EXAMINING THE CRACKS IN THE CEILING:
A Survey of Corporate Diversity Practices of the S&P 100

March 2013
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In 2012, a political milestone was set as more women were elected to the U.S. Senate than ever before. In addition, states across the country took major strides toward LGBT equality as a result of broad voter support for equal marriage rights. While diversity advocates commend this progress, few would argue that equality has been fully achieved. As Calvert examines diversity in corporate culture, it is critical that companies embed diversity throughout their operations and reflect national trends toward bolstering the status of women, minorities, and the LGBT community in the workplace.

Calvert’s view of corporate diversity is rooted in our investment platform, which is focused on long-term, sustainable growth and value. As an investor, Calvert believes that companies with a diverse corporate structure are poised for greater success in today’s increasingly complex global markets. We are confident that robust corporate diversity policies and programs enhance a company’s long-term value — a view supported by a growing body of research from McKinsey, Credit Suisse, Catalyst, and others.

In this third edition of Examining the Cracks in the Ceiling, Calvert continues to evaluate the degree to which large-capitalization companies are hiring, promoting, and investing in a diverse workforce. Our report measures and benchmarks the diversity practices of the largely multinational companies in the Standard & Poor’s 100 Index (S&P 100), gauging their progress since 2010. Using an in-depth methodology, we examine the diversity policies, programs, and performance metrics that these companies employ; identify corporate leaders and laggards; and provide companies with a roadmap to identify gaps in their own internal practices.

Since 2010, advances were made by S&P 100 companies in eight of the 10 areas we measure, but uneven representation of women and minorities in the boardrooms and executive suites continues to be problematic. Our findings demonstrate a “leaky pipeline” toward senior management, with nearly 70% of S&P 100 companies lacking diversity among their top five executives. As in 2010, evaluating corporate diversity practices on a level playing field proved challenging due to widely varying public disclosure levels among companies. We regard transparency as a key indicator of robust corporate governance, and believe greater disclosure around corporate diversity practices is essential for progress to continue.

Overall, our assessment of the S&P 100 companies reveals a stronger commitment to workplace equality than ever before, with a growing number of companies investing in diverse employees. While there is a general lag between policies designed to promote diversity and corporate performance, Calvert believes that stronger commitments are ultimately the catalysts for improved action and performance. We are encouraged by companies’ renewed dedication to women and minorities in 2012, their emphasis on family-friendly work environments, and the evolving appreciation of their LGBT workforce. Moving forward, we hope to see greater representation of women and minorities at the executive level and in the boardroom, two areas that are progressing at a glacial pace in spite of investor interest.

We look forward to sharing the results of our survey with companies in the S&P 100, and we hope it will galvanize companies both in and out of the index to align their operations with the best practices we identified. We appreciate the efforts
of companies in this index who currently engage their diverse workforce through transparent and innovative ways.

As we approach the five-year anniversary of the UN Women’s Empowerment Principles in 2013 and the 10-year anniversary of the Calvert Women’s Principles® in 2014, we continue to advocate for greater corporate activity that raises the profile of diversity as a critical social and strategic business initiative. We maintain a legacy of company advocacy towards corporate inclusion, and to board diversity in particular. The findings of Calvert’s 2012 Diversity Report provide renewed impetus for working with like-minded investors in these efforts as we advocate for increased women and minority representation in the boardroom.

We congratulate our diversity leaders including Merck, Coca-Cola, Citigroup, and JPMorgan Chase, all of which have implemented high corporate inclusion standards to which companies can aspire. We recognize that these companies have established themselves as the new innovators of diversity, and we look to their industry peers to follow the examples they set in disclosure, corporate responsibility, and overall inclusion strategy.

**CALVERT’S APPROACH TO INCLUSION**

Calvert’s consideration of diversity includes, but is not limited to, nondiscrimination and equal opportunity concerning recruitment, hiring, pay, promotion, training, and tenure without regard to race, gender, age, religion, national origin, ethnicity, sexual orientation, gender identity and expression, HIV/AIDS status, medical status, and mental and physical ability.
Executive Summary

Some progress has been achieved in the corporate diversity practices of companies in the S&P 100 Index since our last report in 2010.* However, these large-capitalization companies are failing to translate these progressive practices into increased promotion rates for their women and minority employees.

Based on the 10 diversity criteria in the report, the overall highest-rated companies were **Citigroup Inc.**, **Merck & Co., Inc.**, **The Coca-Cola Co.**, and **JPMorgan Chase & Co.** (Eleven companies tied for fifth place.) The five lowest-rated companies were **Berkshire Hathaway**, **Simon Property Group**, **National Oilwell Varco Inc.**, **Ebay**, and **Apache Corp**.

Highlights from the 2013 report (data through 2012) include the following:

**A “LEAKY” PIPELINE TO MANAGEMENT PERSISTS**

- While women are often now hired as frequently as men, their representation in management roles decreases with each step up the corporate ladder. Well over half (56%) of S&P 100 companies have no women or minorities in their highest-paid senior executive positions.

- In the S&P 100, while women make up 19% of board of director positions, they represent only 8% of the highest-paid executives.

- In the last two years, S&P 100 companies have made some movement towards increasing board diversity. Since 2010, the overall percentage of women serving on S&P 100 boards has risen from 18% to 19%. In addition, 30 companies have added at least one woman director, and 25 companies have added at least one minority director.

- While 98 companies have women directors, and 86 companies have minority directors, only 37 companies in the S&P 100 have minority women on their board. A full 71% of S&P 100 companies have at least three women and/or minorities on the board of directors.

**SOME IMPROVEMENTS IN POLICIES AND PERFORMANCE**

- In 2012, S&P 100 companies were found to be making progress in implementing diversity best practices and gaining ground in almost all of the areas examined. Six out of nine S&P 100 Index sectors improved their average diversity ratings since 2010, with industry average scores increasing by 2.1%.

- In 2012, we found a large increase in the number of companies recruiting minority and women employees. The number of S&P 100 companies engaging in outreach efforts rose by 21% from 74 to 90.

**LGBT POLICIES GAIN MORE GROUND**

- Ninety-six companies in the S&P 100 now implement policies prohibiting discrimination based on sexual orientation, and 33 have voiced public support of the Employment Non-Discrimination Act (ENDA) that would offer universal protection against this type of discrimination. In addition, these employers are increasingly recognizing nontraditional lifestyles, as domestic partner benefits are now offered by 80 companies, more than any other family-friendly benefit.

**DISCLOSURE PROBLEMS REMAIN**

- In the S&P 100, 39 companies do not disclose any employee demographic data publicly, leaving consumers and investors unable to determine the effectiveness of corporate diversity initiatives. Over half (54) of S&P 100 companies disclose some level of EEO-1 data, such as the percentage of women employees or number of new minority hires.

In evaluating the diversity practices of the S&P 100, the 10 indicators we examine include: EEO policy, internal diversity initiatives, external diversity initiatives, scope of diversity initiatives, family-friendly benefits, EEO-1 disclosure, highest-paid executives, board diversity, director selection criteria, and overall corporate commitment.

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*In 2008, Calvert published its first report on corporate diversity practices, focusing on the companies in the Calvert Social Index.* In 2010, we shifted our examination to the companies in the S&P 100 Index to capture a broader corporate framework.
Calvert generated company scores based on publicly available information from company websites and sustainability reports, SEC filings, and outside publications such as Diversity Inc., Working Mother magazine, and the Human Rights Campaign Corporate Equality Index. As part of our research process, Calvert also contacted all S&P 100 companies to confirm and/or adjust the data we collected. While all companies were given the opportunity to provide additional information, 41% of the companies responded to our request. For the majority of companies (59%), our diversity ratings are based on our review of the company’s public disclosures and external statements regarding their diversity programs.

**METHODOLOGY**

In general, our analysis found three different levels of company disclosure:

1. **Diversity fully embraced and successfully implemented:** The top 35% of companies disclose strong diversity programs accompanied by robust performance metrics that demonstrate both a commitment to and progression towards a fully inclusive workplace. These companies score between 85–100 points.

2. **Strong programs and policies in place:** The majority of companies consider workplace diversity as a contributor to overall corporate success and report on inclusion strategies as a part of corporate responsibility. However, these companies have not yet translated these commitments into strong diversity performance in terms of executive and board representation. Alternatively, companies providing this level of policy disclosure may not offer accompanying performance metrics that indicate the success of corporate inclusion strategies. These companies score between 55–80 points, with a majority of their rating coming from the existence of programs versus actual representation numbers.

3. **Diversity treated as a compliance matter:** Some companies view diversity as an internal, human resources issue, and therefore often choose not to make their diversity efforts publicly available as part of their broader corporate values. We found that these companies generally do not have strong diversity leadership performance, and do not publicly provide enough data to determine the success of their inclusion efforts. These “low level” disclosure companies generally score between 5–50 points.

In general, companies that consider diversity strategies as part of their broader corporate responsibility efforts tend to have stronger diversity performance and a more inclusive leadership structure. Alternatively, we found that companies that silo diversity efforts solely in the sphere of human resources tend not to rank highly in our ratings.

Leading companies, such as those in the top 35% of our survey, recognize and value that corporate diversity and talent management are key ingredients to overall corporate responsibility. These companies establish best-practice standards for inclusion strategies through robust programs and policies that support and develop employees from various backgrounds and lifestyles. Furthermore, these companies have not limited diversity initiatives to a particular segment of operations; rather, they view these efforts as integral to overall corporate success.
HOW WE RATE COMPANIES

Beginning in June 2012, we worked on updating the diversity profile of each S&P 100 company, using the same methodology as in our 2010 report. In order to provide useful analysis based on our research, we assigned points to a company’s performance in each of the 10 diversity indicators. We then compiled these separate points into an overall diversity rating. In grading each company, we examined corporate behavior related to diversity initiatives, performance, disclosure, and leadership. Using a point system, of zero to 10, we quantified the degree to which companies aligned with best practices in all 10 indicators.*

1. **Equal Employment Opportunity (EEO) Policy** measures the extent to which a company institutionalizes equal opportunity for its LGBT workforce. While companies are legally mandated to protect employees on the basis of characteristics such as gender and race, they are not federally required to do so for sexual orientation and gender identity.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes sexual orientation</td>
<td>74</td>
<td>77</td>
</tr>
<tr>
<td>Includes sexual orientation AND gender identity</td>
<td>84</td>
<td>83</td>
</tr>
</tbody>
</table>

2. **Internal Diversity Initiatives** measures the extent to which companies offer programs that target and develop women and minority employees and encourage their growth up the corporate ladder. The particular elements include: mandatory diversity training, leadership development, mentoring, and employee resource groups (ERGs).

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>One or two above elements</td>
<td>80</td>
<td>83</td>
</tr>
<tr>
<td>Two or three above elements</td>
<td>67</td>
<td>70</td>
</tr>
</tbody>
</table>

3. **External Diversity Initiatives** assesses what types of corporate strategies are offered to recruit from diverse groups and form mutually beneficial relationships with women and minority entrepreneurs.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment/outreach OR supplier diversity programs</td>
<td>80</td>
<td>83</td>
</tr>
<tr>
<td>Recruitment/outreach AND supplier diversity programs</td>
<td>67</td>
<td>70</td>
</tr>
</tbody>
</table>

4. **Scope of Diversity Initiatives** measures the breadth of internal and external corporate diversity strategies. The specific types of groups include: LGBT, disabled, ethnicity, and gender.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiatives targeting one or two of the above groups</td>
<td>80</td>
<td>83</td>
</tr>
<tr>
<td>Initiatives targeting three or four of the above groups</td>
<td>67</td>
<td>70</td>
</tr>
</tbody>
</table>

* A score of zero points indicates there is no evidence of relevant company activity for that indicator.
5. Family-Friendly Benefits measures the number of programs offered that accommodate working families and adapt to the changing structures of contemporary households. This indicator measures flex work, adoption assistance, dependent care, and domestic partner benefits.

One or two above elements ................................................................. 5
Three or four above elements .............................................................. 10

6. EEO-1 Disclosure examines the availability of data detailing employee demographics.

Partial EEO-1 data disclosure provided .............................................. 5
Full EEO-1 data disclosure provided .................................................. 10

7. Highest-Paid Executives evaluates the diversity of a company’s five highest-paid executive officers and measures both women and minorities in this group of senior executives.

One woman OR minority among five highest paid .................................. 5
Two or more women AND/OR minorities among five highest paid .......... 10

8. Board Representation assesses the diversity of a company’s board of directors. This indicator accounts for both women and minority representation in the boardroom.

One or two women OR minorities on board of directors ........................ 5
Three or more women AND/OR minorities on board of directors .......... 10

9. Director Selection Criteria evaluates the specific language in company director nominating guidelines that discloses whether women and minorities are routinely sought as candidates for the board.

General mention of diversity ............................................................... 5
Specific mention of diversity in race and/or gender .................................. 10

10. Overall Corporate Commitment examines structures that govern inclusion strategies across all company operations. In evaluating this indicator, we look for board oversight of diversity programs, an established diversity council, CEO and/or Chair involvement in inclusion initiatives, and compensation plans that specifically involve meeting diversity objectives.

One or two of the above elements ....................................................... 5
There or four of the above elements .................................................... 10

*A score of zero points indicates there is no evidence of relevant company activity for that indicator.
Examining the 10 Key Indicators

Over the past two years, there has been an increasing commitment to diversity policies, practices, and performance on the part of S&P 100 companies.

While progress is slow in all indicators, the overall diversity ratings of S&P 100 companies in 2012 are generally higher than two years ago. Compared to 2010, there are a larger number of companies earning scores in the top quartile. Two years ago, our analysis indicated that the most frequent rating was 70 points, with 18 companies earning this score. In 2012, the most frequent score increased to 85 points, with 20 companies earning this rating.

As companies recognize the value of inclusion in the context of an increasingly diverse labor force and consumer base, they are adopting programs that embrace diverse employees, from recruitment efforts to establishing employee resource groups. In the future, we hope to see companies translate their programmatic efforts into increased promotion rates for minority and women employees, accompanied by an increase in the number of diverse executives. Calvert believes this progress translates not only into higher diversity scores, but will yield significant results in the marketplace for investors, consumers, communities, and employees.
Both in the United States and across the world, discrimination based on sexual orientation and gender identity is widespread. Employees facing workplace harassment or discrimination based on these characteristics have no recourse or protection under federal law, and research indicates that such discrimination has a negative effect on workers’ health, wages, and overall job satisfaction.¹

To counter this issue, employers have taken measures to institutionalize protections against the discrimination and harassment of LGBT employees. Ninety-six percent of S&P 100 companies prohibit workplace discrimination based on sexual orientation, and 77% prohibit discrimination based on sexual orientation and gender identity.

Although companies are not legally required to adopt these anti-discrimination policies, doing so indicates an awareness of the challenges LGBT employees face in the workplace. The fact that this group of major companies is embracing these protections for LGBT employees demonstrates the impact corporations can have in the absence of public policy.

Further, there are several companies that have gone beyond their workplaces to support legislation protecting LGBT employees. Thirty-three companies in the S&P 100 publicly support the Employee Non-Discrimination Act (ENDA), a proposed federal bill that would prohibit workplace discrimination based on sexual orientation and gender identity.

¹ The Williams Institute, Documented Evidence of Employment Discrimination & Its Effects on LGBT People, July 2011
Recent surveys have shown that up to 17% of LGBT respondents were fired or denied employment based on their sexual orientation, and up to 28% were denied a promotion or given negative performance evaluations. In addition, 47% of respondents report hiring or promotion discrimination based on gender identity status.2

At the state level, gay and lesbian employees are protected against discrimination in 21 states, and transgender employees are protected in 16.

STATES THAT PROHIBIT DISCRIMINATION BASED ON SEXUAL ORIENTATION AND GENDER IDENTITY. (16 STATES AND D.C.)

STATES THAT PROHIBIT DISCRIMINATION BASED ON SEXUAL ORIENTATION ONLY. (5 STATES)

Calvert’s 2012 diversity data indicate that 96% of S&P 100 companies prohibit workplace discrimination based on sexual orientation, and 77% of S&P 100 companies prohibit discrimination based on sexual orientation and gender identity.

Recent surveys have shown that up to 17% of LGBT respondents were fired or denied employment based on their sexual orientation, and up to 28% were denied a promotion or given negative performance evaluations. In addition, 47% of respondents report hiring or promotion discrimination based on gender identity status.2

2 The Williams Institute, Documented Evidence of Employment Discrimination & Its Effects on LGBT People, July 2011
In order to retain a diverse workforce, companies must adopt programs that are attractive to employees of all backgrounds and offer mechanisms that encourage upward mobility. Although they are granted equal opportunity in hiring practices, female and minority employees often face greater organizational challenges that hinder movement up the corporate ladder.

Within the S&P 100, 77% of companies implement strong internal diversity initiatives that incorporate mandatory training, leadership development, mentoring and/or affinity groups, a decrease from 84% in 2010. The next category down showed improvement, however, with 18% adopting adequate programs that included one or two of these elements, versus only 12% in 2010. These corporate diversity initiatives are valuable as they engage employees of all backgrounds and serve to communicate the premium a company places on inclusion.

Diversity training educates employees and managers on how to properly handle particular workplace situations to ensure compliance with corporate commitment to workplace inclusion. Within the S&P 100, 85 companies conduct diversity training, and 63 companies have made it a requirement for all employees. Additional internal initiatives, such as mentoring programs and affinity groups, help develop talent and encourage a sense of cohesion and belonging in the workplace. In the S&P 100, 83 companies offer mentoring programs, and 79 fund internal affinity groups to strengthen the corporate mentality of inclusion. An additional 89 companies provide leadership training programs to help propel talented women and minorities into managerial positions.

Overall, 95% of S&P 100 companies offer at least one diversity-fostering program, while 5% offer no evidence of any internal diversity initiatives. While this data does not demonstrate significant change since 2010, this is likely due to varying levels of company disclosure. Because this indicator focuses largely on internal programs, Calvert’s scoring and evaluation depends significantly on what information companies make publicly available. As such, we consider overall transparency and disclosure to be a diversity “best practice,” as it provides insights into policies governing employee development.

INITIATIVES IN ACTION

**Merck & Co.** offers employee resource groups with cross-functional leadership, including an executive sponsor, two co-chairs, and a representative from the Diversity and Work Environment Department.

**Capital One Financial Corp.** conducts mandatory diversity training for its entire workforce, held for a full day every month. The training incorporates performance metrics and solicits feedback from employees to measure its success.

95% of S&P 100 companies offer internal diversity initiatives, such as mandatory training or leadership development.
Corporate diversity initiatives are valuable as they engage employees of all backgrounds and communicate the premium a company places on inclusion.

### DIVERSITY TRAINING BREAKDOWN

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Count</th>
<th>Change</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies provide diversity training</td>
<td>85</td>
<td></td>
<td>79</td>
</tr>
<tr>
<td>Companies have mandatory diversity training</td>
<td>63</td>
<td>+6</td>
<td>79</td>
</tr>
<tr>
<td>Companies have management and/or leadership training programs</td>
<td>89</td>
<td>+10</td>
<td>79</td>
</tr>
<tr>
<td>Companies have mentoring programs</td>
<td>83</td>
<td>+9</td>
<td>74</td>
</tr>
<tr>
<td>Companies have ERGs (affinity groups)</td>
<td>79</td>
<td>+5</td>
<td>74</td>
</tr>
</tbody>
</table>

From 2010:

- Diversity training: 79
- Companies with mandatory diversity training: 79
- Companies with management and/or leadership training programs: 79
- Companies with mentoring programs: 74
- Companies with ERGs (affinity groups): 74

Changes from 2010:

- Diversity training: +6
- Companies with mandatory diversity training: +6
- Management and/or leadership training programs: +10
- Mentoring programs: +9
- ERGs (affinity groups): +5
## External Diversity Initiatives

**DIVERSITY RATINGS**

<table>
<thead>
<tr>
<th>0 points</th>
<th>No evidence of external initiatives</th>
<th>S&amp;P 100 COMPANIES 2010</th>
<th>S&amp;P 100 COMPANIES 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>5 points</td>
<td>Evidence of recruitment/outreach OR supplier diversity program</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>10 points</td>
<td>Evidence of recruitment/outreach AND supplier diversity program</td>
<td></td>
<td>80</td>
</tr>
</tbody>
</table>

83% of S&P 100 companies offer recruitment/outreach and supplier diversity programs.

External diversity initiatives are critical to a company’s success in building and sustaining a fair and equitable working environment. For a company to fully commit to an inclusive workforce and make its impact felt throughout the community, it must actively engage diverse organizations beyond its own direct operations. In doing so, companies reach the broadest possible talent pool and provide financial support to local entrepreneurs through diverse supplier relationships. Eighty-three percent of S&P 100 companies recognize these benefits and have established both diversity-focused recruitment efforts and supplier diversity programs.

In 2012, we found a significant increase in the number of companies recruiting minority and women employees. The number of S&P 100 companies engaging in outreach efforts rose by 21% from 74 to 90. This upward trend demonstrates an awareness of America’s changing workforce demographics as the Baby Boomer generation enters retirement. Calvert believes that the 10% of companies that do not engage in recruitment strategies to attract a diverse workforce are losing a critical opportunity to develop a competitive advantage by recruiting from all possible venues.

In addition to recruitment, leading companies recognize that fostering business relationships with minority and women-owned suppliers strengthens their presence in the community and elevates exposure to new market opportunities. Working with minority-owned suppliers can also facilitate innovation as companies tailor products and services to an increasingly diverse consumer base. Since 2010, there was a 6% increase in the number of S&P 100 companies sourcing from diverse suppliers, totaling 86.

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**INITIATIVES IN ACTION**

**PepsiCo’s** Female Talent Development Program focuses on fostering workplace equality in emerging markets through targeted female recruitment efforts in the Middle East and Africa, regions that traditionally provide fewer opportunities for women entering the workforce.

**Comcast** participates in more than 100 national diversity recruiting events each year. In addition, the Comcast recruiting team has forged partnerships with 13 diversity-focused organizations to “attract, train, and support women and people of color.” The company has consistently been named among top companies for recruitment and supplier diversity by organizations representing ethnic and gender diversity, veteran-owned businesses, and LGBT equality.

**Verizon Communications** links executive compensation directly to fulfilling targets for percentages of new diverse hires, as well as women and minorities promoted to manager and executive levels. This performance target also measures the percentage of supplier spending directed toward minority- and female-owned businesses.
The scope of diversity initiatives reflects the extent to which a company invests in programs supporting the traditionally underrepresented members of its workforce. As part of a robust diversity strategy, companies should dedicate resources toward mentoring programs, recruitment and outreach, and employee resource groups (ERGs) that develop and support a diverse workforce. These types of initiatives help foster workplace inclusiveness while cultivating leadership skills.

Within the S&P 100, 85% of companies support at least one initiative targeted at underrepresented groups, while 70% offer more robust programs that address three or more diverse groups.

The majority of companies (78) dedicate employee resources to initiatives that focus on women in the workplace, an increase of nine from 2010. Interestingly, more companies are adopting programs that focus on LGBT employees, with 75% of companies targeting this group. Disappointingly, only 55 companies offer programs that specifically target disabled employees. While this number has risen by 16% in the last two years, companies still have a long ways to go in demonstrating their commitment to disabled employees.

In Calvert’s view, companies should adopt a holistic approach to diversity, where no one demographic group takes precedence over another. Employers need to accommodate the increasing diversity of their workforces and engage all employees in ways that develop and cultivate their respective talents and backgrounds.

**INITIATIVES IN ACTION**

**Hewlett-Packard** has more than 120 employee resource groups that unite employees based on common interests and backgrounds, including the HP Asian Pacific Employee Network, the Young Employee Network, and PRIDE, the oldest LGBT employee resource group nationwide.

**IBM** was named the top employer for people with disabilities by Diversity Inc. in 2012. In addition to engaging the disabled in recruiting efforts, IBM supports and engages these employees throughout their careers under guidelines established by its Executive Diversity Task Force for People with Disabilities.

**Ford Motors** has held an annual Diversity and Inclusion Summit since 1999 to recognize employees and teams throughout its global operations that have helped further the company’s mission of workplace inclusion.
Families are increasingly challenged in balancing the needs of their personal and professional obligations. These challenges are particularly pronounced in today’s workplaces, which often require employees to stay connected at all hours. As a result, there is often a higher value placed on corporate cultures that accommodate flexible schedules, time for dependent care, adoption needs, and domestic partner benefits. In order to remain competitive in recruiting and retaining the most talented employees, companies must prioritize these family-friendly benefits that consider their employees’ diverse needs and promote a healthy work-life balance.

In 2012, 73% of S&P 100 companies recognized that a flexible working schedule is highly valued by employees. In general, employees with access to “flex work” tend to be more satisfied, committed, and engaged with their workplace. Furthermore, recent studies have shown that the rising workforce generation is drawn to companies offering workplace flexibility as a means to pursue interests and activities both in and out of the office.

While flexible working arrangements are available at the majority of companies, surprisingly, it is not the most widely offered benefit in the S&P 100. In fact, the most frequent family-friendly benefit we found was domestic partner benefits, offered by 80 companies.

91% of S&P 100 companies offer at least one family-friendly benefit.

INITIATIVES IN ACTION

General Electric has won awards for its RESTART program in Bangalore, India, which focuses exclusively on hiring women engineers and technologists re-entering the workplace after a career break.

IBM reimburses employees who adopt children up to 80% of their related expenses, at a maximum of $2,500 per year.

Johnson & Johnson offers employees in-home elder care assessments, on-site nursing home reviews, and scheduled check-ins on older and dependent relatives.
In 2012, S&P 100 companies took a step back on this indicator, where they showed the worst performance. EEO-1 forms provide a comprehensive numeric breakdown of a company’s workforce by position, gender, race, and ethnicity, enabling investors to get a snapshot of minority and female representation throughout a company’s ranks. Companies are required to track and report this data to the Equal Employment Opportunity Commission, which reports on it in aggregate. Companies are not required, however, to make this information publicly available and, as reflected in the scores for this indicator, they rarely do so. In the S&P 100, 39 companies do not disclose any employee demographic data publicly, leaving consumers and investors unable to determine the effectiveness of corporate diversity initiatives.

Over half (54%) of S&P 100 companies disclose some level of EEO-1 data, such as the percentage of women employees or number of new minority hires. When companies voluntarily disclose this data, it is often presented on the company website or as part of their overall report on corporate responsibility performance, reinforcing employee diversity as an important indicator of successful company stewardship.

Currently, seven companies publicly disclose comprehensive gender and ethnicity data. Calvert commends these companies for their leadership and transparency in disclosing diversity performance and we look to their S&P 100 peers to follow their example.

39% of S&P 100 companies have no EEO-1 disclosure divulging gender and/or ethnic breakdown of their workforce.

S&P 100 COMPANIES WITH FULL EEO-1 DATA DISCLOSURE

Citigroup Inc.
Comcast Corp. (NEW)
Costco
Dell Inc. (NEW)
Intel Corp.
Merck (NEW)
Wal-Mart

INITIATIVES IN ACTION

Dell and Intel were the only S&P 100 companies that responded positively to CNNMoney’s 2011 request for diversity data from the technology industry. The survey was part of an overall investigation into the diversity practices of the 20 tech industry leaders, 17 of whom refused to release any data.
While companies have progressed in almost every other diversity indicator, the number of S&P 100 companies lacking women and/or minorities in the highest-paid executive positions has remained stagnant over the last two years. In fact, 56 companies, more than half of the largest corporations in the United States, do not have any women or minorities in their five highest-paid positions.

Our analysis includes both the number and titles of women and minorities included in the company’s five highest-paid executive positions, as defined by the company in its annual proxy filing. We found that only 11 S&P 100 companies have diverse CEOs: five women and seven minorities (PepsiCo’s CEO is a minority woman). Thirty-two companies, however, include at least one woman among their five highest-paid executives, a 10% increase from 2010. Only 25 companies have minority executives within this group, representing an 8% increase in the last two years. While companies in all industries lag in this indicator, the energy sector is the worst performer. Chevron and Schlumberger are the only energy companies to include any diversity in their five highest-paid executive positions.

56% of S&P 100 companies have no women or minorities in their highest-paid senior executive positions.

INITIATIVES IN ACTION

PepsiCo has the most diversity among its five highest-paid executives. This group consists of two women, one of whom, the CEO, is also a minority, and two minority men.

Bristol Myers-Squibb shows the most substantive improvement in this area since 2010, when the company lacked diversity among its top executive positions. Bristol Myers-Squibb has since added two female executives, one of whom is a minority, to its list of five highest-paid officers.

In the S&P 100, while women make up 19% of board of director positions, they represent only 8% of the highest-paid executives.

These numbers are particularly concerning from a business and competitive viewpoint. In today’s global marketplace, the ability to draw on a wide range of backgrounds, skills, and experience is critical to a company’s success. As these highest-paid executive positions are often the gateway to future board appointments, the importance of having strong diversity in these roles cannot be underestimated or overlooked. Interestingly, recent research has suggested that a company’s commitment to gender equality can be better evaluated by the representation of diversity at the executive level, rather than in board level positions. However, while women make up 19% of board director positions within the S&P 100, they represent only 8% of the highest-paid positions at those companies. In addition, women’s presence in senior positions rarely extends to the president or CEO level. Within the S&P 100, 32 companies employ women in their top five executive level positions, but only five have promoted women to the CEO level.

WOMEN IN LEADERSHIP

32 S&P companies have at least one woman in the five highest-paid (FHP) positions

6 companies have 2 women in FHP
- PepsiCo | MasterCard
- Kraft | JPMorgan Chase
- HP | Bristol-Myers Squibb

5 companies have women CEOs
- El Du Pont de Nemours & Co. | IBM
- Kraft | Hewlett-Packard | PepsiCo

MINORITIES AT THE TOP

25 S&P companies have at least one minority in FHP

6 companies have 2 minorities in FHP
- Merck | McDonald's | Schlumberger
- Google | Coca-Cola | Citigroup

7 companies have minority CEOs
- American Express | Citigroup | MasterCard
- Medtronic | Merck | McDonald's | PepsiCo

PepsiCo is the only company with a minority woman CEO and the only company with three minorities in FHP.
The most visible element of a company’s commitment to diversity is the inclusion of women and minorities on its board of directors. As boards make important strategic, financial, and operational decisions, it is critical they maintain a composition that accurately reflects the demographics of the company’s target markets, shareholders, and employees.

In the last two years, S&P 100 companies have made moderate strides towards increasing board diversity. Since 2010, the overall percentage of women serving on S&P 100 boards has risen from 18% to 19%. In addition, 30 companies have added at least one woman director, and 25 companies have added at least one minority director. Among these companies, five have added both a minority female and a minority male director: MasterCard, Morgan Stanley, Schlumberger Ltd., US Bancorp, and Wells Fargo.

Each of these corporations also rates highly in our evaluation of director selection criteria, and, with the exception of Wells Fargo, each of these companies also has at least one woman and/or minority in their five highest-paid executive positions.

Recent studies have shown that on male-dominated boards with only one or two women directors, female directors feel marginalized among their peers and are viewed as a token or symbol of diversity. To combat the “tokenism” effect, corporations should seek a “critical mass” of three or more female and/or minority directors, which will improve boardroom dynamics and add value to the corporate governance structure. Currently, there are 71 companies that have achieved this critical mass of three or more diverse directors; a 4% increase since 2010.

The vast majority of companies in the S&P 100 recognize that some degree of diversity among directors is valuable to stakeholders and contributes to corporate success. Only two companies now lack any diversity on their boards, signaling that board diversity is becoming a standard for this universe of large multinational corporations.

71% of S&P 100 companies have at least three women and/or minorities on the board of directors.
In 2012, the overall percentage of women serving on S&P 100 company boards rose to 19%, up from 18% in 2010.

MINORITY WOMEN DOUBLY MARGINALIZED IN THE BOARDROOM

While 98 companies have women directors, and 86 companies have minority directors, only 37 companies in the S&P 100 have minority women on their board.

Nine companies have added a minority woman director in the last two years:
- Wells Fargo
- US Bancorp
- Schlumberger Ltd.
- Philip Morris International
- Morgan Stanley
- MasterCard
- Lockheed Martin
- Ford
- 3M

NO BOARD DIVERSITY

Freeport McMoRan
National Oilwell Varco
Over the last two years, the number of companies disclosing whether they consider diversity as part of their selection of board of director candidates has risen, likely due to requirements from the Securities and Exchange Commission (SEC) passed in 2009. While the SEC rule requires companies to disclose whether they consider diversity in the selection of new candidates for their board of directors, it does not specify a definition for diversity, allowing companies to define this for themselves. In 2012, 22% of companies in the S&P 100 disclosed that they consider diversity under a broad definition, including “diverse backgrounds” or “diversity of experience.” At Calvert, we look for companies to actively consider diversity by race and gender when selecting new director candidates. Accordingly, we do not give companies credit for disclosures that are more generalized. Currently, 51% of companies in the S&P 100 include gender and/or ethnic diversity as a desirable characteristic of their board of directors.

While the vast majority of companies in the S&P 100 have at least one woman or minority director on their boards, nearly half lack a formal director selection process that includes gender and ethnicity criteria. Calvert believes diversity considerations need to be an explicit part of corporate policy—whether in a company’s proxy or in its governance charter. This standardization is especially critical to maintain board diversity policies as changes in corporate leadership occur. In addition, public disclosure of board nominating policies allows interested stakeholders to understand how a board of directors evaluates new candidates and whether diversity is actively sought.

**ENHANCED DIVERSITY DISCLOSURES**

**FedEx** “The Board is committed to diversity and inclusion and is always looking for highly qualified candidates, including women (such as Dr. Jackson and Ambassador Schwab) and minorities (such as Dr. Jackson and Mr. J. Smith), who meet our criteria.”

**Wells Fargo** “Gender, race, and ethnic diversity have been, and will continue to be, a priority for the general nominating committee (GNC) and the Board in the director nomination process because it is essential for the composition of the Board to appropriately reflect the diversity of the Company’s team members, and the customers and communities they serve.”

**NO DIVERSITY POLICY**

While several companies state they do not have a diversity policy, only one company actively states it does not consider diversity:

**Berkshire Hathaway** “Berkshire does not have a policy regarding the consideration of diversity in identifying nominees for director. In identifying director nominees, the Governance Committee does not seek diversity, however defined.”
Corporate commitment to workforce diversity is measured by the extent to which diversity and inclusion are integrated into a company’s corporate policies and strategies and reflected throughout the organization. One common way companies communicate their commitment is by establishing a diversity council, an internal working group composed of a cross-section of employees. These councils generally engage with employees on diversity initiatives and communicate with upper management on implementation strategies. In general, Calvert prefers to see CEO and/or Chair involvement in diversity councils, as their presence reinforces the value of diversity to corporate leadership and employees. In the S&P 100, 70 companies had diversity councils, with 56 incorporating CEO and/or Chair involvement.

In order to drive performance and ensure accountability, 42 companies link executive compensation to the fulfillment of diversity objectives. As compensation is the principal performance incentive at any company, its alignment with diversity objectives conveys the importance of inclusion to high-level managers and helps ensure a focus on advancing diverse employees.

The most challenging aspect of this indicator is for companies to adopt board level oversight of their diversity and inclusion initiatives. While many boards are active in establishing diversity programs, only 30 companies in the S&P 100 have boards that maintain oversight of them after their inception, either through a stand-alone committee or specific director involvement.

INITIATIVES IN ACTION

Coca-Cola’s Board of Directors has a Public Issues and Diversity Review Committee that reviews progress toward diversity goals and ensures that company responsibilities are met as an equal opportunity employer. This Committee is chaired by a minority male board member.

Comcast launched its Office of Corporate Diversity and Inclusion in 2011 and added a minority woman as Diversity and Inclusion Executive Director. As part of this initiative, Comcast restructured its diversity council to incorporate an external working group of business and community leaders who advise the company on inclusion strategies for the groups they represent.
Diversity Scores by Sector

When analyzing the performance of different sectors within the S&P 100 Index, clear trends emerge indicating that certain industries have prioritized their commitment to diversity, while others remain laggards on this important issue. With an average score of 77.1 points out of 100, the Financial sector proves to be a leader in diversity, while the Energy sector lags behind all others with an average score of 49.6. Of the nine sectors included in the S&P 100 Index, six have improved their overall average score. The Communications and Industrial sectors have had no change in their average score since 2010, and the score of the Utilities sector has declined (partly due to the changes in the composition of the S&P 100 Index).

### AVERAGE SECTOR SCORES

![Graph showing diversity scores by sector](image)

Of the nine sectors included in the S&P 100 Index, six have improved their overall average diversity score since 2010.

### COMPOSITION OF THE S&P 100 INDEX (as of May 31, 2012)

![Composition chart](image)

The S&P 100 Index consists of companies in nine sectors, but they are not evenly distributed. The Financial sector, which is a demonstrated leader in diversity initiatives and performance, makes up 14% of the S&P100, while the Utilities sector, which scored lowest according to our sector analysis, comprises 3% of the Index.
Conclusions and Next Steps

Over the past two years, the large, mostly multinational S&P 100 companies have made significant strides related to workplace diversity policies, programs, and performance. For progress to continue, greater disclosure around corporate diversity policies is essential, as in virtually every other social, environmental, and governance issue that Calvert addresses. Increased transparency will benefit not only interested stakeholders, but also the companies themselves. We hope S&P 100 companies use our report as a benchmark tool to identify areas of opportunity and risk, and in turn set manageable, measurable goals to address these areas.

Overall, our assessment of the S&P 100 companies reveals a strong commitment to workplace equality, particularly as it relates to the support of robust policies and performance. Calvert believes that stronger commitments are ultimately the catalysts for improved action and performance. We applaud companies’ renewed dedication in 2012 to women and minority employees, their emphasis on family-friendly work environments, and the evolving appreciation of the LGBT workforce. Looking ahead, we hope to see greater representation of women and minorities at the executive level and in the board room, two areas that are progressing at a glacial pace in spite of investor interest.

It is no coincidence that the companies scoring high in these two indicators are also our 2012 diversity leaders. These companies continue to raise standards for industry peers and establish diversity best practices to which companies in the S&P 100 universe can aspire. We congratulate our 2012 diversity leaders: Citigroup Inc., Merck & Co., Coca-Cola Co., and JPMorgan Chase & Co. We understand there are many companies outside the S&P 100 benchmark universe who are also making great strides in advancing women and minorities in the corporate workplace, and we encourage investors and interested stakeholders to consider those efforts.

Calvert believes employees should be recruited, hired, promoted, and retained based on merit, competency, and hard work—not bias and stereotype. We believe companies that fully embrace this challenge and commit to providing a fair and equitable working environment will recognize gains in both the workplace and marketplace.

RECOMMENDATIONS

As examples of innovative diversity initiatives emerge, investors are looking for companies to strengthen their commitment to diversity and raise “best practice” standards within their sectors. We recognize that changing the composition of a company’s executive team or its corporate policies cannot occur immediately. Rather, adopting a comprehensive corporate diversity strategy entails gradual changes that come with distinct challenges. Accordingly, we offer three key recommendations to assist companies looking to improve their diversity rating:

1. **Conduct a self-assessment.** Using Calvert’s 10 key indicators and report methodology as a roadmap, companies should examine their current policies, practices, and programs to identify areas of strength and weakness. By identifying gaps between best practices and existing diversity strategies, companies can target specific opportunities to strengthen their diversity profile, as well as the overall transparency and disclosure of diversity data. We also encourage companies to evaluate their gender-specific strategies through a web-based assessment tool created by the Gender Equality Principles Initiative (a coalition of the City of San Francisco’s Department on the Status of Women, Verité, and Calvert), available at www.genderprinciples.org. Once these assessments are complete, companies should use these findings to develop action plans that incorporate measurable short- and long-term goals and commitments.

2. **Increase disclosure and accessibility of diversity data.** It is essential not only to support comprehensive diversity practices, but also to report on them publicly and in a detailed manner. In order for the disclosure to be credible, companies need to remember to communicate challenges, and even problems, as well as achievements. Critical stakeholders, including employees, investors, and consumers, increasingly are looking for assurance that inclusion and diversity exist at all company levels, and that corporate leadership is approaching diversity challenges...
with transparency and innovation. Further, public diversity disclosure informs prospective employees of the importance the company places on diversity and equality, which elevates the desirability of the workplace and attracts greater talent. Increasingly, companies are willing to make publicly available a range of sustainability metrics including their carbon footprint or safety incidents. In the coming years, we hope to see companies place the same focus on accountability by disclosing workforce diversity demographics.

3. **Support public policy and cultivate relationships with diverse communities.** Companies should extend their diversity efforts beyond their immediate workplaces and into the broader communities in which they operate. These diverse community networks represent prospective employees and consumers. Engaging diversity advocates and community leaders will heighten the company’s exposure to concerns and facilitate positive relationships for external diversity initiatives. Further, we encourage companies to support public policy measures which have a potential positive impact on their diverse female, minority, and LGBT employees. This support demonstrates full commitment to issues that affect their diverse employees and showcases the company is going above and beyond in its commitment to inclusion.

**CALVERT’S EFFORTS: ADVANCING WORKPLACE EQUALITY**

One of the most notable changes from our 2010 survey is the increase in companies that include considerations of diversity in race and gender in their director selection criteria. Calvert believes that it is critical to institutionalize a commitment to board diversity within governance guidelines as it ensures that companies consider women and minority candidates for every new director position. This also allows interested stakeholders to understand how candidates are evaluated for open positions and the degree to which diversity factors into the process. Calvert has been active in promoting our model nominating committee charter language with the companies held in our portfolios. Through shareholder resolutions, we target companies with both no diversity on the board and with nominating and governance committees that do not routinely seek women and minorities as candidates for director positions. Over the last decade, Calvert has filed board diversity resolutions with 60 companies, 50 of which have amended their nomination criteria to include considerations of race and gender among desired board characteristics. As a result of these efforts, 30 female and/or minority candidates have been added to those boards.

While there has been some glacial progress for women with respect to serving on corporate boards, globally women still face significant challenges and diminished access to resources. In 2004, recognizing the need for standards which address a corporation’s impact on women, Calvert launched the **Calvert Women’s Principles** as the first global code of corporate conduct focused on advancing, investing, and empowering women. As investors, our goal is to help companies ensure equal and fair treatment of their women workers and enhance their understanding of their unique impacts on women throughout their global value chain. In 2009, these principles were adapted by the **UN Global Compact** and UN Women and launched as the **Women’s Empowerment Principles**, a framework for promoting gender equality in the global marketplace. To date, more than 400 global companies have committed to integrating the Women’s Empowerment Principles into their efforts to promote gender equality. The S&P 100 signatories include: Accenture, Coca-Cola, Dow Chemical, Merck, Microsoft, and PepsiCo.

Through these initiatives, Calvert continues to bring tools and research to companies in an effort to promote gender equality on a global scale and facilitate the empowerment of diverse employees through equitable workplace standards. As we continue to evaluate and engage companies on diversity best practices, Calvert seeks to move the needle towards greater inclusion standards that can be applied across all company levels and industries.

In 2004, Calvert launched the **Calvert Women’s Principles** as the first global code of corporate conduct focused on advancing, investing, and empowering women. These Principles were subsequently adapted into the **San Francisco Gender Equality Principles** in 2008, and the **UN Women’s Empowerment Principles** in 2009 and continue to be in practice through all three avenues today.
INTRODUCTION

Calvert’s goal in developing model language for board diversity policies and disclosures is to provide guidance to companies as to the types of commitments and information that investors, such as Calvert, would find useful in assessing a company’s efforts to build a diverse and effective board. We have taken the approach of suggesting language for inclusion in a company’s response to the SEC required diversity disclosures in proxy filings, though our goal is more for companies to adopt such policies to ensure diverse candidates are included in director search procedures and diversity is considered in annual assessments of the board. For the SEC required disclosures, a company must use language that accurately describes the company’s particular circumstances and the following language may not currently apply to all companies.

“Whether, and if so how, a nominating committee considers diversity in identifying nominees for director;”

(1) The Board believes that diversity is an important attribute of a well-functioning board. In selecting qualified candidates to serve as directors of the Company we consider a range of matters of diversity including race, gender, ethnicity, culture, thought, and geography and measures ensuring that the Board, as a whole, reflects a range of viewpoints, backgrounds, skills, experience, and expertise.

(2) The Nominating Committee has developed a set of criteria for Board membership that strives to attain a diversity of background and skills for the Board. The Committee has also created a search protocol that seeks qualified Board candidates from, among other areas, the traditional corporate environment, government, academia, private enterprise, non-profit organizations, and professions such as accounting, human resources, and legal services.

“If the Nominating Committee (or the Board) has a policy with regard to the consideration of diversity in identifying director nominees, disclosure would be required of how this policy is implemented, as well as how the Nominating Committee (or the Board) assesses the effectiveness of its policy;”

(3) In the process of searching for qualified persons to serve on the Board, the Nominating Committee (or the Board) strives for the inclusion of diverse groups, knowledge, and viewpoints. To accomplish this, the Committee (or the Board) may retain an executive search firm to help meet the Committee’s (or the Board’s) diversity objective as well as form alliances with organizations representing the interests of women and minorities. In connection with its efforts to create and maintain a diverse Board, the Nominating Committee (or the Board) has:

(a) Developed recruitment protocols that seek to include diverse candidates in any director search. These protocols take into account that qualified, but often overlooked, candidates may be found in a broad array of organizations, including academic institutions, privately held businesses, nonprofit organizations, and trade associations, in addition to the traditional candidate pool of corporate directors and officers.

(b) Strived to use, to their fullest potential, the current network of organizations and trade groups that may help identify diverse candidates.

(c) Periodically reviewed director recruitment and selection protocols so that diversity remains a component of any director search.

(4) The Nominating Committee (or the Board) has reviewed the selection process and ensured that women and/or minorities were included in the slate of candidates.

(5) The current racial and gender make-up of the existing board of directors is as follows: [provide breakdown]
Appendix: S&P 100 Ratings (Alphabetically)

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<th>COMPANY</th>
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### S&P 100 Ratings (by score)

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This is the third edition of Calvert’s *Examining the Cracks in the Ceiling*, authored by Calvert’s diversity team. The team spearheads Calvert’s efforts to promote diversity at all levels of a corporation and empower women globally. Calvert leverages its members’ individual expertise to help dismantle barriers to workplace equality and inclusiveness.

**Christine DeGroot**  
Associate Sustainability Analyst, Calvert Investment Management, Inc.

Christine DeGroot leads Calvert’s research, advocacy, and policy work to promote greater inclusion of minorities and women in the workplace and increase boardroom diversity. She also works with Calvert’s partners to advance the implementation of the Calvert Women’s Principles®. Christine assesses the environmental, social, and governance impacts of the utilities and energy industries. She makes portfolio-specific recommendations based on Calvert sustainability criteria, and engages companies to improve their sustainability reporting. Christine has been with Calvert since 2009 and worked in the Calvert Sustainability Research Department since September 2010. Prior to joining Calvert, she held research positions with the Smithsonian Institution and the National Park Service. Christine has a BA in anthropology and art history from the University of Delaware.

**Aditi Mohapatra**  
Former Sustainability Analyst and Director of Strategic Initiatives, Calvert Investment Management, Inc.

Aditi Mohapatra led Calvert’s efforts to advance boardroom diversity and promote the Calvert Women’s Principles® from 2007-2011. Further, she engaged companies and policy makers on executive compensation, board independence, and privacy issues. In 2011-2012, Aditi worked on Calvert corporate strategic initiatives related to sustainability. She earned a BS in international economics from the University of Florida and an MBA in finance from The George Washington University. As of December 2012, Aditi moved on to become Associate Director for BSR in San Francisco.

**Jamie Lippman**  
Research Intern, Calvert Investment Management, Inc.

Jamie Lippman is an MBA Candidate (2013) at the Tuck School of Business at Dartmouth. Jamie has several years’ sustainability research experience that includes in-house corporate responsibility strategy, sustainability project management for a national business association, and rural enterprise development in India. She has been deeply involved in diversity and inclusion work both domestically and abroad. Jamie holds a BBA and BA from The University of Texas at Austin.

**About the Authors**
About Calvert

Calvert Investments, Inc. is the leading investment management company using sustainability as a platform to create value. We offer mutual funds and separate accounts to institutional investors, retirement plans, financial intermediaries, and their clients. By combining rigorous analysis with independent thinking, our disciplined approach to money management goes beyond traditional factors in order to manage risk and identify investment opportunities with greater long-term potential. We offer more than 30 equity, bond, cash, and asset allocation investment strategies, many of which feature integrated corporate sustainability and responsibility research. Founded in 1976 and based in Bethesda, Maryland, Calvert Investments managed assets of more than $12 billion as of December 31, 2012. More information is available at www.Calvert.com.
For more information on any Calvert fund, please contact your financial advisor, call Calvert at 800.368.2748 or visit www.calvert.com for a free summary prospectus and/or prospectus. An institutional investor should call Calvert at 800.327.2109. An investor should consider the investment objectives, risks, charges, and expenses of an investment carefully before investing. The summary prospectus and prospectus contain this and other information. Read them carefully before you invest or send money.

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