2021 Diversity and Inclusion Benchmarking Survey

The survey was conducted between August 17 – September 10. NRF received 68 full and partial responses.

Contents

Key Findings .................................................................................................................................................. 1
D&I Leadership .............................................................................................................................................. 1
Priorities and Challenges ............................................................................................................................. 2
Recruitment and Hiring ................................................................................................................................. 3
Mentorship and Development ....................................................................................................................... 3
D&I Communication ..................................................................................................................................... 4
Reporting Metrics and Performance ............................................................................................................ 5
Resources .................................................................................................................................................... 5

Key Findings

• Priorities are concentrated on hiring and employee education initiatives. Areas like vendor or supplier diversity and mentorship programs rank slightly lower than they did last year.
• Retailers face many of the same challenges around recruiting qualified diversity hires and resources as last year. But many also cited issues around scaling efforts across their organization.
• In terms of how retailers are addressing their key priorities, the focus is primarily on training, establishing recruitment partnerships and targeted sourcing. Setting quotas or metrics around hiring and establishing mentorship programs were much less common.
• Retailers have made strides in terms of communicating diversity priorities to key stakeholders such as employees and the board as well as ensuring individuals involved in hiring understand that diversity is a corporate priority.
• However, respondents were less likely to agree that minorities and women are well represented as mentees or that they have sponsors in the organization. Additionally, there appears to be a shift away from monitoring assignment systems to ensure equitable access.

D&I Leadership

Question 7: “Who ultimately leads diversity and inclusion efforts within your organization?”

• In most cases, Human Resources (55%) leads D&I efforts, followed by a Separate Diversity Officer (25%)
Priorities and Challenges

**Question 8:** “Please indicate how much of a priority, if any, each of the following areas are for your organization over the next 18 months”

- The following are the highest D&I priorities (percent “High priority”). Retailers’ priorities have narrowed from a broader range in 2020.
  1. 73% - Strengthening the talent pipeline for minorities to increase diverse hires
  2. 71% - Employee education and training on issues such as unconscious bias and micro-aggression
  3. 71% - Increasing applicant diversity

<table>
<thead>
<tr>
<th>Area</th>
<th>Medium Priority</th>
<th>High Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening the talent pipeline for minorities to increase diverse hires</td>
<td>22%</td>
<td>73%</td>
</tr>
<tr>
<td>Employee education and training</td>
<td>25%</td>
<td>71%</td>
</tr>
<tr>
<td>Increasing applicant diversity</td>
<td>24%</td>
<td>71%</td>
</tr>
<tr>
<td>Increasing employee diversity for manager and above roles</td>
<td>25%</td>
<td>69%</td>
</tr>
<tr>
<td>Increasing overall employee diversity</td>
<td>24%</td>
<td>65%</td>
</tr>
<tr>
<td>Formation of employee committees, councils and resource groups</td>
<td>33%</td>
<td>56%</td>
</tr>
<tr>
<td>Increasing diverse employee promotion rates</td>
<td>36%</td>
<td>55%</td>
</tr>
<tr>
<td>Increasing diverse employee retention rates</td>
<td>29%</td>
<td>53%</td>
</tr>
<tr>
<td>Increasing diversity in the executive team</td>
<td>29%</td>
<td>49%</td>
</tr>
<tr>
<td>Providing mentorship or other support programs for diverse employees</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Increasing diversity among suppliers and vendors</td>
<td>27%</td>
<td>35%</td>
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</table>

**Question 9:** “What other diversity and inclusion areas are a priority for your organization priorities over the next 18 months?”

- Retailers are also focused on reaching diverse communities through marketing and increased representation in marketing efforts as well as community engagement and partnerships
  - Merchandising and Marketing specific to diverse communities
  - Marketing – Reflect the full spectrum of diversity in our marketing, Customer – welcome, accept, and respect all our customers, Community – drive impact through community relationships that reflect our goals and values
  - Increased representation in marketing, increased focus with meaningful community partnerships delivering quality service for all customers
**Question 10:** “Does your organization face any of the following challenges when it comes to diversity and inclusion initiatives? Please select all that apply”

- Retailers’ biggest challenges are:
  1. 58% - Recruiting qualified diversity candidates
  2. 55% - Lack of current representation in organization
  3. 47% - Limited staff
  4. 47% - Scaling efforts across organization

**Recruitment and Hiring**

**Question 11:** “What are your organization’s plans to implement or utilize the following recruitment and hiring processes?”

- The top recruitment and hiring processes retailers have already implemented or are currently implementing are:
  1. 77% - Partnerships with external organization and universities to build candidate pipelines and advertise job opportunities
  2. 77% - Unconscious bias training for all individual involved in the hiring process (e.g., recruiters, hiring managers, interviewers)
  3. 71% - Targeted sourcing methods (e.g., participate in job fairs for women and minorities, recruit at HBCUs)

**Question 12:** “What other initiatives relating to diversity in recruitment and hiring does your organization have planned over the next 18 months?”

- While there is a strong focus on diversity as a general goal in hiring practices, only one respondent referenced a program specifically addressing diversity in higher-level positions. This is in-line with “Increasing diversity in the executive team” as a low priority in Question 8.
  - Internal sourcing to promote diverse entry level to manager levels
  - Job posting screening for specific words or potential flags that could prevent someone from applying
  - Regional training and managers growing in their ability to coach and find diverse candidates.

**Mentorship and Development**

**Question 15:** “How much do you agree or disagree with the following statements regarding your organization’s formal mentoring and sponsorship programs”

- 26% of respondents agree with the statement “Sponsors are given training in diversity, equity, inclusion, and/or related topics”
  - There is not comparable 2020 data
- 37% of respondents agree that minorities and women are well represented as mentees, down from 55% in 2020.
30% of respondents ensure qualified minorities and women have sponsors in their organization, down from 41% in 2020.
  - Given the small sample size for 2021, findings should be taken directionally only.

**Question 16:** “Do you monitor assignment systems to ensure minorities and women have equitable access to “stretch assignments” and other development opportunities?”

- 10% monitor assignment systems at least annually. Another 7% monitor assignment systems, but on a less frequent basis.
- Almost half (49%) of retailers say they do not monitor assignment systems, and do not have plans to implement such programs. This is up from 32% in 2020.
- 34% are planning to implement assignment monitoring systems.

**D&I Communication**

**Question 17:** “How frequently does senior leadership communicate with the following audiences on the importance of diversity and inclusion to your organizations’ overall corporate success?”

- Most report that senior leadership communicates on these issues on a quarterly basis when communicating with Employees, Investors, and the Board, and on an ad hoc basis when communicating with customers, non-employee workers, and suppliers and other business partners.
- Communication by senior leadership to employees, investors, and the board on the importance of D&I to the organizations’ success has increased since 2020.
Senior leadership communicating the importance of D&I to the organization's success

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>97%</td>
<td>100%</td>
</tr>
<tr>
<td>Investors</td>
<td>55%</td>
<td>61%</td>
</tr>
<tr>
<td>Board</td>
<td>81%</td>
<td>90%</td>
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**Reporting Metrics and Performance**

**Question 21:** “What are your plans regarding regular reporting (at least annually) on D&I metrics and performance?”

- A substantial majority of retailers have implemented regular communications of D&I metrics and performance to their Senior Executive Leadership team (77%) and Board of Directors (62%), however only 18% reports to the general public or other third-party stakeholder groups.
  - Both Senior Executive leadership team and Board of Directors categories have seen an increase since 2020

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<thead>
<tr>
<th></th>
<th>2020 Implemented</th>
<th>2021 Implemented</th>
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<tbody>
<tr>
<td>Reports to Senior Executive leadership team</td>
<td>64%</td>
<td>77%</td>
</tr>
<tr>
<td>Reports to the Board of Directors</td>
<td>43%</td>
<td>62%</td>
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**Resources**

**Question 23:** “How interested are you in the following tools or resources in the following areas?”

- Respondents are most interested in resources regarding Recruitment (86%), Retention (78%), and Measuring Diversity (78%).

"How interested are you in the following tools or resources in the following areas?"