Argyle

Trends in Investor Communications

Addressing Key ESG Topics Effectively

Addressing Key ESG Topics Effectively

The collective matters relating to environmental and social practices, and the governing of such subjects has become the primary focus of most engagements with institutional investors across all industries. This thought piece explores some of these key themes and highlights a few practitioners that are taking an effective approach.

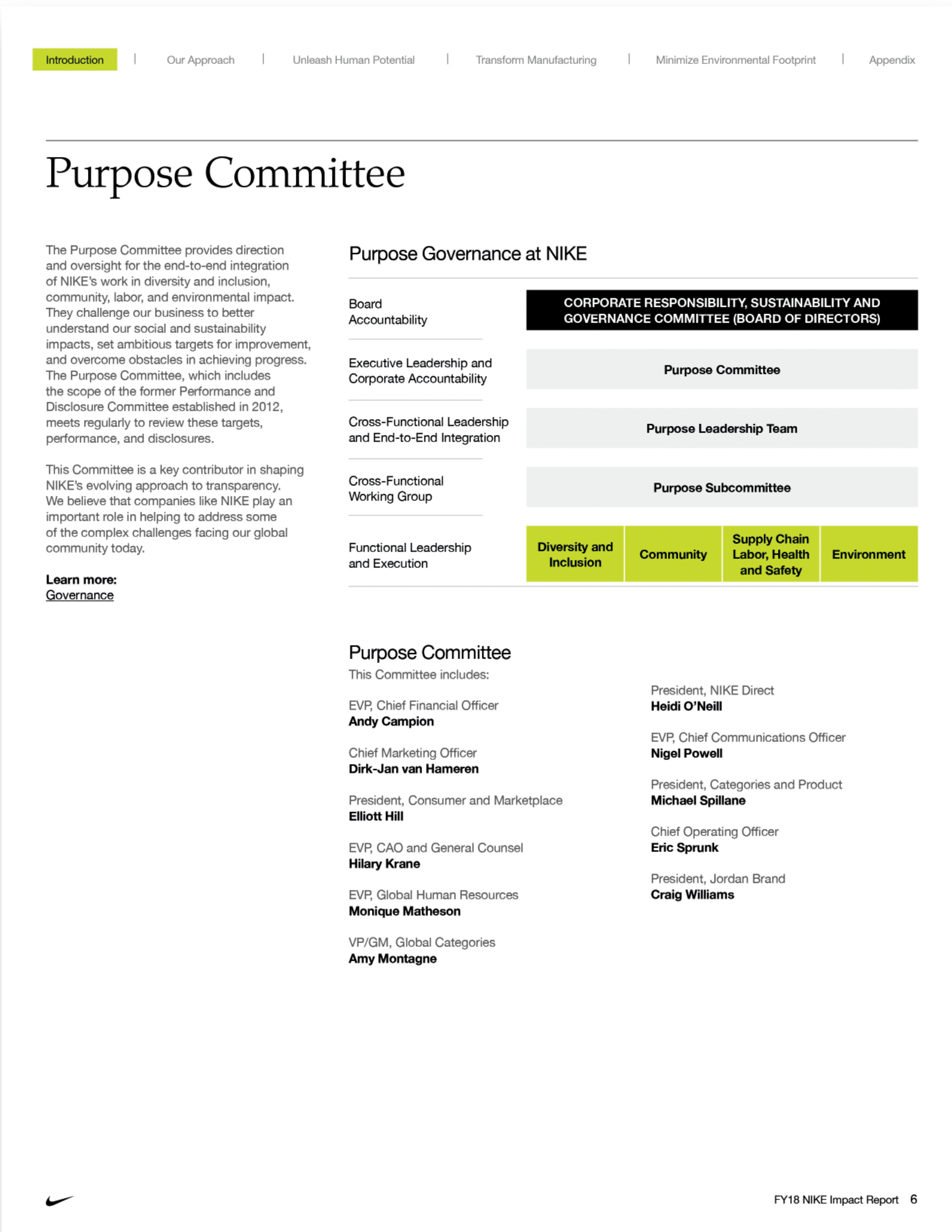
Contents

Governance

Investors are increasingly interested in the role that corporate boards and executives play in the oversight of material ESG matters. On one hand the notion of climate closely aligns with risk. On the other, ESG should be a fundamental building block to the strategy of a purpose-led organization. Whether approaching the subject as a risk or a strategic opportunity, ESG belongs under the remit of a Board committee or as the sole focus of an ESG dedicated committee.

Nike

Nike's disclosure on Board, leadership and employee level governance of ESG leaves little room for doubt of their commitment to being *a* responsible corporate citizen on a global scale. At the Board level, the Corporate Responsibility, Sustainability and Governance Committee is responsible for board level accountability. They are also fairly unique in their disclosure of the "Purpose Committee", the group composted of members of the executive leadership team responsible for providing "direction and oversight for the end-to-end integration of NIKE's work in diversity and inclusion, community, labor, and environmental impact". Learn more in **Nike's 2018 Impact Report**.



Purpose Committee

The Purpose Committee provides direction and oversight for the end-to-end integration of NIKE's work in diversity and inclusion, community, labor, and environmental impact. They challenge our business to better understand our social and sustainability impacts, set ambitious targets for improvement, and overcome obstacles in achieving progress. The Purpose Committee, which includes the scope of the former Performance and Disclosure Committee established in 2012, meets regularly to review these targets, performance, and disclosures.

This Committee is a key contributor in shaping NIKE's evolving approach to transparency. We believe that companies like NIKE play an important role in helping to address some of the complex challenges facing our global community today.

Learn more:
Governance

Purpose Governance at NIKE

Board Accountability	CORPORATE RESPONSIBILITY, SUSTAINABILITY AND GOVERNANCE COMMITTEE (BOARD OF DIRECTORS)			
Executive Leadership and Corporate Accountability	**Purpose Committee**			
Cross-Functional Leadership and End-to-End Integration	**Purpose Leadership Team**			
Cross-Functional Working Group	**Purpose Subcommittee**			
Functional Leadership and Execution	**Diversity and Inclusion**	**Community**	**Supply Chain Labor, Health and Safety**	**Environment**

Purpose Committee

This Committee includes:

EVP, Chief Financial Officer
Andy Campion

Chief Marketing Officer
Dirk-Jan van Hameren

President, Consumer and Marketplace
Elliott Hill

EVP, CAO and General Counsel
Hilary Krane

EVP, Global Human Resources
Monique Matheson

VP/GM, Global Categories
Amy Montagne

President, NIKE Direct
Heidi O'Neill

EVP, Chief Communications Officer
Nigel Powell

President, Categories and Product
Michael Spillane

Chief Operating Officer
Eric Sprunk

President, Jordan Brand
Craig Williams

Citi

The disclosure for Citi's "citizenship governance" is well done and ties nicely to the proxy statement. The Board committee graphic does an effective job of tying material subjects back to the specific areas of committee oversight. Citi also has an internal "Environmental and Social Advisory Council" composed of executives from various internal departments. Learn more in Citi's 2018 Global Citizenship Report.

Citizenship Governance at Citi

Good governance is a fundamental principle at Citi, and we work to ensure that we are at the leading edge of best practices. We strive to maintain the highest standards of ethical conduct: Reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations that govern Citi's businesses.

Corporate Governance

Our governance structures, policies and processes serve employee, client and community needs and promote a culture of accountability and ethical conduct across our firm. Information about Citi's corporate governance is publicly available on our website.

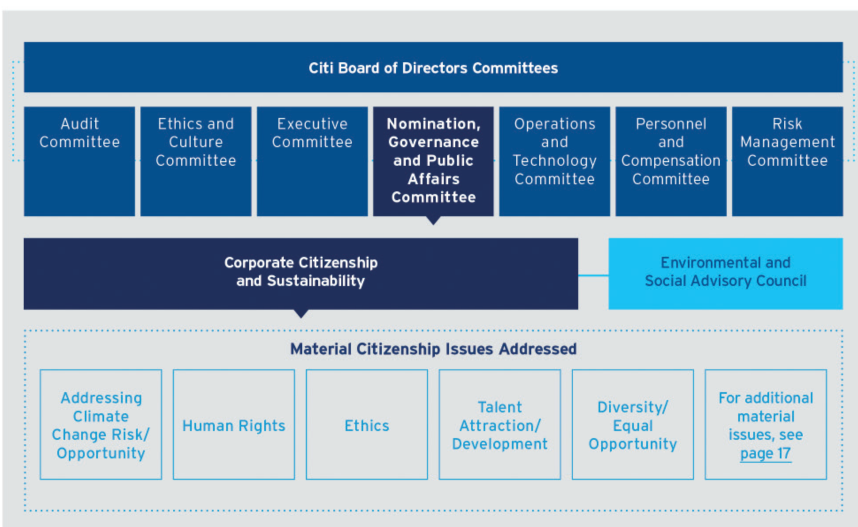
Our Board of Directors aims to have at least two-thirds of its members as independent directors. Currently, 87 percent of the Board is independent.

Additionally, the Chair of the Board is a non-executive independent director. The standing committees of our Board of Directors are:

- Audit
- Ethics and Culture
- Executive
- Nomination, Governance and Public Affairs
- Operations and Technology
- Personnel and Compensation
- Risk Management

All Board committees play a role in providing oversight of our efforts to ensure responsible business practices. For example, the Personnel and Compensation Committee reviews all compensation programs, including incentive compensation, so that they do not, among other things, encourage imprudent risk taking. The Nomination, Governance and Public Affairs Committee oversees Citi's global citizenship and sustainability activities and performance. Our Ethics and Culture Committee reflects our commitment to promote a strong culture of ethical conduct. To review the responsibilities of each of the committees of our Board of Directors, see our Board charters.

Citizenship Governance

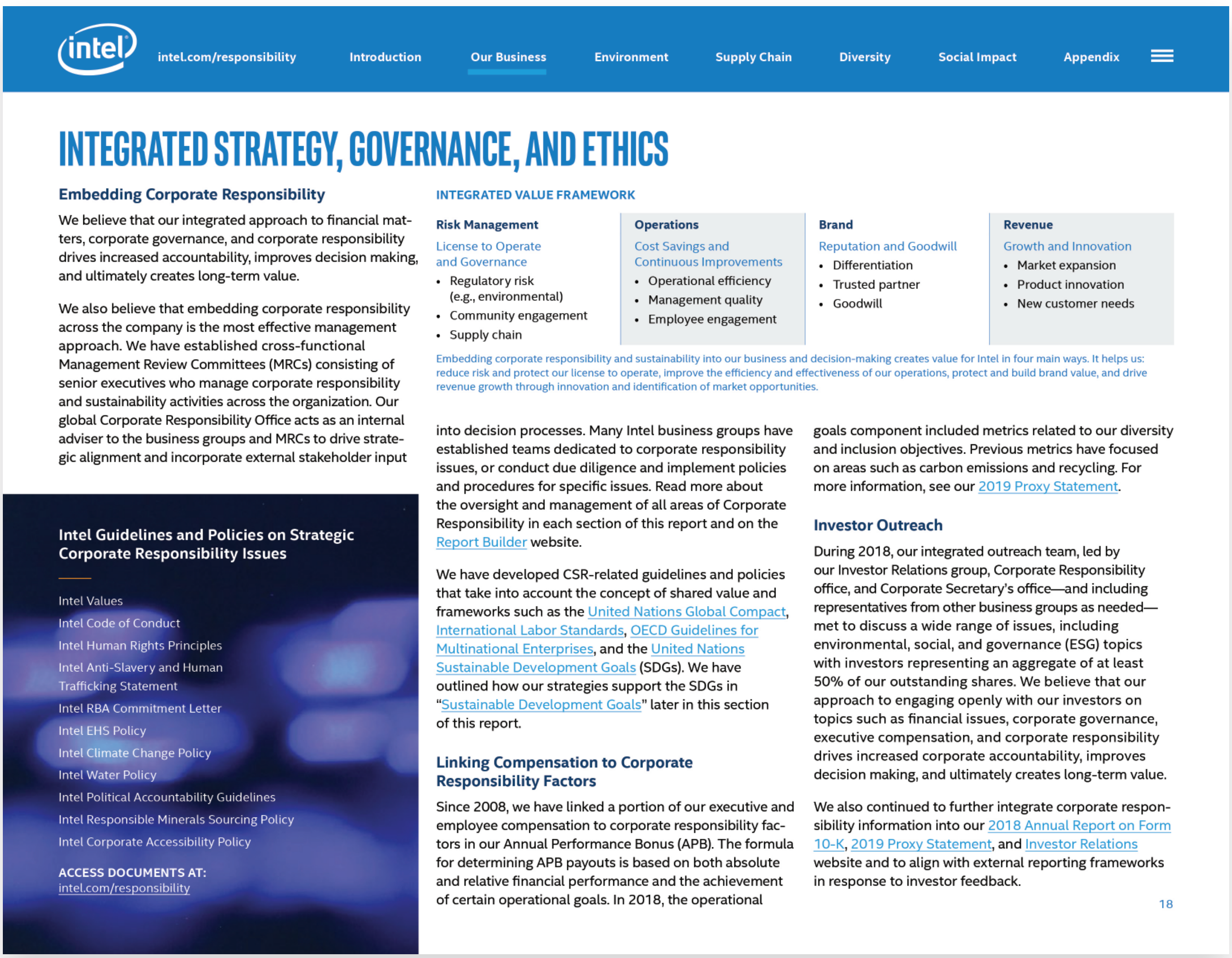


Executive Compensation

In order to better align the ESG performance of the company with the expectations of investors, some companies have linked executive compensation with various ESG targets and goals. By tying compensation to strategic ESG outcomes, the financial benefit and motivation of the individual manager aligns with the long-term strategy to create and protect sustainable value.

Intel

Under the *Integrated Strategy, Governance, and Ethics* section of their **2018 CSR Report**, Intel outlines the role of executive and employee compensation to corporate responsibility factors. Their formula for determining the Annual Performance Bonus (APB) is based on both absolute and relative financial performance and achievement of certain operational goals. In 2018, these included metrics on diversity and inclusion, while past years have included carbon emissions and recycling. Their **2018 Proxy Statement** goes into detail about the Board's oversight responsibilities and compensation practices.



intel.com/responsibility | Introduction | Our Business | Environment | Supply Chain | Diversity | Social Impact | Appendix

INTEGRATED STRATEGY, GOVERNANCE, AND ETHICS

Embedding Corporate Responsibility

We believe that our integrated approach to financial matters, corporate governance, and corporate responsibility drives increased accountability, improves decision making, and ultimately creates long-term value.

We also believe that embedding corporate responsibility across the company is the most effective management approach. We have established cross-functional Management Review Committees (MRCs) consisting of senior executives who manage corporate responsibility and sustainability activities across the organization. Our global Corporate Responsibility Office acts as an internal adviser to the business groups and MRCs to drive strategic alignment and incorporate external stakeholder input into decision processes. Many Intel business groups have established teams dedicated to corporate responsibility issues, or conduct due diligence and implement policies and procedures for specific issues. Read more about the oversight and management of all areas of Corporate Responsibility in each section of this report and on the Report Builder website.

INTEGRATED VALUE FRAMEWORK

Risk Management	Operations	Brand	Revenue
License to Operate and Governance	Cost Savings and Continuous Improvements	Reputation and Goodwill	Growth and Innovation
• Regulatory risk (e.g., environmental) • Community engagement • Supply chain	• Operational efficiency • Management quality • Employee engagement	• Differentiation • Trusted partner • Goodwill	• Market expansion • Product innovation • New customer needs

Embedding corporate responsibility and sustainability into our business and decision-making creates value for Intel in four main ways. It helps us: reduce risk and protect our license to operate, improve the efficiency and effectiveness of our operations, protect and build brand value, and drive revenue growth through innovation and identification of market opportunities.

Intel Guidelines and Policies on Strategic Corporate Responsibility Issues

Intel Values
Intel Code of Conduct
Intel Human Rights Principles
Intel Anti-Slavery and Human Trafficking Statement
Intel RBA Commitment Letter
Intel EHS Policy
Intel Climate Change Policy
Intel Water Policy
Intel Political Accountability Guidelines
Intel Responsible Minerals Sourcing Policy
Intel Corporate Accessibility Policy

ACCESS DOCUMENTS AT:
intel.com/responsibility

We have developed CSR-related guidelines and policies that take into account the concept of shared value and frameworks such as the United Nations Global Compact, International Labor Standards, OECD Guidelines for Multinational Enterprises, and the United Nations Sustainable Development Goals (SDGs). We have outlined how our strategies support the SDGs in "Sustainable Development Goals" later in this section of this report.

Linking Compensation to Corporate Responsibility Factors

Since 2008, we have linked a portion of our executive and employee compensation to corporate responsibility factors in our Annual Performance Bonus (APB). The formula for determining APB payouts is based on both absolute and relative financial performance and the achievement of certain operational goals. In 2018, the operational goals component included metrics related to our diversity and inclusion objectives. Previous metrics have focused on areas such as carbon emissions and recycling. For more information, see our 2019 Proxy Statement.

Investor Outreach

During 2018, our integrated outreach team, led by our Investor Relations group, Corporate Responsibility office, and Corporate Secretary's office—and including representatives from other business groups as needed—met to discuss a wide range of issues, including environmental, social, and governance (ESG) topics with investors representing an aggregate of at least 50% of our outstanding shares. We believe that our approach to engaging openly with our investors on topics such as financial issues, corporate governance, executive compensation, and corporate responsibility drives increased corporate accountability, improves decision making, and ultimately creates long-term value.

We also continued to further integrate corporate responsibility information into our 2018 Annual Report on Form 10-K, 2019 Proxy Statement, and Investor Relations website and to align with external reporting frameworks in response to investor feedback.

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PG&E

In PG&E's **2018 Corporate Responsibility and Sustainability Report**, they include a section titled *Creating Incentives* which discusses their Short-Term Incentive Plan (STIP). It includes a breakdown of which performance measures determine compensation, with safety accounting for 50%. Their report includes several interesting governance-related components that are not typically seen in reports of this kind. For one, there are several charts that break down the specific oversight responsibilities for both the Board and its committees. The oversight roles of the specific committees are explained thoroughly throughout the report. This detailed level of disclosure is important for investors to understand the extent to which the Board is actively engaging with ESG issues.

Short-Term Incentive Plan – Performance Measures

Measure	2017 Weight
Safety[1]	50%
Customer[2]	25%
Financial[3]	25%

1. Based on four subcomponents: nuclear operations safety, electric operations safety, gas operations safety and employee safety.
2. Based on two subcomponents: customer satisfaction and electric reliability.
3. Based on PG&E Corporation's earnings

Creating Incentives

PG&E's Short-Term Incentive Plan (STIP) reinforces PG&E's sustainability commitment by rewarding eligible employees for achieving specific goals crucial to our success. In 2017, we continued to tie compensation closely to safety, with public and workforce safety measures determining 50 percent of management's annual at-risk performance-based cash compensation. Financial performance and customer service each represented an additional 25 percent.

For more details on the specific measures and targets for our 2017 and 2018 STIPs, as well as our 2017 results, please see page 50 of the 2018 PG&E Corporation and Pacific Gas and Electric Company Joint Proxy Statement.

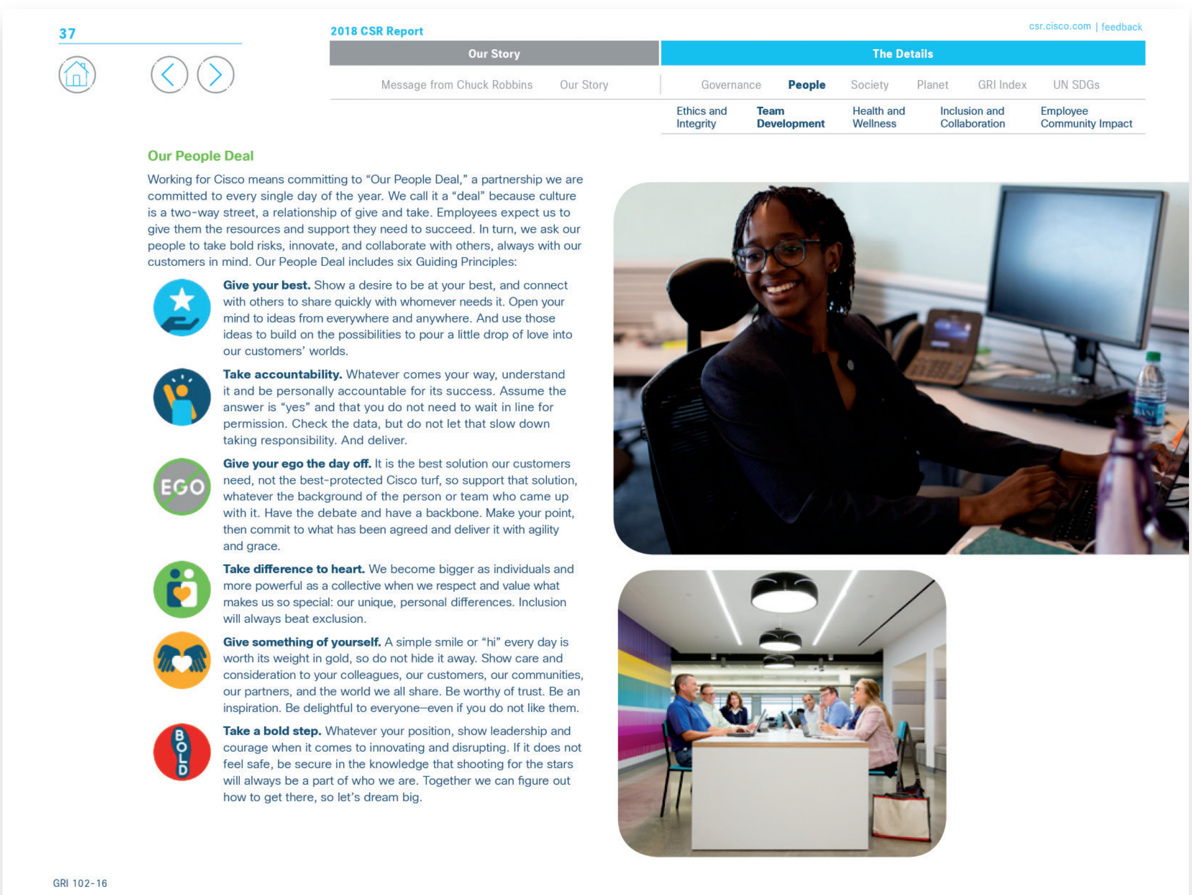
Human Capital Management

In addition to sustainability and governance, investors have become increasingly focused on human capital management (HCM). Though these people and culture specific risks are harder to quantify and measure, investors are interested in knowing the extent to which companies manage and invest in their people, and the results of those investments.

Cisco

Cisco consistently ranks highly when it comes to Green Companies and strong ESG reporting. Their comprehensive 2018 Corporate Social Responsibility Report spanning over 179 pages with a thorough "People" section covering the topics of ethics, team development, wellness, inclusion, and community impact. Cisco's commitment to its employees is exemplified by their "People Deal" – the two-way promise the company makes to its employees and what Cisco asks in return. The purpose if to create a conscious culture based on mutual understanding, accountability, and innovation that favors a team mentality over the individual. Cisco also actively listens and engages with each of its employees through weekly check-ins, surveys, and open streams of communication.

OUR PEOPLE DEAL, (PAGE 37)



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2018 CSR Report

csr.cisco.com | feedback

Our Story | The Details

Message from Chuck Robbins | Our Story | Governance | **People** | Society | Planet | GRI Index | UN SDGs

Ethics and Integrity | **Team Development** | Health and Wellness | Inclusion and Collaboration | Employee Community Impact

Our People Deal

Working for Cisco means committing to "Our People Deal," a partnership we are committed to every single day of the year. We call it a "deal" because culture is a two-way street, a relationship of give and take. Employees expect us to give them the resources and support they need to succeed. In turn, we ask our people to take bold risks, innovate, and collaborate with others, always with our customers in mind. Our People Deal includes six Guiding Principles:

Give your best. Show a desire to be at your best, and connect with others to share quickly with whomever needs it. Open your mind to ideas from everywhere and anywhere. And use those ideas to build on the possibilities to pour a little drop of love into our customers' worlds.

Take accountability. Whatever comes your way, understand it and be personally accountable for its success. Assume the answer is "yes" and that you do not need to wait in line for permission. Check the data, but do not let that slow down taking responsibility. And deliver.

EGO

Give your ego the day off. It is the best solution our customers need, not the best-protected Cisco turf, so support that solution, whatever the background of the person or team who came up with it. Have the debate and have a backbone. Make your point, then commit to what has been agreed and deliver it with agility and grace.

Take difference to heart. We become bigger as individuals and more powerful as a collective when we respect and value what makes us so special: our unique, personal differences. Inclusion will always beat exclusion.

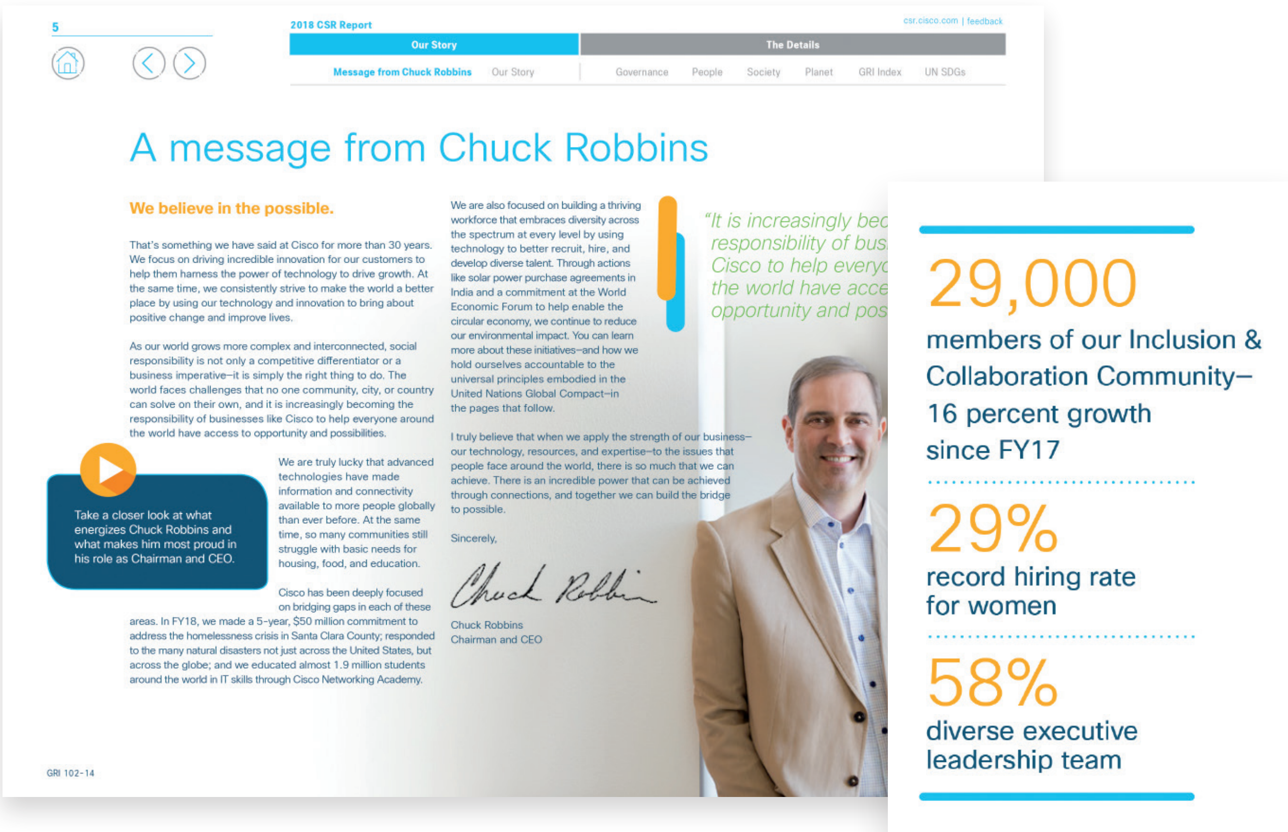
Give something of yourself. A simple smile or "hi" every day is worth its weight in gold, so do not hide it away. Show care and consideration to your colleagues, our customers, our communities, our partners, and the world we all share. Be worthy of trust. Be an inspiration. Be delightful to everyone—even if you do not like them.

BOLD

Take a bold step. Whatever your position, show leadership and courage when it comes to innovating and disrupting. If it does not feel safe, be secure in the knowledge that shooting for the stars will always be a part of who we are. Together we can figure out how to get there, so let's dream big.

GRI 102-16

In the letter from the CEO, Chuck Robbins writes, “We are focused on building a thriving workforce that embraces diversity across the spectrum at every level by using technology to better recruit, hire, and develop diverse talent.” Cisco is consistently seeking to identify, attract, develop, promote, and retain a diverse and talented workforce. Their report shows a graphic breakdown of their Executive Leadership Team, which is 58% diverse in terms of gender and ethnicity. They also provide diversity statistics for seven other metrics, including the Board.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2018 CSR Report

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A message from Chuck Robbins

We believe in the possible.

That’s something we have said at Cisco for more than 30 years. We focus on driving incredible innovation for our customers to help them harness the power of technology to drive growth. At the same time, we consistently strive to make the world a better place by using our technology and innovation to bring about positive change and improve lives.

As our world grows more complex and interconnected, social responsibility is not only a competitive differentiator or a business imperative–it is simply the right thing to do. The world faces challenges that no one community, city, or country can solve on their own, and it is increasingly becoming the responsibility of businesses like Cisco to help everyone around the world have access to opportunity and possibilities.

Take a closer look at what energizes Chuck Robbins and what makes him most proud in his role as Chairman and CEO.

We are truly lucky that advanced technologies have made information and connectivity available to more people globally than ever before. At the same time, so many communities still struggle with basic needs for housing, food, and education.

Cisco has been deeply focused on bridging gaps in each of these areas. In FY18, we made a 5-year, $50 million commitment to address the homelessness crisis in Santa Clara County; responded to the many natural disasters not just across the United States, but across the globe; and we educated almost 1.9 million students around the world in IT skills through Cisco Networking Academy.

We are also focused on building a thriving workforce that embraces diversity across the spectrum at every level by using technology to better recruit, hire, and develop diverse talent. Through actions like solar power purchase agreements in India and a commitment at the World Economic Forum to help enable the circular economy, we continue to reduce our environmental impact. You can learn more about these initiatives–and how we hold ourselves accountable to the universal principles embodied in the United Nations Global Compact–in the pages that follow.

I truly believe that when we apply the strength of our business–our technology, resources, and expertise–to the issues that people face around the world, there is so much that we can achieve. There is an incredible power that can be achieved through connections, and together we can build the bridge to possible.

Sincerely,

Chuck Robbins
Chairman and CEO

GRI 102-14

29,000
members of our Inclusion & Collaboration Community–16 percent growth since FY17

29%
record hiring rate for women

58%
diverse executive leadership team

Health & Wellness is also embedded in the culture of Cisco. Through on-site health events, mindfulness programs, generous benefits and paid time-off, and occupational safety programs, Cisco is continually fostering a safe, supportive, and healthy work environment. They recognize that their most important stakeholders are actually their employees. By putting employees first, they are in turn taking care of their customers and thus their shareholders. This model of employee-first culture is deeply engrained throughout the company’s strategy and CSR report, and one that more companies should consider implementing.

MAKING MENTAL HEALTH A PRIORITY, (PAGE 46)

Making mental health a priority

Mental health challenges are common, but often marked by stigma, making it hard for many people to speak up about their struggles. We are committed to making Cisco an open, supportive environment. In FY18, CEO Chuck Robbins reinforced this commitment with an email to all worldwide employees. He wrote:

“Each of us has a role to play in ensuring that those suffering feel less afraid to ask for support in the moments they need it most. No one needs to go it alone. I encourage everyone to talk openly and extend compassion. It may be as simple as recognizing when others are going through a difficult time and allowing them to take any needed time for themselves. It may be listening and encouraging someone to seek help or seeking help for yourself. I want you all to know we are here to support you with the help you need.”

The email included links to resources available to employees to address mental health concerns on behalf of themselves or their loved ones. The email caused an outpouring of emotion among Cisco employees, leading to hundreds of stories being shared on Cisco Employee Connection, our intranet site. It was a meaningful expression of Cisco’s inclusive culture and our genuine care for one another across all of life’s moments. Building upon this momentum, in FY19 Cisco will roll out a comprehensive, cross-functional mental health strategy to support employees by:

- Addressing the stigma
- Implementing a global Cisco standard of coverage with wellness program integration
- Enhancing our crisis response support
- Scaling telehealth therapy leveraging Cisco collaborative technology

These efforts will be delivered in multiple phases, with the most immediate focus on tackling the stigma surrounding mental illness.

Communicating Environmental Goals and Progress

Climate Change is a real and imminent threat, and it is now standard practice for companies to disclose how they are addressing these risks and specific actions they are taking to mitigate impact. It is important for companies to not only identify their ESG goals, but clearly communicate their progress. This helps to inform stakeholders while holding companies accountable to their commitments. These goals should be specific and measurable.

Through the materiality assessment process, and/or engagement with stakeholders, companies are able to establish strategic priorities. This information should inform changes to the business strategy, goals, and engagement and disclosure practices. Many reporting companies will also align their internal goals with those of the UN Sustainability Development Goals (SDGs) in an effort to contribute progress towards the priorities of the global business community and governments. When used effectively, they can help investors to quantify and compare SDG performance in order to make more informed decisions.

Unilever

Unilever demonstrates the opportunities presented by prioritizing sustainability within the corporate strategy. Through the creation of the Sustainable Living Plan (USLP), a blueprint for sustainable growth, their objectives align with and support the SDGs, and are underpinned by specific targets. Their Sustainable Living Report shows where the strongest connections are and where they are making the largest contributions.

To track and disclose their progress, Unilever publishes a 3-Year Summary of Progress as well as an annual Sustainable Living Plan. This document outlines each of their USLP pillars and clearly communicates the goals related to each. For transparency, it notes the target year, the unit of measure, and tracks the progress made from 2016-2018. On their website, they have also outlined their specific contributions to each of the SDGs.

Johnson & Johnson

Similarly, Johnson & Johnson develops their own ESG goals to complement those set forth by the United Nations. Their SDG commitment focuses on five areas in which the company is uniquely positioned to create sustainable and measurable impact: Health Workforce, Women's and Children's Health, Essential Surgery, Global Disease Challenges, and Environmental Health.

They released their **Health for Humanity 2020 Goals**, which are aligned with the company's purpose and reflect the Key Performance Indicators (KPIs) of their citizenship and sustainability approach. They have processes in place to measure and track their growth, and they report their progress annually.

Johnson & Johnson — 2018 Health for Humanity Report 18

Overview | Our Approach | Better Health for All | Our People | Responsible Business Practices | Environmental Health | Appendix | References

UN Sustainable Development Goals Progress Scorecard

The Sustainable Development Goals (SDGs) are a global framework for progress toward a more sustainable future. In trying to determine the unique impact Johnson & Johnson would contribute to the global community to create a healthier, more equitable world, we developed a clear, pragmatic process to create a commitment to accelerate the SDGs that reflects our unique constellation of strengths. The Company's commitment is focused in five areas in which Johnson & Johnson is positioned to create sustainable and scalable impact: health workforce, women's and children's health, essential surgery, global disease challenges, and environmental health.

We seek to mobilize and inspire employees, consumers, communities, and our global network to improve health globally. While we aim to achieve outcomes in all of the Company's s work, the identified targets for the SDG commitment are reflective of the Company's reach — individuals whose lives may benefit from our combined efforts with our partners. To that end, we developed a measurement reporting framework that involves the annual tracking of progress toward focus area targets, ensuring accountability of our work.

SUSTAINABLE DEVELOPMENT GOALS

The Company's SDG commitment focuses on SDGs 3, 5 and 17. Learn more here.

- **Achieved**
- **On track:** expected to meet the Goal by 2020
- **In progress:** so far progressing more slowly than expected; plans are in place to meet the Goal by 2020
- **Off track:** not progressing as expected; currently at risk of not meeting the Goal by 2020

Aspiration	5-Year Target (2016-2020)	Progress for 2016-2018 implementation years	Notable	Status
1. **Health Workforce:** A world where the current and future healthcare workforce has the necessary competencies to deliver high quality healthcare.	650,000 health workers will have received training to better deliver quality healthcare.	324,900 healthcare providers (50% of overall goal achieved).	Recipients of leadership training, skills training, and education programs focused on health workforce development - including China Neonatal Resuscitation Program, NurseConnect, mothers2mothers, North Star Alliance, Uganda Academy for Health Innovation and Impact, and Management Development Institute. Learn more	In progress
2. **Women's & Children's Health:** A world where every woman and child survives and has the opportunity for a healthy future.	60 million women and children will have received support and tools to enable a healthy future.	33.6 million women and children (56% of overall goal achieved).	Programs including MomConnect, mMitra, Grameen Foundation, War on Worms, Born On Time, DREAMS Thina Abantu Abasha, and projects on CARINGCROWD provide access to quality care, optimal development, and gender equality and empowerment. Learn more	In progress

3 GOOD HEALTH AND WELL-BEING

ACHIEVED

2020 SDG Commitment Progress

5-year Target: 175 million individuals will have benefited from Johnson & Johnson solutions that prevent, control and eliminate global diseases.

2016-2018 Progress: 306 million beneficiaries (175% of overall goal achieved).

View Scorecard →

Their **Health for Humanity Report** profiles the progress made towards their 2020 goals and commitments to support the UNSDGs. The report includes a "Progress Scorecard" for their own 2020 goals, as well as the five key areas of the UNSDGs they focus on. These scorecards help to outline the progress they have made and the current status towards achieving their goals.

Purpose

Purpose is also a market differentiator for companies. While financial and non-financial reporting has traditionally focused on measurable data, companies are increasingly including more abstract measures such as purpose and culture that benefit the interests of long-term shareholders. Investors are seeking greater authenticity when it comes to ESG concerns and are rewarding companies that focus on shared value creation.

In **Larry Fink's 2019 Letter to CEOs**, he reiterates and expands on many of the ideas presented in his **2018 letter**. He refers to purpose as a company's "fundamental reason for being" and states, "Purpose is not the sole pursuit of profits but the animating force for achieving them." Fink stresses the importance of long-term value over short-term financial results while also noting that a strong guiding purpose will ultimately lead to greater profits.

PepsiCo

For PepsiCo, purpose is deeply rooted into every aspect of their **Sustainability Report**, which is aptly titled "Performance with Purpose." Beyond just the report name, Performance with a Purpose, or PwP, is also their philosophy – striving to advance sustainability and profitability jointly. This message is shared effectively throughout the entirety of their report. In the letter from former CEO Indra Nooyi, she outlines what purpose means to PepsiCo as a company and how it guides their actions. Purpose is also linked directly to their ESG goals through their 2025 Performance with Purpose Agenda.

2017 PWP PERFORMANCE METRICS

Allstate

Allstate identifies itself as a "purpose-driven company, powered by purpose-driven people." They have a section dedicated to "Our Shared Purpose" which defines what it means to be an "Allstater". They include six guiding Leadership Principles that are at the core of their purpose. In alignment with Fink's ideas, Allstate also links their purpose to their financial performance recognizing that, "providing our people an opportunity to pursue their purpose contributes to our combined prosperity." The message embedded throughout their entire report is clear: as a purposeful organization, Allstate operates with care in a way that meaningfully impacts their customers, their employees, and their investors.

Gender Pay Equality

Even in 2019, women and people of color continue to be paid less than their Caucasian male counterparts. In the United States, the ratio of women to men's median income for full time earnings is 81%. At the current rate, women will not receive pay parity until 2059.*

As this topic takes center stage (consider the US Women's Soccer Team), companies are also considering how to mitigate risk - reputational, legal, financial, and regulatory. As a result, stakeholders are asking companies to report their goals and data on pay (in)equality.

Arjuna Capital and Proxy Impact published a 2019 Gender Pay Scorecard, which ranks companies on quantitative disclosures and goals to close the gender pay gap. This data revealed that over half of the world's largest companies failed to pay women and minorities fairly. They determined that the first step to closing the gender pay gap is for companies to analyze their current pay structures and disclose it.

Equal pay is about more than fairness - it's also good business. Studies show that equal pay will not only help bolster the economy, it will also strengthen single family homes, lower the poverty rate for working women, and make businesses more competitive. Transparency on the topic provides investors with baseline metrics to understand broad pay equity of a company. Investors view pay gap disclosures as indicators of improved diversity, and with it all the performance benefits that diversity brings.

* https://iwpr.org/publications/gender-wage-gap-2018/

Citi

In 2019, Citi became the first company in the world to disclose its unadjusted pay gaps between men and women globally, and its median US minority pay gap. While their adjusted numbers indicate that women are paid 99% of what men are paid, the unadjusted or “raw” figures (not adjusted for factors such as job function, level and geography) reveal that the median pay for women globally is 71% that of men.

Citi has made it clear that they are taking proactive steps to close their pay gap. In their 2018 Global Citizenship Report they articulated that they will increase female representation at the assistant vice president to managing director role by at least 40% globally by 2021. Hopefully Citi’s unprecedented level of transparency will inspire more companies to follow suit.

Representation Goals

In 2018, while working to understand these pay gaps, we implemented representation goals that aim to increase the diversity across the firm. At a minimum, by 2021, we plan to increase representation of women in assistant vice president to managing director level roles to at least 40 percent globally, up from 37 percent currently, and to boost the representation of black employees in those same roles in the U.S. to at least 8 percent, up from 6 percent currently.

The new representation goals are not an end state; they are a starting point to drive progress and help us in our efforts to recruit, retain and promote diverse talent. Senior leaders at Citi were involved in the development of the goals and are now measured on their progress against these goals, just as they are for other business priorities.

“When we set our business priorities, we focus heavily on the balance of our business – the importance of not being overly reliant on any one product or geography and the benefits of that diversification to strong and consistent financial performance. We think about our people in much the same way.

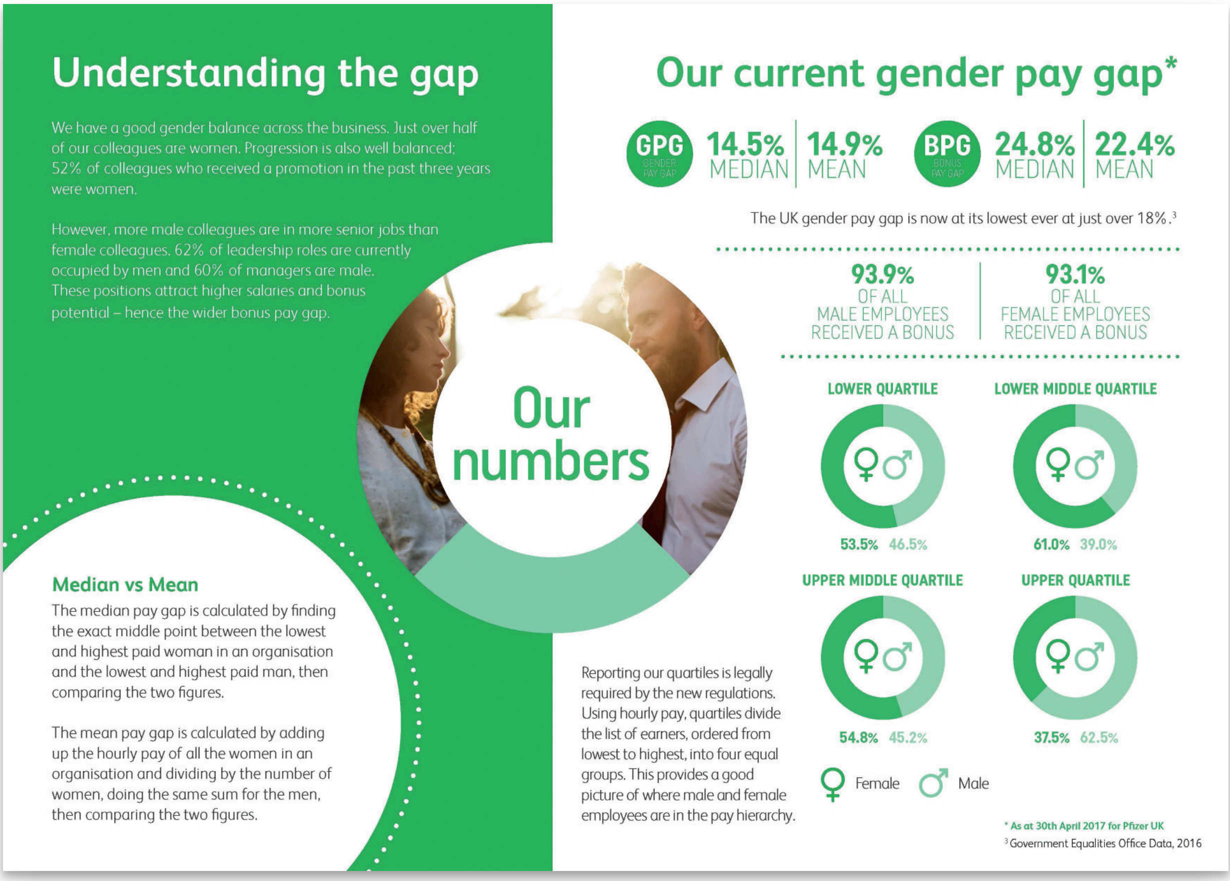
To be a healthy, high-performing organization, we need a well-balanced team that is representative of the places where we operate, in every part of the world. It’s simply smart business.”

– Michael L. Corbat, CEO

Pfizer

Pfizer is also taking action to close the gender pay gap. They have hired an outside firm to examine their global workforce regarding gender and have committed to reporting their global median pay gap by the end of 2019.

Pfizer UK released a 2018 Gender Pay Gap Report. In this report they provide data on gender pay and bonus gaps, now required in the UK. They also outline six actions they are taking to help achieve greater gender balance, including supporting female leaders and designing flexible jobs in order to attract and retain top talent.



About Argyle

We are a creative communications firm offering end-to-end, in-house execution capabilities.

Our experienced and passionate team is composed of attorneys, designers, project managers, thinkers and web developers. We collaborate together around a process that encompasses drafting, editing, designing and publishing across all digital and print channels.

We are thrilled that communications prepared by Argyle have contributed to trustful relationships between our clients and their readers, whether investors, employees or other stakeholders.

In turn, our commitment to our clients has resulted in meaningful long-term relationships with some of the most respected public and private companies in the world.

www.argyleteam.com

Argyle Company
401 Park Avenue South, 8th Floor
New York, NY 10016
(201) 793 5400