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First-Ever Civil Rights Audit Standards for U.S. Businesses Set New Benchmark for Examining Bias and Discrimination Risks

Developed by a diverse cross-sector committee, the Standards provide clear guidance for credible, independent audits that build stakeholder trust and advance equity

Oakland, CA (July 25, 2024) – U.S. corporations now have a robust tool to meaningfully examine bias and discrimination risks across all aspects of the business with the new <u>Civil Rights Audit Standards</u>. Born out of broad stakeholder interest in corporations upholding and advancing equitable policies and practices, the Standards are released today by an independent committee, <u>PolicyLink</u>, a leading national research and action institute, and <u>CapEQ</u>, an impact investing and advisory firm.

Today, at 11:30 a.m. ET, PolicyLink and CapEQ will host a live webinar to introduce the Standards, share how they connect to other leading efforts, and preview how they will be implemented over time, including through a civil rights auditor training program. Those interested in attending the webinar live can register here. A recording will be available following the event.

The Standards were developed by an independent Civil Rights Audit Standards Committee, including civil rights experts, investors, worker advocates, and business executives. PolicyLink is serving as the Secretariat for the Standards, leading strategy and managing administrative matters. CapEQ was tapped to architect and bring the Standards to market — selecting key partners, experts, and researchers, while also managing a pilot training program for aspiring auditors to help build the ecosystem of qualified independent auditors. Grounded in principles of nondiscrimination, the Standards set a benchmark for consistency and credibility in audits that help eradicate discrimination and ensure equal opportunity for all people.

"These Standards fill a gap that has existed due to a lack of standardized and objective frameworks for businesses to assess their commitment to civil rights," said Farhana Khera, civil rights advisor, and the lead drafter of these standards. "Using these standards, companies will be able to demonstrate their commitment to civil rights, foster trust among customers, employees, and investors, while also managing legal and reputational risks."

The Standards set performance criteria across nine key aspects of an audit: 1) Comprehensive Scope; 2) Independent, Qualified Auditor; 3) Meaningful Engagement with Key Stakeholders; 4) Access to Critical Information; 5) Rigor and Objectivity; 6) Transparency; 7) Timeliness; 8) Regular Frequency; and 9) Board Oversight and Accountability.

"PolicyLink is honored to serve as the Secretariat for the Civil Rights Audit Standards," said **Mahlet Getachew, Managing Director at PolicyLink and Civil Rights Audit Standards Committee Member.** "We are invested in the long-term success of businesses that are dedicated to equity, inclusion, and social responsibility and believe performance-focused tools are needed to guide the way forward. These Standards take the guesswork out of conducting a credible audit and will win the trust of stakeholders."

"Civil rights audits can be a critical tool for companies to do well by doing good," said **Tynesia Boyea-Robinson, President and CEO of CapEQ**. "When they incorporate these Standards, businesses can feel confident that their audits will help them meet business goals while signaling their values to customers and other key stakeholders."

The Standards are integrated within, and a core component of, the <u>Corporate Racial Equity Alliance's</u> recently released Business Standards for 21st Century Leadership, an initiative of PolicyLink, FSG, and JUST Capital, which provide a performance-focused, actionable roadmap to advance nondiscrimination and socially responsible business practices—from conducting audits in line with the Civil Rights Audit Standards to setting and achieving meaningful goals across all business functions.

For more information on the Standards, visit https://www.policylink.org/civil-rights-audit-standards.

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ABOUT POLICYLINK

PolicyLink is a national research and action institute dedicated to advancing racial and economic equity by Lifting Up What Works®. For over two decades, PolicyLink has been dedicated to amplifying the expertise, wisdom, and resilience of people of color and low-income communities to make our social and economic systems work for all people. Learn more at https://www.policylink.org/.

ABOUT CAPEQ

CapEQ is an Impact Investment & Advisory Firm that helps investors and businesses achieve superior financial returns through social impact. Our team is uniquely positioned with a wealth of expertise, vision and experience, and is led by President and CEO Tynesia Boyea-Robinson. For more information, visit capeqimpact.com and follow CapEQ on LinkedIn and X (@CapEQimpact).