

## GENDER PAY SCORECARD: FAILING GRADES FOR FACEBOOK, GOLDMAN SACHS AND WALMART; TOP MARKS FOR APPLE, NIKE AND WELLS FARGO

*Despite Recent Progress on Wall Street and Silicon Valley, Arjuna Capital/Proxy Impact Report Card Measuring 33 Leading Global Companies on Equal Pay Shows Widespread Failure to Disclose Investor Risks*

**BOSTON, MA//April 10, 2018//**Published to coincide with International Equal Pay Day, the first edition of a new annual scorecard ranking 33 of the world’s largest financial, technology, and retail companies on their current gender pay disclosures, performance, and commitments shows Apple, Nike, Starbucks, Wells Fargo and JP Morgan with the highest grade (A-), while Facebook, Goldman Sachs and Walmart are among 11 companies that share the lowest grade (F). In general, the Arjuna Capital/Proxy Impact Gender Pay Scorecard (GPS) found there is more work to be done to disclose gender pay risks and opportunities to investors.

The new GPS report (available at <http://arjuna-capital.com/>) published by Arjuna Capital and Proxy Impact takes a quantitative accounting of current disclosures and goals to help investors navigate best practices on pay equity. GPS ranks companies on quantitative pay disclosures (not qualitative assurances), commitments to report annually, coverage, and goals. The GPS breaks down this data into a simple rubric to more fully understand company performance and commitments across 5 categories:

1. Equal Pay Gap
2. Median Pay Gap
3. Racial Pay Gap
4. Coverage
5. Commitment

The report describes investor engagements, regulatory pressure, and the business case for pay equity—all of which have fundamentally changed the landscape for equal pay over the last few years. GPS also clarifies the difference between company-reported adjusted wage gaps and median disclosures mandated by the United Kingdom.

Natasha Lamb, managing partner, Arjuna Capital said:

**“The Gender Pay Scorecard shows that some of the biggest and best known companies in the world are still behind the curve on equal pay. It’s not enough to pay lip service to pay equity, to simply say that women are paid fairly, investors expect meaningful disclosures and goals to close the gender pay gap. There has never been a better time to move this issue forward in corporate America. The GPS is intended to clarify best practices and help readers navigate what can be a confusing and inconsistent landscape.**

Michael Passoff, CEO, Proxy Impact said: **“Investors have effectively used shareholder dialogues and resolutions to move this process forward. We feel strongly that the continued growth of the gender pay gap shareholder campaign, combined with the new annual scorecard identifying**

ARJUNA CAPITAL / PROXY IMPACT GENDER PAY SCORECARD	
COMPANY	GRADE
Apple	A-
Bank of New York Mellon	A-
JP Morgan	A-
Nike	A-
Starbucks	A-
Wells Fargo	A-
Adobe	B
Alphabet	B
Bank of America	B
eBay	B
Expedia	B
Intel	B
Mastercard	B
Microsoft	B
Texas Instruments	B
Amazon	C
American Express	C
Citigroup	C
Costco	C
Reinsurance Group	C
Marriot	D
McDonald's	D
Colgate	F
Discover Financial Services	F
Facebook	F
Goldman Sachs	F
Hewlett Packard	F
Key Corp	F
Metlife	F
Oracle	F
Progressive Insurance	F
TJX Companies	F
Walmart	F

**industry leaders and laggards, will help improve corporate disclosure and practices, advancing the goal of equal pay for equal work.”**

Lamb continued: **“With so much success in the last two years, it’s easy to lose sight of the big companies that have lagged behind. Strong commitments from name brands like Apple, Bank of America, Nike and Citi overshadow peer companies in banking, retail and technology that haven’t done nearly as much. The scorecard provides a transparent accounting of where companies stand, outside of flashy diversity reports and platitudes. So far, the lack of comprehensive reporting by companies indicates we are a long way from effectively managing gender pay equity. We hope this scorecard will help set companies on the path to more meaningful and uniform disclosures.”**

#### **KEY REPORT FINDINGS (\*Sample Excerpt from Finance Industry section\*)**

**Pass:** JP Morgan, Bank of New York Mellon, and Wells Fargo top the 2018 GPS list with grades of A-, illustrating strong performance with 99 percent equal and racial adjusted pay equity including base, bonus and equity components, annual disclosure, and 100 percent global coverage at JPMorgan and Bank of New York Mellon. Median U.K. numbers are all above the average compared to the peer group for hourly and bonus pay, yet continue to reflect a structural deficit in the ranks, where men hold more of the higher paying leadership roles.

**Fail:** Of the 13 peer companies, five receive a failing grade—Goldman Sachs, Progressive Insurance, Discover Financial Services, KeyCorp, and Metlife—for lack of quantitative reporting, commitments, and global coverage. Only Goldman Sachs and Metlife report U.K. median gaps, but come in below average on U.K. hourly and bonus pay.

#### **SHAREHOLDER ADVOCACY BACKGROUND:**

In 2018, Arjuna Capital filed nine gender pay equity shareholder proposals at leading financial institutions: Citigroup, J.P. Morgan, Wells Fargo, Bank of America, Bank of New York Mellon, American Express, Mastercard, Reinsurance Group, and Progressive Insurance. Over the past three months, eight of the nine companies have responded positively to the engagement and made public announcements to close their gender pay gaps.

In the tech sector, Arjuna Capital led a successful campaign pressuring seven tech companies -- eBay, Intel, Apple, Expedia, Microsoft, Adobe, and Google -- to upgrade their standards and transparency on gender pay disparity in the workplace. Facebook remains a holdout. Google will face a shareholder proposal for the third time this spring as recent disclosures fell short of investor expectations.

In the retail sector, Arjuna Capital has filed five gender pay equity proposals: at Amazon, Nike, Starbucks, Costco, and WalMart. All but WalMart were withdrawn for company commitments and equal pay disclosures. WalMart is attempting to block a vote on the gender pay proposal by appealing to the Securities and Exchange Commission.

#### **ABOUT THE GROUPS**

**Arjuna Capital** is an investment firm focused on sustainable and impact investing. Lamb and Arjuna Capital have been recognized for using shareholder resolutions to promote gender pay equity in the tech, banking, and retail sectors. Natasha Lamb was named to the “Bloomberg 50” list of influencers who defined global business in 2017. For more information, visit [www.Arjuna-Capital.com](http://www.Arjuna-Capital.com).

**Proxy Impact** provides shareholder engagement and proxy voting services that promote sustainable and responsible business practices. Services include filing shareholder resolutions and conducting corporate research and dialogues; and providing environmental, social and governance (ESG) proxy voting guidelines and electronic voting. For more information, visit <http://proxyimpact.com/>.

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**EDITORS NOTE:** Arjuna Capital, LLC became an independent registered investment advisor in 2016, and is no longer part of Baldwin Brothers Inc.