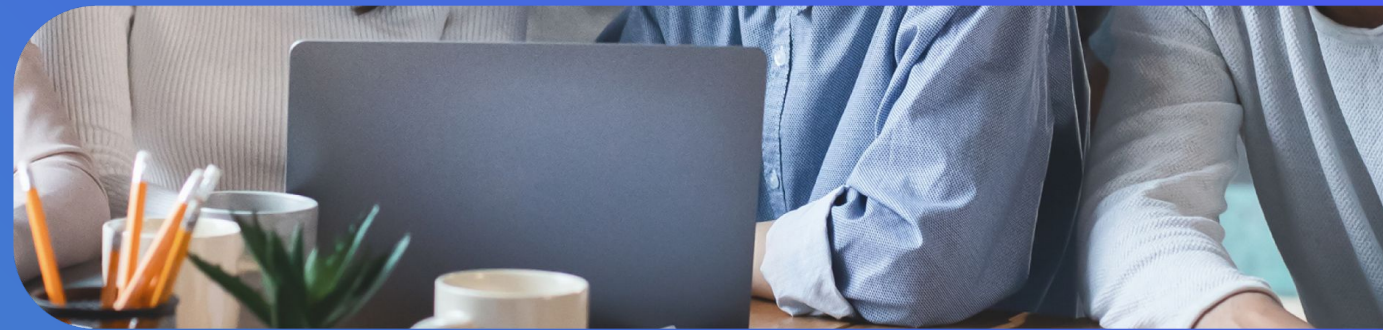


Launch Webinar | July 25, 2024

Civil Rights Audit Standards

A new tool to promote
nondiscrimination, win the trust of
stakeholders, and advance
responsible business practices

PolicyLink



Speakers



Roy Austin*

Vice President of Civil Rights and
Deputy General Counsel
Meta Platforms (formerly Facebook)



Tynesia Boyea-Robinson

CEO, **CapEQ**
Project Director



Evan Feeney*

Senior Director of
Campaigns and Organizing
Color of Change; Committee Chair



Mahlet Getachew*

Managing Director,
Corporate Racial Equity
PolicyLink



Farhana Khera

Civil rights lawyer, lead drafter
of the Standards, and advisor to
the Committee



Renaye Manley*

Research Fellow at Harvard Law
School Center for Labor and a Just
Economy; **Committee Vice Chair**



Tejal Patel*

Executive Director
SOC Investment Group

Agenda

1 Introduction and Welcome

2 Business Case for Civil Rights Audit Standards

3 Background & Implementation Plans

4 Overview of the Standards

5 Q&A

6 Next Steps

Goal of Civil Rights Audit Standards

To ensure **consistency** and **credibility** in civil rights audits undertaken by companies conducting business in the United States

Definition of Civil Rights Audit

An independent, objective assessment of a company's efforts to promote civil rights and to mitigate bias and discrimination risks related to the company's policies and practices

A Civil Rights Audit Is **NOT**



A legal compliance assessment



An investigation into specific allegations of discrimination



Limited to a workplace or culture review

About the Team



An impact investing and advisory firm changing how the world does business by advancing equitable impact

- Incubated development and led bringing Standards to market
- Designed and executed pilot training program
- Will continue to support building the ecosystem of qualified independent auditors well-versed in the Standards

PolicyLink

A national research and action institute advancing racial and economic equity by Lifting Up What Works

- Serving as **Secretariat** for the Standards
- Leading implementation strategy
- Managing the Civil Rights Audit Standards Committee and other administrative matters

Civil Rights Audit Committee



Civil Rights Audit Committee

Diverse, cross-sector body of 11 professionals

Developed the Standards and will review annually to ensure the Standards serve their intended goals



Farhana Khera

Lead drafter and advisor to the Committee

Current Members

Members serve in their personal capacity; company names are listed for identification purposes only.

- **Evan Feeney, Color of Change & Chair of Committee**
- **Renaye Manley, Vice Chair of Committee**
- **Roy Austin, Meta Platforms (formerly Facebook)**
- **Megan Cacace, Airbnb**
- **Jennifer Conovitz, New York City Comptroller**
- **Paul Francisco, State Street**
- **Mahlet Getachew, PolicyLink**
- **Hyewon Han, Trillium Asset Management**
- **Laura Murphy, Laura Murphy & Associates**
- **Tejal Patel, SOC Investment Group**
- **Dariely Rodriguez, Lawyers' Committee for Civil Rights Under Law**

Key Connection

The Civil Rights Audit Standards are a core component of the Corporate Racial Equity Alliance's Business Standards for 21st Century Leadership

Released May 2024, 14 performance standards supporting the improved sustainability performance of U.S. businesses related to social issues

- The **Civil Rights Audit Standards** are incorporated within the Business Standards under **Performance Target 2.6**
- Adoption of the Business Standards can **start with conducting an independent civil rights audit** in line with the Audit Standards
- **Look to the Business Standards for a performance-focused roadmap** grounded in principles of nondiscrimination and social responsibility to further guide the scope of audits and inform next steps coming out of an audit

Business Standards + Civil Rights Audit Standards

Together, they take the guesswork out of **how** to conduct a robust gap analysis **and what** to aim for in addressing identified gaps.



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Overview

of Civil Rights Audit Standards



1 Comprehensive Scope



2 Independent, Qualified Auditor



3 Meaningful Engagement of Key Stakeholders



4 Access to Critical Information



5 Rigor & Objectivity



6 Transparency



7 Timeliness



8 Regular Frequency



9 Board Oversight & Accountability

Challenge #1

Lack of clarity about what a civil rights audit is and why it is important

Standard 1: Comprehensive Scope

Examination of:

- Key areas of the business (policies, practices, products, services, workforce, community impact);
- Steps to prevent or reduce bias and discrimination risks; and
- Advance equity, inclusion, and equal opportunities for all.

Challenge #2

Lack of clarity on the appropriate qualifications for a civil rights auditor

Standard 2: Independent, Qualified Auditor

- Exercises independent professional judgment and renders candid advice
- Does not have a conflict of interest
- Qualified person or firm with deep expertise in, and commitment to, civil rights and racial justice
- Certification of independence in writing to the company and in the audit report

Challenge #3

Insufficient or no stakeholder engagement in the audit process

Standard 3: Meaningful Engagement of Key Stakeholders

Where a party in good faith has requested the audit:

- The company and the party should make best efforts to reach mutual agreement on the scope and timeline for the audit and selection of the auditor.
- The auditor meets with the party at the beginning of the audit and before recommendations are finalized.

The auditor engages with key internal and external stakeholders during the audit process

Challenge #4

Challenges in data access and missed opportunities to look beyond the four walls of the company

Standard 4: Access to Critical Information

- The company cooperates to provide requested information in an accessible and timely manner
- The auditor collects additional, necessary information outside the company to inform the review, including consulting experts as needed

Challenge #5

Audit review appears cursory and report reads like a marketing document, not an objective assessment

Standard 5: Rigor and Objectivity

- Auditor's review is a diligent examination
- Audit report reflects candor and objectivity
- In the methodology section, the auditor describes steps taken to conduct a thorough review
- Auditor includes in the report appendix an attestation that the audit has been conducted in accordance with the Standards

Challenge #6

Audit reports lack consistency and there is a need for greater public accessibility

Standard 6: Transparency

- Company publicly announces its plans to conduct an audit, the name of the auditor name, and audit timeline
- Audit concludes with a public report – easily accessible on the company website
- Report includes scope; methodology; findings; and specific, concrete, and measurable recommendations

Challenge #7

Need for guidance about the length of time to complete an audit

Standard 7: Timeliness

- Audit completed within 1 year, unless scope of audit or availability of resources necessitate more time
- Exceptional circumstances may require more time

Challenge #8

Lack of clarity about the appropriate frequency of audits

Standard 8: Regular Frequency

- Regular basis
- To determine cadence, consider (1) scope of preceding audit; (2) nature of recommendations; and (3) progress made implementing recommendations.

Challenge #9

Need to increase
Board engagement
for more impactful
audits

Standard 9: Board Oversight and Accountability

- Board of Directors oversees audit directly or via designated committee
- Executive management manages audit and its implementation
- Company retains an auditor to evaluate whether the company has successfully implemented audit recommendations

Follow the Standards to ensure civil rights audits are credible, comprehensive, and effective



1 Comprehensive Scope



2 Independent, Qualified Auditor



3 Meaningful Engagement of Key Stakeholders



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Key Milestones Ahead

2024

Standards Release

Inaugural civil rights auditor training program (spring)

Phase II of inaugural auditor training program (fall)

Building directory of qualified civil rights auditors

Conducting roadshows and ongoing socialization of the Standards

2025

Digital Platform Launch & Building the Ecosystem

Digital platform for the Business Standards, including civil rights audit standards

Expand auditor trainings

Explore auditor certification and RFP clearinghouse

Release additional tools: audit report template

Civil Rights Audit Committee annual review of the Standards

2026 and beyond

Standards Evolution

Establish additional partnerships

Release additional tools for the field

Ongoing socialization of the Standards

Civil Rights Audit Committee annual review of the Standards



Thank you for joining us!

Stay up to date here:

<https://www.policylink.org/civil-rights-audit-standards>

And stay tuned for:

- Upcoming civil rights auditor training programs
- A directory of civil rights auditors well-versed in the Standards

To express interest in these opportunities, email:

CivilRightsStandards@policylink.org

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