Workplace Pride

May 26th International
2023 Conference
Spoorwegmuseum, Utrecht

TRACKS OF CHANGE
Advancing LGBTIQ+ Inclusion in the Workplace
Business Action for LGBTIQ+ in the Sustainability Context

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WBCSD
About the World Business Council for Sustainable Development (WBCSD)

WBCSD is a global CEO-led network of 200+ leading sustainable businesses, working together to accelerate the systems transformation needed, for a net zero, nature positive and equitable future.

- **GLOBAL PRESENCE**
  
  Our 200+ members span across regions and all economic sectors, with support from 70+ global network partners.

- **CEO-LED**
  
  Led by CEOs of our member companies representing USD $8.5 trillion in combined revenues, and oriented towards collective action.

- **UNIQUE BUSINESS-ONLY PLATFORM**
  
  Access to a diverse business community across sectors and a pre-competitive to exchange ideas and share best practices with peers.

- **MARKET DRIVEN**
  
  Reinforce the business of voice to policy and government decisions and strive to make member companies more competitive.
Three Global Challenges

- Climate emergency
- Nature Loss
- Mounting inequality
About the BCTI

The BCTI is a cross-sector, multi-stakeholder coalition of more than 60 organizations and their leaders with the mission of mobilizing the private sector to tackle inequality and generate shared prosperity for all.
BCTI Flagship Report

PART ONE: WHY?

TACKLING INEQUALITY – THE NEED FOR BUSINESS ACTION

Tackling inequality is critical to building a world of opportunity in which businesses can thrive for generations to come.

PART TWO: WHAT?

AN AGENDA FOR BUSINESS ACTION

With powerful tools at its disposal for creating and distributing value and opportunity, business has an essential role to play in tackling inequality.

PART THREE: HOW?

GETTING STARTED

Every company has its own unique business model, activities, value chain relationships and operating environments, and therefore its own unique capacity to make practical contributions to tackling inequality. Companies must work to identify access and strategically integrate steps to address race and opportunity-related risks and opportunities, while also leveraging the catalysts for business action.
A world of mounting inequality
Global trends exacerbating and underlining inequality

COVID-19

The climate emergency

Technology

Conflict
Inequality as a Systemic Risk

1. Eroding trust in our political and economic systems
2. Unravelling the social fabric
3. Fueling civil and political unrest
4. Increasing the damage that crises cause
5. Constraining economic growth
6. Undermining our capacity to tackle complex challenges
Inequality as a Business Risk

1. A volatile operating environment
2. Supply chain insecurity
3. Erosion of productivity
4. Regulatory and compliance risks
5. Reputation risk
6. Access to capital
Business Opportunities

While the rationale for business action to tackle inequality is about mitigating risk, it is also about building a world of opportunity in which business can thrive in the long term.
BCTI’s Action Agenda

At a high level, the agenda for business action to tackle inequality incorporates six broad categories of intervention.
10 Catalytic Actions for Business to Tackle Inequality

1. Implement the UN Guiding Principles on Business and Human Rights

2. Enhancing access to essential products and services
   - Make essential products and services more accessible and affordable

3. Creating jobs and economic opportunities for all
   - Create a diverse, equitable and inclusive workplace and value chain

4. Distributing value and risk equitably
   - Prepare people for the future of work

5. Pay and promote living wages and incomes

6. Provide safe, secure and sufficient work

7. Support and respect worker representation

8. Enabling government action
   - Support effective public policy

9. Realize the just transition to a net-zero and nature positive economy
   - Adopt responsible tax practices

10. Accelerating climate and nature action
Next Steps: Action

Establishing the leading global platform for business action
Next Steps: Accountability

Supporting efforts to enhance accountability
Find out more & help us spread the word

www.tacklinginequality.org/
Questions?
Poll: What % of employees do you think feel fully included?

Less than 30%

30% - 50%

50% - 70%

More than 70%
Poll: What % of employees do you think feel fully included?

Less than 30%

... and this is consistent across all industries, geographies, and demographic groups
Similar ways of describing inclusion: diverse workforces where people are heard, valued, and supported

“**I feel I belong** in my organization and team, that I am **treated with dignity** as an individual, and also encouraged to **fully participate** and **bring my uniqueness to work** every day.”

Source: Bain Inclusive Organization Survey; N = 9,494; N subset for four countries shown on slide equals 5,840
Among global employers, organization-level LGBT+ inclusion priorities are also having an impact at a local level.

93% believe that employer’s LGBT+ inclusion priorities result in meaningful support for LGBT+ employees in their home country.

**Why do you believe this? (select all that apply)**

- Respectful & Inclusive Culture: 57%
  - My employer will take action against anti-LGBT+ actions and comments in my location
  - I am always treated with respect at work

- Comfort in Being Out at Work: 55%
  - My direct manager/supervisor makes me feel comfortable being out at work
  - I see that LGBT+ leaders are out at work
  - My employer makes me feel able to be out at work

- Local Rollout of Policies & Training: 49%
  - My employer has introduced LGBT+ policies locally
  - My employer has conducted LGBT+ inclusion training locally
What drives inclusion varies for different populations

**Example Enablers of Inclusion by Population**

**Entry-level employees**

**Behavioral enablers**
- Creating growth opportunities and giving feedback
- Open and honest communication
- Fostering sustainability

**Structural enablers**
- Equitable promotion opportunities
- Systemic coaching & professional development conversations
- Alignment with company purpose

**Senior executive under-represented groups**

**Behavioral enablers**

**Structural enablers**

Source: Bain Inclusive Organization Survey; N = 9,494
Key Definitions

01 | Diversity
Dimensions that differentiate or make alike, including but not limited to race, gender, sexual orientation, skills, disability, personality traits, and other characteristics that shape our identities

02 | Equity
Structures, systems, processes and initiatives designed to promote fair treatment, access, opportunities, and outcomes for all people

03 | Inclusion
Set of practices and behavior to address inequities and build a feeling of belonging to an organization, of being treated with dignity as an individual, encouraged to fully participate and able to bring one’s uniqueness to work every day
Several diversity vectors should be looked into

Most commonly prioritized:
- Sex
- Race/Ethnicity
- Sexual orientation
- Disabilities
- Socio-economic status

Others, less commonly prioritized:
- Age
- Nationality / immigration status
- Military veteran status
- Education level
- Parental Status

The concept of diversity should not be limited to one factor but should consider the **intersectionality**: the interconnection between the personal characteristics defining the uniqueness of each person. An individual can face compounded prejudice or discrimination based on overlapping identities and experiences.
Equity requires a fundamentally different approach than equality

**Inequality**
Unequal access to opportunities

**Equity**
Custom tools that identify and address inequality

**Equality**
Evenly distributed tools and assistance

**Justice**
Fixing the system to offer equal access to both tools and opportunities
## THE CASE FOR ACTION: DEI as a driver of business success (1/2)

### Enhanced Innovation and business performance

- **87%**
  - Diverse teams managed inclusively are better at solving complex challenges and make better decisions\(^{(1)}\)

- **60%**
  - Enterprises with inclusive business cultures are more likely to achieve enhanced creativity and innovation\(^{(2)}\)

- **19%**
  - Studies have demonstrated that companies with above average diversity performance report higher innovation revenue\(^{(3)}\)

### Capacity to capture new markets and win over consumers

- **Over three-quarters of consumers** say that they expect companies to provide a work environment that is more diverse, inclusive and equitable\(^{(4)}\)

- **70%**
  - Of Millennial and Gen Z US consumers are more trusting of brands that represent diversity in advertising\(^{(5)}\)

- **Companies with more diversity in senior management** are **1.7X** more likely to capture new markets\(^{(6)}\)

### Talent attraction and retention

- **86%**
  - Of job seekers across various countries say that they want to work for a company that values diversity, equity and inclusion in the workplace\(^{(7)}\)

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Source: (1) Cloverpop, “Hacking diversity with inclusive decision making”, 2017; (2) ILO, The Business Case for change, 2019; (3) BCG diversity and innovation survey, 2017; (4) Fleishman Hillard, “The Power of Authenticity”, 2021; (5) Microsoft advertising and Accenture, Inclusive marketing research, March 2019; (6) Josh Bersin, study conducted on more than 450 global companies, 2015; (7) PR Newswire, survey conducted on 6200 job seekers in the U.S., Canada, the U.K. and Israel, 2022
## THE CASE FOR ACTION: DEI as a driver of business success (2/2)

<table>
<thead>
<tr>
<th>Access to capital</th>
<th>Staying ahead of policy and regulatory changes</th>
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<tr>
<td>$10 trn.</td>
<td>40%</td>
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**DEI performance** is now a key area of focus for ShareAction’s Workforce Disclosure Initiative, which represents a coalition of 68 institutions with USD $10 trillion in assets under management.

Of women are required in publicly listed companies (Spain/France/Ireland) (1)
STATE OF PLAY: Diversity, Equity and Inclusion gaps in the workplace

In the face of mounting stakeholders’ expectation, and as the business case for DEI becomes increasingly undeniable, many global organizations are now moving swiftly to advance their DEI efforts. However, challenges remain when it comes to translating DEI commitments into performance.

01 WAGE GAP ACROSS DEMOGRAPHIC GROUPS

Globally, men are paid in average 16.1% more than women\(^1\)

Black women in America wins 63 cents for every dollar earned by white men\(^2\)

Members of the LGBTQI+ community in the US earn an average of 90 cents for every dollar earned by their heterosexual counterparts\(^3\)

In Latin America, the mean income of white individuals is at least twice higher than that of individuals with the darkest skin shades.\(^4\)

02 LOW LEVELS OF INCLUSION ACROSS ALL GROUPS

% respondents who feel fully included by demographic\(^*\)

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>LGBTQ+ women</td>
<td>20%</td>
</tr>
<tr>
<td>LGBTQ+ men</td>
<td>25%</td>
</tr>
<tr>
<td>Asian women</td>
<td>30%</td>
</tr>
<tr>
<td>Asian men</td>
<td>35%</td>
</tr>
<tr>
<td>Latinx women</td>
<td>40%</td>
</tr>
<tr>
<td>Latinx men</td>
<td>45%</td>
</tr>
<tr>
<td>Black women</td>
<td>50%</td>
</tr>
<tr>
<td>Black men</td>
<td>55%</td>
</tr>
<tr>
<td>Straight white women</td>
<td>60%</td>
</tr>
<tr>
<td>Straight white male</td>
<td>65%</td>
</tr>
</tbody>
</table>

03 UNEQUAL PROMOTION AND ADVANCEMENT OPPORTUNITIES

Only 5% of CEOs globally are women\(^6\)

As of 2020, 13% of the US labor force was black\(^7\), but only 4 of the Fortune 500 companies had a black CEO - equating to less than 1%\(^8\)

36% of people with disabilities of working age are in employment, compared to 60% for people without disabilities\(^9\)

STATE OF PLAY: Significant gaps on corporate transparency and disclosure on DEI metrics

Recent analysis of the disclosures of 1,000 global leading companies by the World Benchmarking Alliance found that:

- Companies report on gender composition: 59%
- Companies report on age: 18%
- Companies report on race or ethnicity: 17%
- Companies report on additional markers, such as disability, sexual identity, geography or marital and family status: 6%
- Companies report on all of these diversity fundamentals: 1%

This disclosure gap partly reflects the legal restrictions on personal data collection in several countries, even though many businesses address this challenging by implementing self-disclosure programs.

## CATALYZING ACTION: Key action areas for business to advance DEI

<table>
<thead>
<tr>
<th>1. Express C-Suite commitment with formal accountability in line leadership</th>
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<tbody>
<tr>
<td><strong>INSIDE THE ‘FOUR WALLS’</strong></td>
</tr>
<tr>
<td>2. Build an equitable Talent Journey</td>
</tr>
<tr>
<td>3. Ensure pay &amp; benefits equity</td>
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<tr>
<td>4. Ensure an inclusive culture throughout the organization</td>
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<tr>
<td><strong>OUTSIDE THE ‘FOUR WALLS’</strong></td>
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<tr>
<td>5. Embed DEI throughout the supply chain</td>
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<tr>
<td>6. Deliver an inclusive marketplace experience (brand, product, customer experience)</td>
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<tr>
<td>7. Engage actively in community partnerships and advocacy</td>
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</table>

| Governance and resourcing |
| Feedback loop and communication |
| Technology and data |
Breakout Discussion

• You will be divided into groups (each group will cover all action areas) to discuss the following questions:
  - Do you agree with the proposed initiatives? Which ones you would add / remove?
  - Select the top 2 that you think are the most critical for your organization?
  - What are the different types of enablers and / or blockers that could be both internal (e.g., technology, resourcing, incentive..) and external (e.g. ,regulation and policies, industry standards...)

25 min  Breakout brainstorm

15 min  Plenary debrief
Express leadership commitment and formalize accountability

**Ambition**

DEI becoming top of mind topic for leadership, fully embedded in the business strategy

**Initiatives**

- Identify a C-suite member, accountable for DEI initiatives
- Appoint a DEI Officer, with a dedicated budget and team, and reporting directly (or dotted line) to the CEO
- Define DEI ambition & multi year measurable goals
- Integrate DEI goals into overall business strategy
- Enable real-time data-measurement to track progress on defined KPIs, to be shared during exec and board meetings (and LT only)
- Performance against DEI targets deeply embedded into KPIs for all senior mgmt., discussed at annual review and promotion committee
- Tie senior leader compensation to progress on DEI outcomes
- Measure impact of DEI investment on business outcomes
- DEI initiatives & progress regularly communicated externally and internally (e.g., townhalls, DEI public report etc.)
Equitable talent journey: recruitment and onboarding

Fair representation of diverse groups in new hires

INITIATIVES

✓ Use DEI-friendly communication, free of bias, for all recruiting materials (e.g., job postings, website..)
✓ Implement skill-based hiring (emphasizing on skills rather than degrees): in job desc, audit language used, remove time-based experience, add inviting language
✓ Deliver ‘unconscious bias’ training to all recruiters
✓ Proactively reach out to different talent pools
✓ Remove criminal background check, remove name and photo from application
✓ Ensure diverse interviewer slates
✓ Work sample interviews to ensure standardized process
✓ Develop work-based experiences, in order to create opportunities at entry-level (e.g., apprenticeship, internship)
✓ Design recruitment process to appeal to for all under-represented groups
✓ Develop standard training & integration period
✓ Provide new-joiners with opportunity to connect with affinity groups
✓ One-on-one training, for senior new hires
Equitable talent journey: retention and promotion

**AMBITION**

Talents from all backgrounds have equal opportunities to succeed and grow their career

**INITIATIVES**

- **Standardized performance assessment** framework (skills matrix)
- **Articulate career pathways**: clearly define skills and competencies needed for advancement within the organization
- Post all opportunities within a **centralized database** to ensure transparency to all (vs relying on networking)
- Invest in **regular upskilling programs** for employees from under-represented groups
- Partner with external networks to provide **coaching and support to senior talent** from under-represented groups
- Provide **targeted opportunities for growth** for employees from under-represented groups (sponsorship programs)
- Ensure **standardized promotion process**
- **Audit performance reviews** for bias
Ensure pay & benefits equity

AMBITION

No pay gap across diversity vectors at all levels of the organization

INITIATIVES

✓ Ensure **transparent, standardized base salaries** for all roles
✓ Engage in **annual external pay equity audit** (incl. base and variable + non-compensation reward), be transparent about findings and **correct discrepancies**
✓ **Publish bonus payments** for senior members of organisation
✓ **Audit benefit usage** across all diversity group and **compensate any gap**
**Build an inclusive culture throughout the organization**

**AMBITION**

All employees feel included in the organization, and are comfortable being their full self at work

**INITIATIVES**

- Internal DEI training for all employees
- Embed ‘inclusion’ and/or ‘diversity’ in company purpose, mission or value
- Regular public statement from C-suite about inclusion
- Zero-tolerance policy for harassment
- Inclusive office facilities
- Create ERGs when appropriate, with strong exec sponsorship
- ERGs have resourcing (budget, admin support) and sponsorship from C-suite
- Broadcast role models from under-represented groups internally & externally
- Consistently listen and learn from diverse talent (e.g., sentiment survey) to understand root causes and deltas on inclusion
- Inclusive meeting protocol
CATALYZING ACTION: What challenges to scaling up actions are companies facing?

<table>
<thead>
<tr>
<th>Path forward is not quick nor easy</th>
<th>Variety of local contexts and regulations</th>
<th>Lack of appropriate data and infrastructure</th>
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<tbody>
<tr>
<td>• Making progress on DEI often requires going slow to go fast. Driving a robust DEI strategy is not about quick wins or easy fixes.</td>
<td>• When it comes to the global implementation of a DEI strategy, local contexts and regulations can bring additional layers of complexity.</td>
<td>• Finally, a common barrier lies in the lack of standardized data collection and reporting methodology as well as internal infrastructure to measure and track DEI actions consistently.</td>
</tr>
<tr>
<td>• Progress on DEI is a multi-year journey without a finite destination that requires continual learning and evolution at every levels of the organization.</td>
<td>• Certain cultural norms or legal restraints in some countries, can conflict with company’s culture and compromise the efficiency of their DEI initiatives.</td>
<td>• Data on workforce diversity is difficult to gather, not to mention the legal limitations in some countries.</td>
</tr>
<tr>
<td>• DEI is different from other transformations: it is deeply personal, it’s inherently subjective, and it’s difficult to know the end state.</td>
<td>• Variability in disclosure regulations across countries can also make it challenging for companies to comparably measure data and track progress across geographies.</td>
<td>• Moreover, financial investments are needed to build tracking systems and processes, but these investments can be challenging to justify, as the return on investment is difficult to measure.</td>
</tr>
<tr>
<td>• Too often, DEI is perceived as an HR initiative, while it should be seen as an organizational shift in operations, culture, and mindset, with clear accountability deeply embedded in the business.</td>
<td>• While DEI strategies should be defined globally, in order to be successful, they also need to be tailored to the local context, and goals should be set with these differences in mind.</td>
<td></td>
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Solutions to scaling actions

- Set aside time to build shared leadership awareness and accountability on DEI, at senior leadership and line manager levels.
- Invest heavily in DEI data infrastructure – numbers and stories – to understand current state and track progress against goals.
- Embrace transparency by sharing frequent updates on DEI efforts and outcomes with stakeholders (incl. public disclosure).
- Ensure sufficient resourcing and incentive for the DEI team and for local line leaders to generate real results.
- Ensure marginalized voices are at the center of understanding issues and designing solutions.
- Install high velocity feedback loops to accelerate learning, progress, and transparency.
Thank You

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