the creation of a benchmark.

For further information and support on how you and your organisation can benefit from the Racial Equity Scorecard or get involved.

- Please visit racialequityscorecard.uk
- or email at: res@racialequityscorecard.uk