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A National Call for Equity

Shifting from Diversity and Inclusion to Diversity, Equity, and Inclusion in the Workplace

Given the events related to the tragic death of George Floyd, Breonna Taylor, Ahmaud Arbery and countless others in May 2020 and after, there has been a national call to action to end systemic inequities inside the corporate workplace and federal government. Corporations have increased investments in community initiatives to drive lasting change to build a more equitable, just, and inclusive workplace and society. Corporate thinking about diversity and inclusion continues to shift to a heightened focus on equity and corporate social justice — prioritizing investments in diversity, equity, and inclusion initiatives (DEI) as any other business decision.

Now more than ever, policymakers and the public are scrutinizing hard data on diversity in corporate hiring, retention, and C-suite representation. In response, the Business Roundtable established a “CEO Action for Diversity and Inclusion Pledge” to encourage its corporate members to create a more reflective workplace. The Roundtable continues to lead a strong corporate response to advance equity and corporate social justice. For instance, the 3M Foundation awarded \$1 million to four local Minnesota organizations to support critical racial equity work, and 3M committed \$2 million to launch a Social Justice Fund. Also, Accenture launched a Black Founders Development Program to invest in and support Black technology startup founders and entrepreneurs. In December 2020, Nasdaq filed a proposal with the U.S. Securities and Exchange Commission (SEC) to adopt new listing rules related to board diversity and disclosure. These are a few examples of how corporations responded to the social justice movement in 2020 and beyond.

U.S. GOVERNMENT RESPONSE - EXECUTIVE ORDER ON EQUITY

On January 21, 2021, President Biden signed the *Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*. As a result, the



Biden-Harris Administration and the 117th Congress continues to prioritize DEI by embedding these principles into the federal governing agendas. The Executive Order establishes, “*affirmatively advancing equity, civil rights, racial justice, and equal opportunity is the responsibility of the whole of our Government... to cultivate a workforce that draws from the full diversity of the Nation.*” Further, U.S. House of Representatives Speaker Nancy Pelosi requires all House congressional committees to incorporate equity into committee legislative activities. In fact, the House Committee on Energy & Commerce created a Working Group to address health disparities, and the House Committee on Financial Services formed a Subcommittee on Diversity and Inclusion.

CORPORATE BEST PRACTICES - RESPONSE TO CALL FOR “EQUITY”

Many corporations have expanded their diversity and inclusion frameworks and incorporated equity as part of their overall business strategy. Prioritizing equity includes assessing systems, policies, and procedures to address systemic inequalities. Companies are taking an “inside-out” approach to environmental, social and governance (ESG) matters. They are gathering input from employees and other internal and external stakeholders, hosting listening sessions for employees in affinity groups, and focusing on addressing inequities in employee compensation, talent development investments, and succession planning. In working with corporate clients on DEI matters, the following are best practices for incorporating equity into business strategy and operations:

- Create employee resource groups (ERGs) to focus intentionally on the organization’s workplace culture, employee engagement and satisfaction, and the legal implications of bringing together a workforce.
- Provide trainings on implicit or unconscious bias to explore how the biases, particularly of managers and leaders, have an impact on an organization’s culture.
- Address lack of diversity and inclusion by improving compensation reporting, board representation, harassment reporting, advancement, and other talent management practices.
- Foster growth in the communities in which the company operates by investing in third-party and community-focused groups that represent diverse constituencies (i.e., environmental justice initiatives).

Currently, the Biden-Harris Administration continues its whole-of-government effort to advance equity and racial justice, and the SEC requires companies to disclose information regarding their ESG practices and investments. This creates a number of business development opportunities for the firm, particularly the GAPP practice group. Former Congressman Kendrick B. Meek, Amirah S. Salaam, Esq., and other members of the GAPP team offer clients strategic direction in advancing corporate DEI initiatives among a wide range of stakeholders, particularly through third-party engagement with national nonprofit, human rights, HBCUs and civil rights organizations (i.e., National Urban League). As corporations and the federal government continue to advance equity, the GAPP team remain uniquely positioned to work with corporate clients on strategy design and implementation to help them expand their diversity and inclusion plans to prioritize equity and social justice, which will help mitigate legal and reputational risks.



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