Focus on diversity and equality is gaining momentum, driven by societal changes, increasing pressure from regulators and stakeholders, and growing evidence of their benefits to business and the economy. The systemic and complex nature of the topic creates opportunities for investors across equities, fixed income, and alternatives.

**Projections and opportunities**

**Increasing regulation**
We expect increasing regulation and stakeholder pressure on company management to promote workforce diversity, equal treatment and opportunities, and more transparent corporate disclosure.

**Equal and inclusive society**
There is growing evidence of the broader economic benefits of a more equal and inclusive society, and the potential risks rising inequalities pose.

If we close the racial/ethnic gap

USD GDP +4–6% by 2028

**Benefits of promoting diversity**
There is also growing evidence of the benefits to companies of promoting diversity and equal rights. More diverse companies are more likely to be innovative and enjoy higher profitability.

Earnings before interests and taxes (EBIT)

+36% +25%

For ethnic diversity For gender diversity

**The rise of the next generation**
Another driver of diversity, equality, and inclusion improvements is the rise of a new generation, full of more diverse global citizens with different priorities than their parents’.

**Workforce diversity**
Companies are increasing their effort to promote diversity in the workplace.

Number of shareholder proposals on human capital management in the last five years

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>62</td>
</tr>
<tr>
<td>2019</td>
<td>85</td>
</tr>
<tr>
<td>2020</td>
<td>91</td>
</tr>
<tr>
<td>2021</td>
<td>136</td>
</tr>
<tr>
<td>2022</td>
<td>155</td>
</tr>
</tbody>
</table>

Source: The Wall Street Journal

**Diversity and equality investment properties**

**Influencer**

**Key drivers**

**Near-term drivers**
- Inflows into ESG
- New regulations
- Millennials and post-millennials

**Sustainable investing**
- SDG 5: Gender equality
- SDG 8: Decent work and economic growth
- SDG 10: Reduced inequalities

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