

ASCEND 10x25 INITIATIVE

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Achieving corporate board excellence through diversity and inclusion, with the goal of having at least **10%** of Fortune 1000 board directors be Asian American/Pacific Islanders by **2025**

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ASCEND 10x25 INITIATIVE

The goal of the Ascend 10x25 Initiative is to have at least 10% of the directors serving on Fortune 1000 company boards be AAPI persons by the year 2025. This Initiative, together with other actions to promote board gender and ethnic diversity, will increase the effectiveness and performance of corporate boards and propel their companies to meet the global challenges and opportunities ahead.

Achieving the goal will more than double the number of AAPIs currently serving on Fortune 1000 boards. This should be achievable especially given California AB 979, the Nasdaq board diversity initiative and the push for diversity and inclusion by institutional investors. The Ascend 10x25 Initiative will be launched in June 2021.

Ascend is a Pan-Asian professional membership organization led by volunteers with the mission to transform and elevate Asian American and Pacific Islander (AAPI) leaders of today and tomorrow to achieve new professional heights and become catalysts for change. Ascend is the largest, non-profit Pan-Asian membership organization for business professionals in North America and reaches 60,000+ corporate board directors, senior executives, professionals, and MBA/undergraduate students involved in its 65+ chapters and networks. Ascend's corporate board directors network, Ascend Pinnacle, will lead the 10x25 Initiative. Ascend Pinnacle provides programs for experienced directors and senior corporate executives, education and support for aspiring directors and thought leadership on corporate board issues. The Ascend Foundation is a 501(c)(3) organization with a mission to educate, advocate, and enable Ascend members to achieve leadership positions and make more diverse and inclusive workplaces and positive societal impacts.

The goal is to have at least 10% of the directors serving on Fortune 1000 company boards be AAPI persons by the year 2025

BACKGROUND

ASIAN AMERICANS' CONTRIBUTION TO THE U.S. WORKFORCE



Asian Americans are 12% of the **professional workforce**.

Source: "Asian Americans Are the Least Likely Group in the U.S. to Be Promoted to Management," Harvard Business Review, 2018



In certain companies, especially in the **technology industry**, AAPIs can represent **30% or more** of a company's workforce.

AAPI percentage drops off steeply at the management and executive management levels.

Source: Diversity and Inclusion reports from Facebook, Cisco, Intel, Microsoft, and Google in 2020

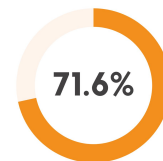
REPRESENTATION GAPS IN THE BOARDROOM

4.4%

In 2020, there were a total of 7,477 directors serving on the boards of the Fortune 1000 companies (there were more director seats but many directors served on multiple boards). Of those 7,477 directors, 332 identified as Asian American/Pacific Islander (AAPI), which is about 4.4%.

Despite the importance that Asian Americans play in the U.S. economy, **71.6% of the Fortune 1000 companies do not have the benefit of an Asian perspective in the boardroom.**

Source: "Asian Representation on Fortune 1000 boards," Ascend/KPMG, 2020



DIVERSITY TIED TO BOTTOM LINE

Studies have shown that companies with more diverse leadership and boards have greater shareholder returns.

Source: "Diversity Matters," McKinsey & Company, 2015

RECENT PUSH FOR BOARD RACIAL DIVERSITY



On September 30, 2020, California Governor Gavin Newsom signed AB 979 into law, which requires that California-based public companies diversify their boards by December 31, 2022.

Institutional investors are pushing for increased board racial diversity. One example is the Diversity Disclosure Initiative announced on October 28, 2020.

On December 1, 2020, Nasdaq put forth a proposal for consideration by the SEC to adopt new listing rules requiring disclosure of diversity statistics for all companies listed on Nasdaq and, if a company does not meet certain diversity criteria, to explain why.

BACKGROUND

AAPIs: THE FASTEST GROWING RACIAL GROUP



90 %
POPULATION GROWTH
Since 2000

Source: "Engaging Asian American consumers at the dawn of a new decade," Nielsen, 2020



35.8 M
POPULATION
By 2060

Source: "Asian Americans are the fastest-growing racial or ethnic group in the U.S." Pew Research Center, 2021

ECONOMIC IMPACT

\$1.3 T
BUYING POWER
2022 Projection
2019 Projection: \$1T

Source: "Engaging Asian American consumers at the dawn of a new decade," Nielsen, 2020

INVISIBILITY OF AAPIS AND THE MODEL MINORITY MYTH

During this past year, AAPIs have been the target of increased hate actions and crimes, which many attribute, in part, to the **"invisibility"** of AAPIs in American society and the perpetuation of the **Model Minority Myth**. Because of these unfortunate events, there is growing awareness of and conversations about the societal and workplace challenges that AAPIs face in America and the lack of AAPI representation in leadership roles.

Source: "Model Minority Myth & the Double Edged Sword," Ascend, 2021

AAPIS EXPERIENCE

Nearly 80% of Asian Americans say they do not feel respected and are discriminated against in the U.S.

Source: "STAATUS Index Report 2021," LAAUNCH, 2021

90 %
of **Black Americans** say they are discriminated against in the U.S.

80 %
of **Asian Americans** say they are discriminated against in the U.S.

THE MEANS

Ascend Pinnacle will lead this effort and work with other AAPI and partner organizations to:

- (i) continually identify talented and experienced individuals that are “ready-now” to assume board positions and immediately add value;
- (ii) expand existing Aspiring Director development programs to maintain and expand the skill sets and experience of these directors and director candidates so that they continue to be relevant and on the leading edge of issues and concerns facing businesses; and
- (iii) develop the networks and contacts to help companies match with the appropriate AAPI director candidates.

We will work with public and private companies to understand their short and longer-term board needs, as well as board talent/experience that will provide business advantages, and identify appropriate AAPI director candidates that match those needs and talent/experience sets.

Ascend Pinnacle will continue publishing guidance and metrics that help a board diversify in a manner that is appropriate and relevant to that board and company’s situation and business (e.g., how reflective is the board of a company’s employee base?). We will also include in our work a focus on AAPI women on boards.

We will also publish an annual score card to measure progress on our initiative.

THE RATIONALE FOR THE INITIATIVE



Diversity in company's leadership

It is well established that the more diverse a company's leadership is, at both the executive and board levels, the better the company performs. And in today's world, such diversity will help a company adapt and respond to new business and social dynamics.



Representation on boards

AAPIs are and have historically been severely under-represented at the highest levels of corporate America, including on boards, and stigmatized and unrecognized due to prejudice, bias and misconceptions. **This needs to change now.** AAPIs have earned and deserve a seat at the table and companies need to have the talents of AAPIs on their boards to help guide their companies in a complex global economy.



Visibility

Having AAPIs in positions of leadership will help give voice and visibility to the AAPI community to break the “invisibility” and “perpetual outsider” stigma, which has contributed to the increase in AAPI hate actions and crimes.

THE ASK

Please join us in supporting this initiative.



SHOW YOUR SUPPORT

We would like to have your organization's show of support for the 10x25 Initiative and the media campaign that follows the launch. We would like to include your organization in our materials.



AMPLIFY THE WORK

On an ongoing basis, we would like your organization to amplify messages about the 10x25 Initiative through your own social media and issue your own statements, both proactively and in response to media inquiries. A media kit will be distributed to guide you.



PARTNER WITH US

We would like to partner with your organization on a sustained basis in support of this initiative. This may include helping to identify qualified candidates, supporting our training and education programs, helping to gain access to and educate boards and, of course, helping to promote more AAPI directors.

ADDITIONAL RESOURCES

Ascend 10x25 Initiative for Board Diversity: <https://www.ascendleadership.org/10x25>

Ascend Pinnacle-KPMG study:

<https://boardleadership.kpmg.us/relevant-topics/articles/2020/asian-representation-fortune-1000-boards.html>

Ascend Foundation- Model Minority Myth and the Double-Edged Sword:

<https://www.ascendleadershipfoundation.org/research/model-minority-myth-double-edged-sword>

Ascend Pinnacle website: <https://www.ascendleadership.org/page/PIN>

California AB 979: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB979

Nasdaq proposed rule on board diversity: <https://www.nasdaq.com/board-diversity>

McKinsey diversity studies:

<https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/why%20diversity%20matters/diversity%20matters.pdf>

Contact

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