

**Pearl Meyer**



On Point

TIMELY, ACCURATE, INSIGHTFUL

Tracking and Reporting on Diversity, Equity, and  
Inclusion

Executive Summary



# Table of Contents

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▪ <b>Introduction</b>	3
▪ <b>How Many Are Discussing DE&amp;I?</b>	4
▪ <b>Measuring DE&amp;I and Setting Goals</b>	5
▪ <b>What Measures are Tracked?</b>	6
▪ <b>Where is DE&amp;I Reported?</b>	8
▪ <b>Is DE&amp;I Represented in the Executive Incentive Plan?</b>	9
▪ <b>Why is DE&amp;I in the Incentive Plan?</b>	10
▪ <b>Demographics</b>	11
▪ <b>About Pearl Meyer</b>	13



## Introduction

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Pearl Meyer’s recent survey “Tracking and Reporting on Diversity, Equity, and Inclusion” was conducted between July 18 and July 30, 2021. A total of 421 participating companies provided input on if and how they are tracking and reporting DE&I factors, and to what degree DE&I goals are reflected in executive incentive plans. Of those participants, 244 represent public companies, 132 are privately held, and 45 are not-for-profit organizations.

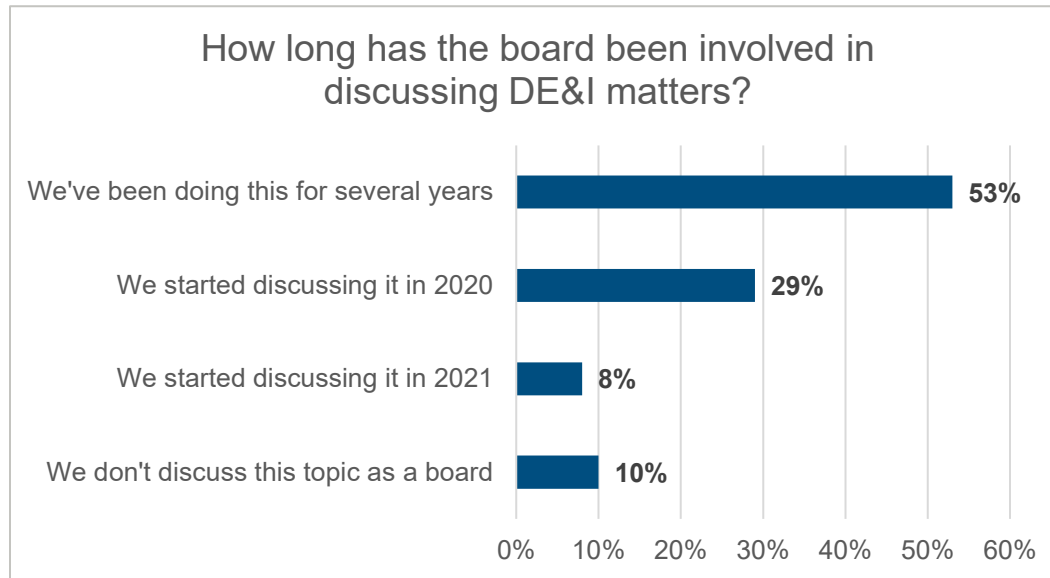
Our analyses indicate that boards are increasingly involved in DEI discussions. We expect these conversations to expand in both depth and breadth. Further, organizations are measuring more metrics and becoming more sophisticated, increasing focus on leading measures versus only those that look back. Communication is expanding exponentially, DE&I is being covered in more vehicles, and across all types of vehicles, and organizations are planning to increase their communication of DE&I. Finally, organizations are adding DE&I to annual incentive plans, but there is not a “one size fits all” approach. As with all incentive plan design, the “best” approach is tailored to the organization.

Please feel free to contact me with any questions.

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## How Many Are Discussing DE&I?

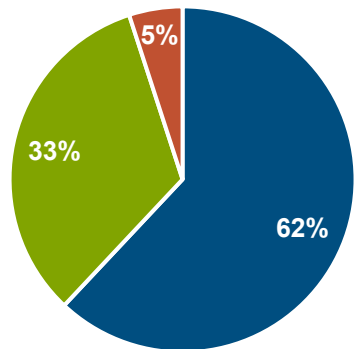
- Overwhelmingly, respondents say their board discusses DE&I issues (90.5%) and more than half (53%) indicate they have been doing so for a number of years.



# Measuring DE&I and Setting Goals

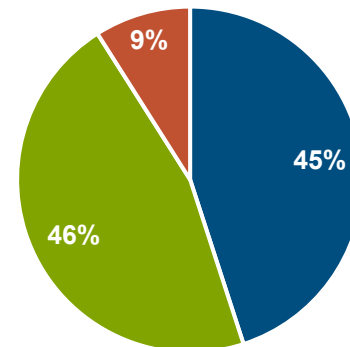
- DE&I measurement is evolving, but of those that track DE&I metrics, just 45% set goals.

Does your firm track and report diversity metrics to the board?



■ Yes ■ No ■ I don't know

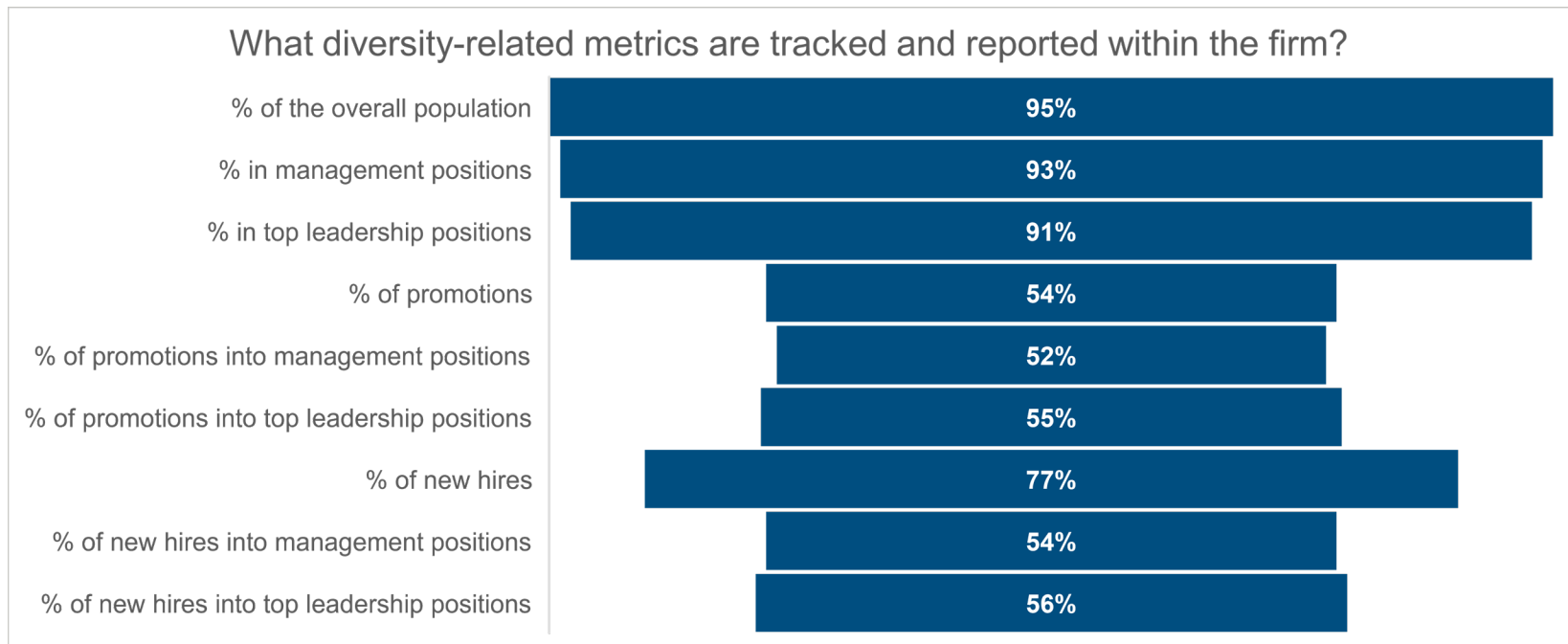
Does your organization set quantitative goals with respect to any DE&I metrics?



■ Yes ■ No ■ I don't know

## What Measures are Tracked?

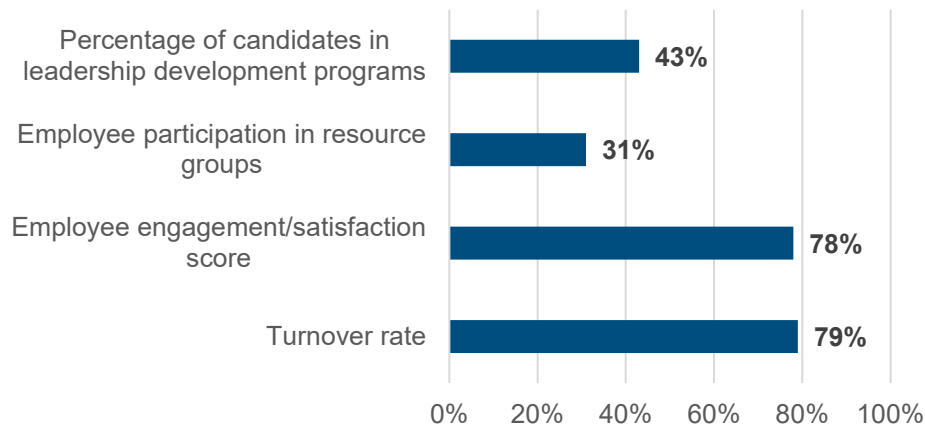
- Of those that track DE&I metrics, “lagging” measures (i.e., things that have already happened) related to diversity are the most common.



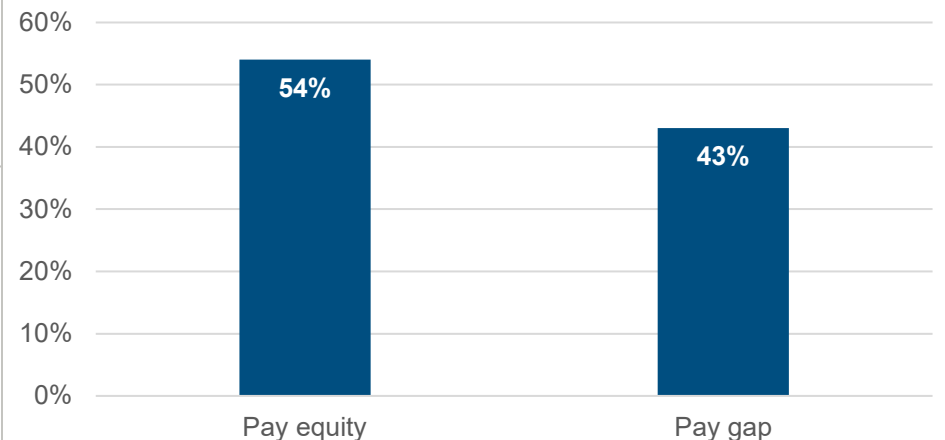
## What Measures are Tracked? (cont.)

- Measures of inclusion and equity are also frequently tracked and reported.

What inclusion-related metrics are tracked and reported within the firm?

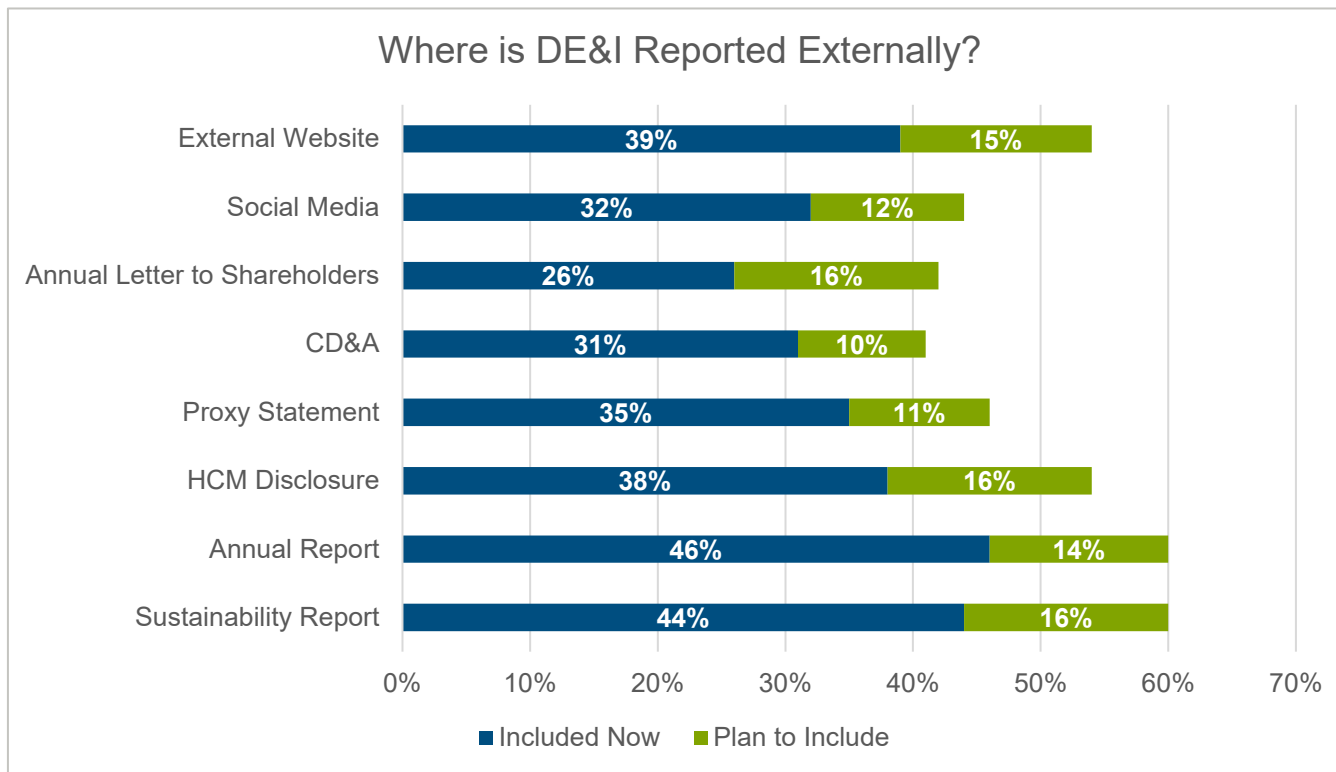


What equity-related metrics are tracked and reported within the firm?



# Where is DE&I Reported?

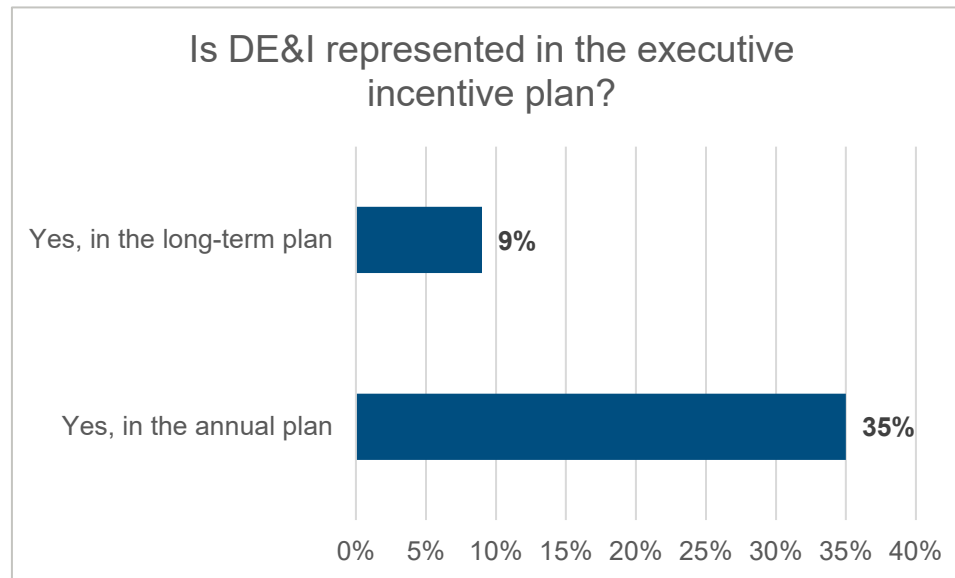
- Organizations report plans to increase their communication of diversity metrics.





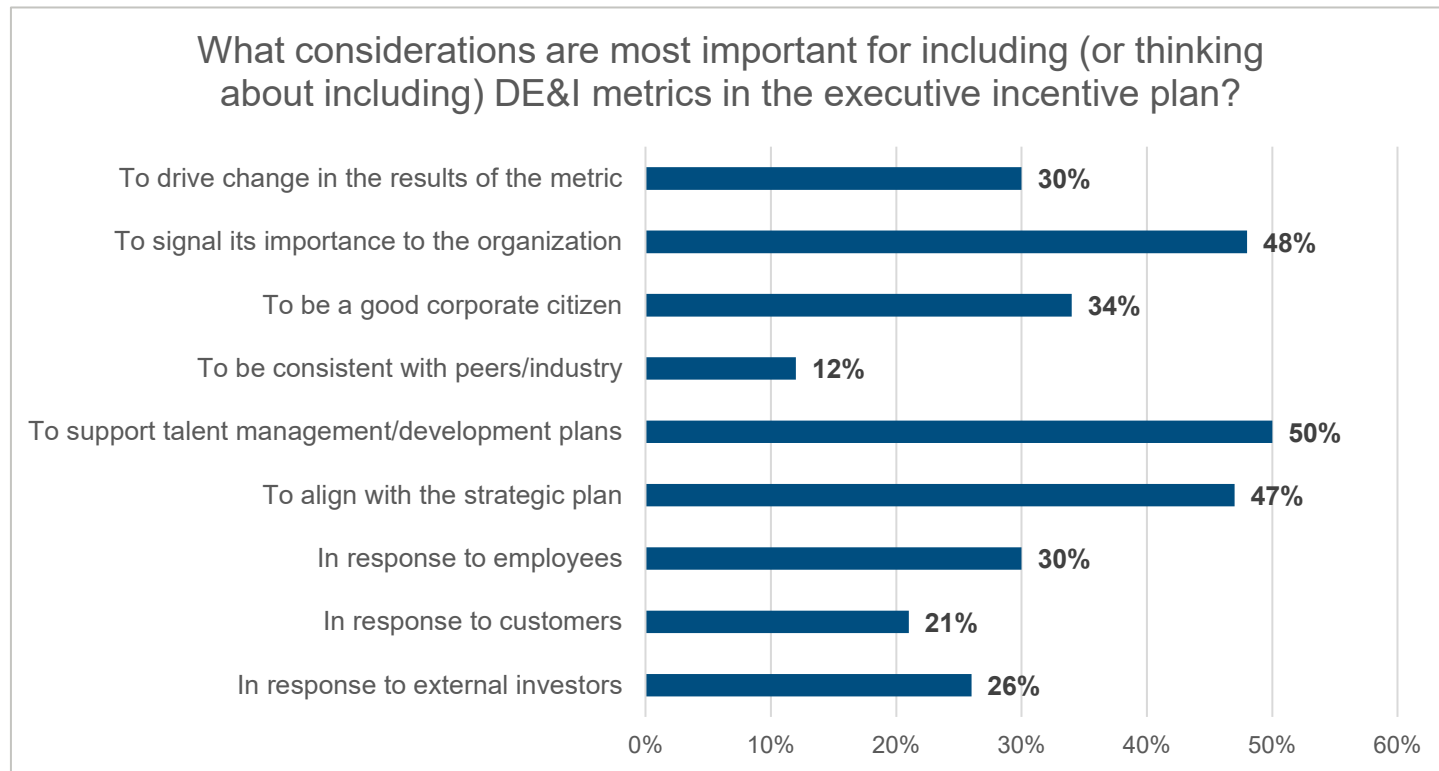
## Is DE&I Represented in the Executive Incentive Plan?

- It is increasing practice to include DE&I in incentive plans; 35% have DE&I incorporated into the annual executive incentive plan.



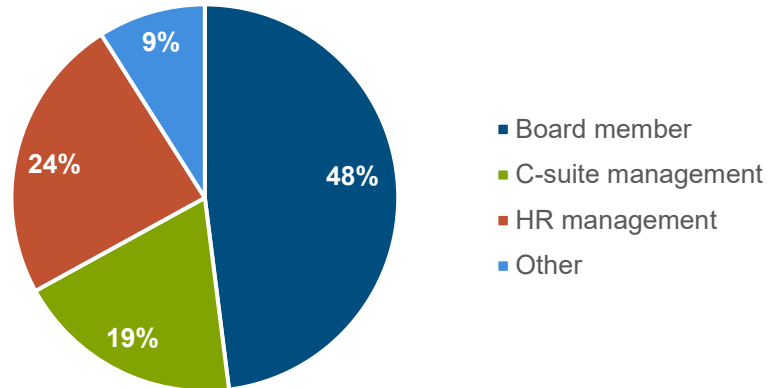
## Why is DE&I in the Incentive Plan?

- The strategic importance of DE&I is the most common reason for including it in the incentive plan, while external pressures, including investors, employees, customers, and peers, are least common.

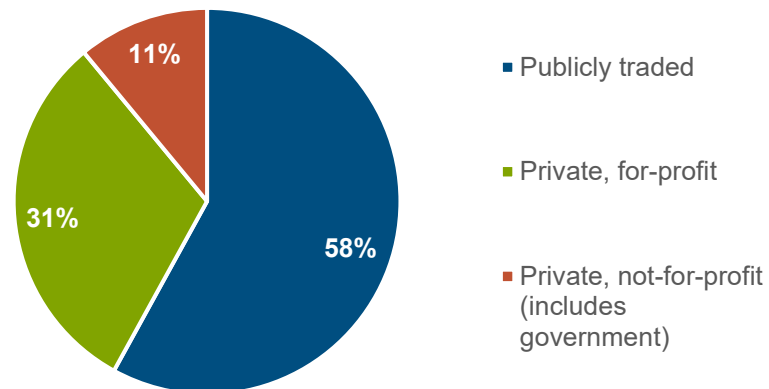


# Demographics

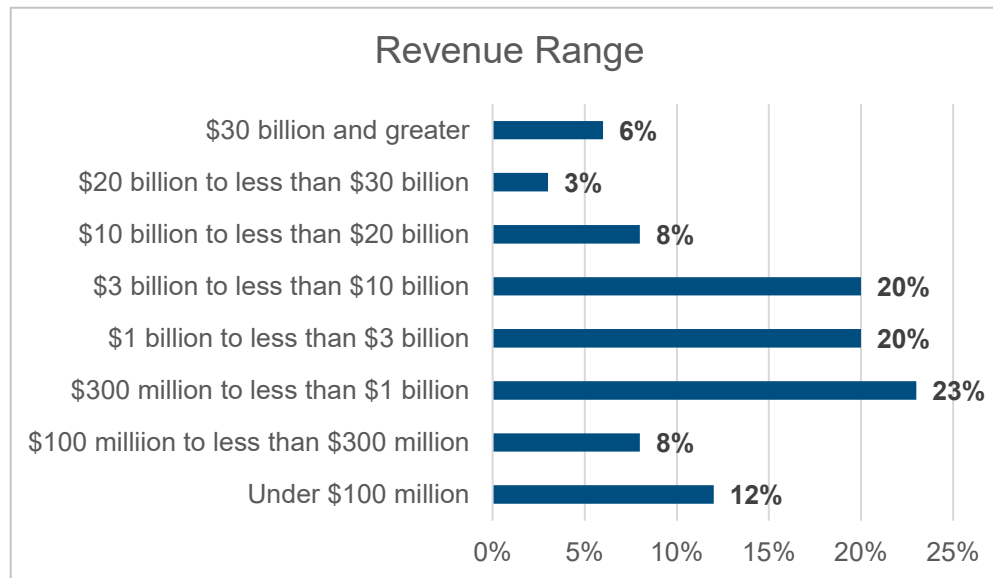
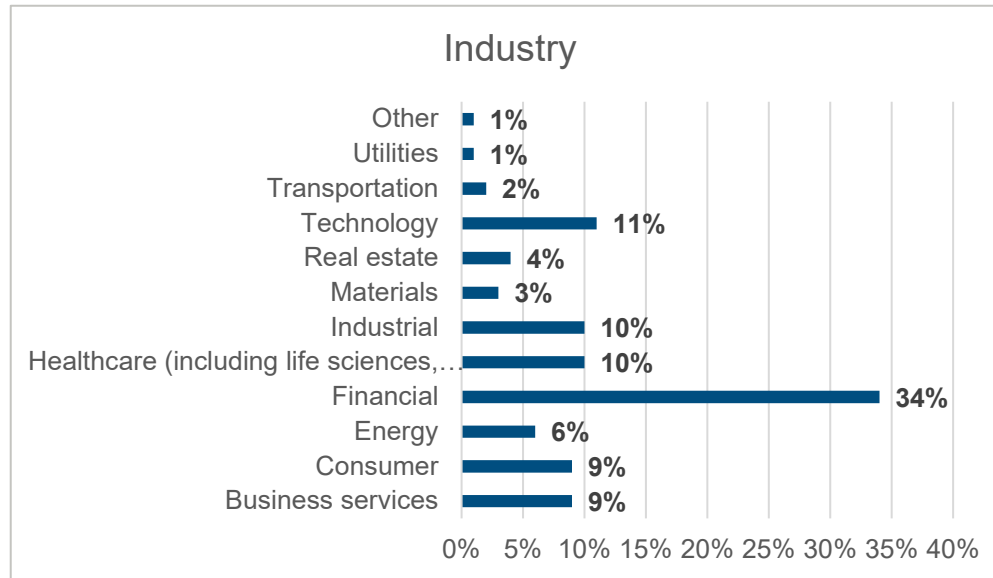
## Respondents' Roles



## Type of Organization



# Demographics (cont.)





## About Pearl Meyer

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Pearl Meyer is the leading advisor to boards and senior management on the alignment of executive compensation with business and leadership strategy, making pay programs a powerful catalyst for value creation and competitive advantage. Pearl Meyer's global clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private companies to the Fortune 500 and FTSE 350. The firm has offices in Atlanta, Boston, Charlotte, Chicago, Houston, London, Los Angeles, New York, Rochester, and San Jose.



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