Corporate Inclusion

A Social Imperative and a Measure of Success

July 2020
## Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword: Inclusion Must Be at the Heart of the Post Covid-19 Economic Recovery</td>
<td>3</td>
</tr>
<tr>
<td>Introduction</td>
<td>4</td>
</tr>
<tr>
<td>Inclusion in the Workplace: Still a Remote Reality, Despite the Efforts Made</td>
<td>5</td>
</tr>
<tr>
<td>Inclusion: a Proven Vector of Success for the Company</td>
<td>7</td>
</tr>
<tr>
<td>Our Five Recommendations for Companies</td>
<td>8</td>
</tr>
<tr>
<td>1. Begin by asking yourself why: Define your objectives, choose your battles</td>
<td>8</td>
</tr>
<tr>
<td>2. Embark the CEO and Senior Leadership</td>
<td>9</td>
</tr>
<tr>
<td>3. Adopt an ecosystem approach</td>
<td>10</td>
</tr>
<tr>
<td>4. Measure, in order to understand and move forward</td>
<td>11</td>
</tr>
<tr>
<td>5. Adopt a continuous progress approach</td>
<td>13</td>
</tr>
<tr>
<td>Our Two Proposals for the State</td>
<td>15</td>
</tr>
<tr>
<td>1. Make inclusive recruiting one of the levers of economic recovery</td>
<td>15</td>
</tr>
<tr>
<td>2. Reward good behavior and set an example through public procurement</td>
<td>16</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>17</td>
</tr>
</tbody>
</table>
Foreword: Inclusion Must Be at the Heart of the Post Covid-19 Economic Recovery

The economic consequences of the coronavirus crisis will be felt in all countries and business sectors, without discrimination. In France, the figure of 6 million unemployed was reached in April, and INSEE predicts a 20% drop in GDP in the second quarter of 2020. In the United States, unemployment jumped to almost 15%, its highest level since the Second World War, with 20.5 million Americans losing their jobs in April as a result of the coronavirus pandemic.

However, like other crises before it, this crisis will not have an equal impact everywhere. In the United States and in France, as elsewhere, the most vulnerable sectors of the population will pay the highest price, thus risking a worsening of social inequalities (those working in the informal economy, “blue-collar” workers, self-employed workers, etc.). As Clyde Plumauzille, CNRS researcher at the Centre Roland Mousnier, points out, this crisis is also a gender crisis, with women - nurses, care assistants or checkout cashiers - having occupied the front lines in the fight against the virus. In a broader sense, this crisis is a crisis of diversity, of vulnerabilities, a crisis of inclusion, which reveals the democratic potential of our States in the light of their care for those who are most vulnerable and most disadvantaged.

However, this context and the many questions and challenges it raises also provides great potential for exploring new horizons.

Inclusion will be an important prism for a sustainable and responsible economic recovery.

In a more uncertain world, social expectations with regard to companies, their mission and their responsibility, particularly in terms of inclusion, will be even more central to their success. This is particularly true in France, whose legislative framework leaves more room for companies to make a proactive commitment to inclusion matters.

While greater social justice is an obvious and sufficient reason for wanting to reinforce inclusion and end discrimination within the company, many studies demonstrate the positive externalities that inclusion can have on team performance, and by extension, on the success of the companies themselves, especially in times of crisis. In the very short term, inclusion will be a source of resilience, with a view to resetting the economy. In the medium term, inclusion will assist the economic rebound thanks to the capacities for innovation and adaptation which emerge when cultivating differences and diversities. In the long term, innovation, resilience and adaptability, among other positive externalities of inclusion, will be the keys for dealing with the uncertainties and the complexity of the world of tomorrow, whether facing climate change or changes in the world of work, for example.

Thus, companies that have gained a head start on others in meeting society’s expectations despite the difficulties they encounter in this crisis, within the scope of their means, and taking into account the long-term effects of a policy of inclusion, will emerge stronger, benefiting from the competitive advantages that a successful policy of inclusion can bring.

Launched in January 2020, AmCham's Corporate Social Responsibility (CSR) committee devoted its first cycle of reflection to the theme of inclusion in the workplace. Under Joint Presidents Hélène Sancerres, Director of Change Management and CSR at Cisco France, and Julien Kauffmann, President Managing Director, France, Managing Director, Southern Europe, American Express GBT, this committee is made up of representatives of AmCham member companies, in particular from French and American corporate groups, representatives of associations and of higher education institutions who have been involved for a long time with diversity and inclusion issues.

The result of six months’ work in collaboration with the ESSEC Business School, this position paper proposes levers for action to open a new stage of inclusion policies in France.

While we recognize the efforts that have been made and the positive development that has been observed in recent years, lack of inclusion and diversity in business remains an all-too-present reality. We decided to approach the theme of inclusion through the lens of performance by asking ourselves how an inclusion policy can be a real success factor for teams, and by extension, for companies themselves.

Historically, France has gradually gone beyond the notions of assimilation and integration, taking into account diversity in gender, appearance, socio-cultural origins and others, to the point of integrating the concept of inclusion today.

In the workplace, inclusion represents taking diversity into account by creating a work environment that guarantees fairness and equal access to opportunities and resources.

This involves a set of processes and actions, in particular the promotion of a culture of respect for differences, allowing everyone to contribute fully to the success of the organization. It is present at all levels of the company, allowing each and every individual to be himself or herself at work. While diversity is a factual component, inclusion is the implementation of a system for taking this diversity into account, so that it can be expressed.

“Diversity is about numbers and inclusion is what you do with those numbers.”

Junko Takagi, Teaching Professor, Management Department, Chair of Leadership & Diversity, ESSEC

To develop this position paper, we chose to approach the topic with an open mind, fostering continuous learning and progress.

This position paper is the result of a collaborative effort through interviews and hearings conducted with representatives from academic and research circles and associations campaigning for diversity and inclusion in the world of work. It gathers testimonials and best practices from AmCham member companies, drawn from all business sectors, and which have learned from their transatlantic and global presence.

This position paper shows that there is no magic recipe for inclusion that can be replicated in every company. However, we shall present five pragmatic and actionable recommendations to enable companies to turn this challenge into a competitive advantage.

To support this effort, particularly during this period of crisis, this position paper makes two proposals for the French State, in order to increase companies’ capacity for inclusion via targeted reductions in charges and by taking into account inclusion criteria for market selection and in public procurement.
Discrimination is defined as treating a person or a group of persons in an unfavorable manner by reason of one or more of the criteria defined in article 225-1 of the French Criminal Code. Since 2014, there are 20 of these criteria: age, physical appearance, membership (true or supposed) of a given ethnic group, nation, race or religion, state of health, sexual identity, sexual orientation, pregnancy, family situation, disability, patronymic, sex, union activities, genetic characteristics, morals, political opinions, origin and place of residence.

The current situation regarding discrimination in France is the subject of several studies concentrating on key issues. They enable an understanding of these phenomena as well as their repercussions on society, more specifically here on the running of the company. Beyond discrimination, it is important to note that a company whose practices are non-discriminatory will not necessarily be an inclusive company: tackling inclusion requires additional efforts to be made.

Gender diversity remains one of the key subjects of inclusion at work today. In the 2020 edition of his report on feminization of governance bodies in the CAC40 companies, Prof. Michel Ferrary points out that women represent only 17.49% of the executive committees of the 60 largest French companies quoted on the Paris stock exchange. Yet they represent 32.97% of management teams, traditionally a pool from which senior executives are recruited.

These results are corroborated by the study of the feminization of business management conducted by Valérie Lion and Jennifer Flock via a collaboration between L’Express and Heidrick & Struggles, which notes that there is a polarization of the positions on executive committees.

While 66% of men on executive committees are in operational roles relating to the key needs of the company, 64% of women are in functional roles, in particular in connection with support functions or roles which are considered gender-specific.

Consequently, only 20% of women on executive committees are working in a finance role, while they represent 45% of the marketing & communication function.

Another major theme concerning inclusion in the workplace is sexual orientation. According to a study conducted by BCG in 2018, 46% of LGBT+ employees interviewed in France lie about their sexual orientation in informal discussions with their colleagues. However, it notes that much progress has been made. Whereas in 2015 only 65% of people claimed that they were able to "come out", today that number is 76%.

Although there is still much work to be done, there is now a real awareness of discrimination based on age, gender and disability, thanks to the introduction of verifiable and quantifiable policies.
However, France too often remains “blind” to the fight against discrimination based on origin— to the detriment of its social cohesion. This formed the subject of a study by INSEE and INED, highlighted in 2014 in a report from the Economic, Social and Environmental Council (ESEC). It concludes that young people from migrant backgrounds, with equal skills and profiles, are 20% more likely to be unemployed than the rest of the population. This gap affects women from the Maghreb region and from sub-Saharan Africa, in particular.

According to this same ESEC report, this difficulty in dealing with the subject of ethnic diversity is partly explained by the French legal framework and a historical context. However, the report presents several tools which are available to companies to enable diversity to be measured in a legal and effective way, using the example of young people from migrant backgrounds. But these methods are rarely used, as companies are not sufficiently aware of them. This creates difficulties in dealing with the issue in depth, with an absence of numerical data.

In its 2019 survey, the Charte Diversité highlights the difficulty that companies have in measuring the progress of their inclusion policies. There are several options available for measuring the inclusion of people of diverse origins; in particular, several companies are using self-evaluation questionnaires based on the principle of voluntary participation. However, only 37% of companies are conducting impact assessments of their diversity policies. When this is done, the focus is mainly on gender and disability.

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Inclusion: a Proven Vector of Success for the Company

Researchers and consulting firms have studied the impact of inclusion on the performance of companies. The latest McKinsey study on diversity and inclusion found that organizations with diverse boards of directors and senior management teams (in terms of diversity of origins) were up to 36% more likely to overperform than their less diverse competitors. These figures are corroborated by those of the International Labor Organization, according to which 75% of companies which have implemented measures in favor of diversity have seen their profits increase by between 5 and 20% between November 2017 and January 2018. Different research studies have thus shown a positive correlation between inclusion and key financial indicators.

Others show diversity within management teams to be a real source of innovation, in that it promotes the emulation of differences and the sharing of ideas among stakeholders from varied backgrounds and with different visions. Indeed, in a report published in 2017 examining the link between innovation and diversity within 171 companies, BCG points out that up to 41% of big companies' variation in innovation can be explained by diversity in the industry backgrounds, career paths, and gender of their managers.

However, the benefits of inclusion can also be seen in terms of factors that are not always measured in the company's results, such as employee involvement or loyalty, or the feeling of well-being in the workplace, yet each of these has a direct effect on productivity. A detailed study published in 2013 by Deloitte quantifies these factors. It has been proven that employees of inclusive companies are more engaged at 67%, compared to 20% for non-inclusive companies. This conclusion was also drawn by several companies, following empirical and statistical observations. We infer from this that inclusion creates a feeling of well-being, which leads to better performance.

In its gender diversity study published in 2019, Sodexo also demonstrates that in addition to higher operating margins, there is a definite correlation between the diversity of management teams and non-financial key performance indicators. Consequently, group entities with gender-balanced management score higher for employee retention (+8 percentage points in 2016), client retention (+9 percentage points), safety (+12 percentage points) and employee engagement (+14 percentage points).

In summary, these studies reveal that it is not diversity in itself that creates performance, but good management of diversity through inclusion. Sodexo finds that a ratio of 40 to 60% of men and women is an effective gender balance in management. With greater ratios, the key performance indicators begin to fall.

Lastly, the capacities for resilience and adaptability demonstrated by people from diverse backgrounds are an undeniable asset in order for the company to evolve in an increasingly complex and uncertain environment like ours.

"What creates value in inclusion is not the representation of all the diversities per se, but the inclusion of people who think differently and the emulation resulting from it."

Pete Stone, Founder of Just Different.

"People who have been excluded are much better prepared for uncertainty. In a crisis like the one we are facing today [the coronavirus], they demonstrate a greater capacity for resilience, because they are used to being put in a difficult position. This applies to all minorities. We deal better with situations of weakness, with the unpredictable, when that is what we know."

Laurent Bibard, Professor, Management Department, ESSEC

12 Id.
Our Five Recommendations for Companies

1. Begin by asking yourself why: Define your objectives, choose your battles

“...I have companies who come up to me and say they would like to promote diversity, through gender for instance. My first question is Why. Why work on inclusion? What advantages are you expecting for your business?”

Junko Takagi, Teaching Professor, Management Department, Chair of Leadership & Diversity, ESSEC

We believe that every company must start by identifying the business and strategic objectives of its inclusion policy. In this way, they can prioritize their inclusion initiatives, give a legitimate and sincere meaning to them, and make them strategic levers for the success of the company.

“At 3M, the basis for growth is an inclusive environment. Because inclusion leads to engagement, engagement promotes creativity, creativity drives innovation, and innovation supports growth.”

Roberto Anta, 3M Spain Country Leader and D&I Regional Leader West Mediterranean Region, and Véronique Delpla-Dabon, CSR Director / Sustainability & Community Relations Manager, West Mediterranean Region, 3M

The social mission of companies, which has been increasingly emphasized in recent years, is clearly fundamental in leading the fight for inclusion. But these ethical considerations cannot be the only motor for inclusion, at the risk of encountering difficulties in convincing teams to really change their habits, or even the risk that these initiatives might be abandoned at the first sign of difficulties.

Beyond the imperative of social justice, it is necessary to tackle the question of gender equality as a real performance issue in order to make things happen at the corporate level.

Michel Ferrary, Founder of the SKEMA Observatory on the Feminization of Companies, Member of the High Council for Gender Equality between Women and Men

INSPIRATIONAL EXAMPLES

- **At Cisco, inclusion is now at the heart of the company’s purpose**
  In the middle of the global health crisis (May 2020), Cisco announced a new and ambitious purpose which places inclusion at the heart of its strategy. “Cisco’s purpose is to power an inclusive future for all.” How? By building on its leadership position in the world of technology and its mission to inspire and promote new possibilities by reimagining applications, securing data, transforming infrastructures, empowering teams, etc. A bold commitment requiring engagement from all stakeholders.

- **At ExxonMobil, inclusion is an integral part of the corporate strategy**
  At ExxonMobil, inclusion of diversity is a source of resilience for a company operating in a particularly complex and constantly evolving industry. A real competitive advantage. For example, each year the ExxonMobil Power Play Awards, launched in 2019, celebrate the achievements of women from across the liquefied natural gas (LNG) industry and the men who support them. With a view to promoting the industry as a whole, the Power Play Awards are proof that a more inclusive and mutually supportive environment is a source of performance at all levels of the value chain, in a sector where men are still in the majority.
2. Embark the CEO and Senior Leadership

Clear commitment from management (the CEO of the group, as well as the managers of the subsidiaries) is essential for the success of an inclusion policy. In a time of crisis, with a general climate of uncertainty and anxiety, there is an even greater need for Senior Leadership representation and for top management to lead by example.

Inclusion means changing behaviors, overcoming reluctance, and fighting this natural tendency of the employees to conform. It takes a strong and unshakeable will to ensure that this spreads to all levels of the company, even more so because implementing an inclusion policy is challenging and time-consuming.

INSPIRATIONAL EXAMPLES

■ At 3M, internal communication is indispensable and its frequency is critical

“In our experience, communication from senior management is one of the keys to change management. With three imperatives: frequency, frequency and frequency. Because in our fast-paced professional world, it takes a real communication effort from the top management of the company to ensure that Diversity and Inclusion remains a relevant topic for the teams.”

Roberto Anta, 3M Spain Country Leader and D&I Regional Leader West Mediterranean Region, and Véronique Delpia-Dabon, CSR Director / Sustainability & Community Relations Manager, West Mediterranean Region, 3M.

■ At L’Oréal, the commitment of Jean-Paul Agon is the key

“The Diversity and Inclusion department is a think-tank, where we can implement projects that promote equal pay, fighting against domestic violence, or the integration of refugees into our teams. Our role is also to explain the impact and to convince. The commitment of our CEO is key to deploy these initiatives globally.”

Margaret Johnston-Clarke, Global Head of Diversity & Inclusion, L’Oréal Group.

Sociologically, human beings have a visceral tendency towards conformism and standardization.

Pete Stone, Founder of Just Different

If inclusion is a subject for Human Resources, managers in the field who are not aware of it will not feel they are responsible for it. Yet that is where the battle is being fought.

Pete Stone, Founder of Just Different

So inclusion must not only be a strategic issue decided at the highest level of the company. The commitment must be led by top executive management. They in turn must communicate this subject repeatedly and unequivocally within the organization. This commitment may be affirmed by the signing of charters or other forms of engagement, which sends out a strong signal.
3. Adopt an ecosystem approach

An ecosystem within the company:

Inclusion is everyone’s business in the company. As well as commitment from senior management and the involvement of Human Resources in its execution, it must include all levels of the company.

Developing a culture of inclusion will not happen all at once. It can only be achieved through a sum of initiatives which must be improved continuously, requiring a real investment in terms of time and resources, especially in its early stages.

Three main levers can be employed: Corporate policies, particularly policies relating to recruitment and promotion. Training, essential to enable each employee to exceed his or her innate aptitudes and tendencies (people don’t know what they don’t know) and to improve team performance, without making employees feel guilty for their behaviors. Lastly, the corporate culture, by means of employee incentives and bonuses.

The choice and the sequence of the initiatives that will make up this ecosystem must, in a very pragmatic sense, follow from each company’s business challenges (see recommendation 1). In this respect, training must provide employees with the tools they need to deal with themes of inclusion, with a view to promoting a bottom-up approach so that front-line managers can experiment and understand what works best in their own specific contexts and thus achieve quicker results.

But also the ecosystem to which the company belongs:

The implementation of an inclusion policy must also take into account the societal ecosystem which surrounds the company, its territorial anchorage and its belonging to a global production system.

Crisis periods like the one we are going through currently with the coronavirus pandemic reveal the fragilities in the production system and the importance for the company to think of inclusion in its relationships with its suppliers, its customers and other stakeholders in its environment, in order to increase its social impact and at the same time to strengthen its capacities for economic resilience.

INSPIRATIONAL EXAMPLES

- At Airbus, an approach in partnership with the social ecosystem

Airbus considers apprenticeships as a vector of upward social mobility for young people in difficulties. Every year, the company mobilizes all its employee networks to welcome, coach and support young people with difficulties or from disadvantaged neighborhoods. The group has also launched many mobilization actions to promote employment for young people and apprenticeships as part of the initiative “La France, une chance, les entreprises s’engagent!”, “An opportunity for France - companies are getting involved!” (e.g. the “Urgence Alternance” work-study scheme in the department of Loire-Atlantique) which brings together the State, companies and associations. Airbus also finances full-time engineers attached to local academies managing diversity projects to support young people in the area. Lastly, Airbus supports and gets involved in associations that assist young people from diverse backgrounds, accompanying them in their studies and their professional insertion (NQT, Face, Mozaik RH, Entreprises dans la Cité, etc.).

- Johnson & Johnson: Volunteer staff at the grass roots of group commitment

The Johnson & Johnson Credo, written in 1943, lists its responsibility to its employees as the second of the company’s four pillars of responsibility. This Credo applies to all the group’s employees, making inclusion a collective responsibility. At Johnson & Johnson, the core of initiatives relating to inclusion is largely based on the voluntary commitment of staff who are members of the ERGs (Employee Resource Groups). These ERG bring together people from across the company who feel concerned by themes relating to inclusion and who want to contribute towards moving the subject forward. With a bottom-up approach, their initiatives sometimes succeed in engaging the responsibility of the company’s senior management. Thus, in France, it is thanks to the actions of Open & Out, the ERG dedicated to inclusion of LGBTQ+ persons, that the Johnson &
Johnson Group, France will sign the LGBT+ Charter of Commitment of l’Autre Cercle. Similarly, in 2015, the group signed a Charter of Commitment for the promotion of gender diversity, thanks to the actions led by Women Leadership & Inclusion, the ERG working on gender equality.

**Philip Morris International (PMI): A collective responsibility for equal pay**

PMI is the first international company to be awarded EQUAL-SALARY certification for having achieved equal pay for women and men across its 90 subsidiaries. This certification is based on an audit conducted by PWC, which verifies that the gender pay gap for equivalent responsibilities is less than 5% and that senior management and HR policies in each subsidiary is committed to this objective. The PWC audit also tests employee perception. In this way, everyone is held responsible. A drop in equal pay at any one of the subsidiaries would cause the group to lose the global certification. It is the pragmatism of this method, which makes the managing director of each subsidiary responsible for obtaining certification for the group. His or her involvement, along with his or her peers, enables progress to be made in the field of gender equality, independently of local cultures or applicable national laws.

4. **Measure, in order to understand and move forward**

Inclusion cannot be imposed. In order to appreciate it, it is not enough to measure quantitative objectives. You have to listen to the feelings of employees and elicit their points of view. Do they feel they are being listened to? Are they comfortable expressing themselves and being who they really are?

Caroline Gaye, Country Manager, American Express Carte France.

First of all, we recommend measuring not only factual aspects of inclusion (such as the percentage of women in top management), but also more subjective aspects which have to do with how employees feel about inclusion (whether employees from a particular diversity group share a sense of justice, fairness, belonging, well-being at work, etc.).

Next, we recommend using external methodologies to measure your company’s performance in matters of inclusion (such as certifications like Great Place To Work). This allows you to evaluate your company’s performance using well established criteria, to benefit from feedback and to compare your own company against others.

However, we believe that measuring your company according to its own criteria, established according to its own specific objectives (see recommendation 1) is central to the process, in order to evaluate your progress, tailor performance, and have objective elements for working on these topics.

Finally, avoid being too hasty in drawing conclusions from the metrics:

Clearly, measuring is important in order to move forward. But be careful how you interpret these metrics. How many times have I heard that our metrics show that our profession is not attractive to women? We must measure, but we must not stop at quantitative metrics. We must listen, in order to understand those metrics. But we must also adopt qualitative metrics and gather first-hand testimonies.

Emilie Bléhaut, Director of Consulting, head of the incubator for female talent, PwC Seed.
INSPIRATIONAL EXAMPLES

**American Express: An inclusion policy that listens to employees**

At American Express, employee evaluation focuses equally on the achievement of quantitative objectives (goals) and qualitative behavioral criteria (leadership), taking into account team spirit. For managers, one of the evaluation criteria for “leadership” is building a diverse and inclusive team. In addition, the annual internal Pulse survey measures employees’ sense of belonging, fairness, being listened to and well-being at work on an anonymous basis. It has a participation rate of 90% every year. Finally, a diversity manager dedicates 100% of his or her time to supporting employees in matters of inclusion, and there is a listening unit available to employees 24 hours a day, all year round. In 2019, American Express France came 10th in the Great Place to Work tables for companies with between 500 and 5,000 employees.

**Dow: Balanced Scorecard and Performance Compensation to reflect Inclusion Indicators**

As of 2020, the Dow Performance Award program has been redesigned to reflect a more balanced scorecard. On top of financial metrics, new Environmental, Social and Governance (ESG) goals have been introduced. The inclusion indicators are related to Employee Resource Group (ERG) participation, Representation of Women and U.S. Minorities across the organization. In this way the employees’ annual bonus is directly linked also to the achievement of inclusion goals.

Triple bottom line (TBL) accounting: A new measurement tool for corporate inclusion

Adrian Zicari, Teaching Professor, Accounting and Management Control Department, Academic Director of the Council on Business & Society, ESSEC.

During the last decades, more and more companies have been presenting their Sustainability Reports. As of May 2020, the Sustainability Reporting Database registers 14,607 reporting organizations worldwide. Perhaps under different names (e.g. Social Responsibility Report, Sustainable Development Report) and with different approaches, all these documents share the common purpose of giving a broader disclosure about the company’s activities. The common idea of all those initiatives is to provide a broader spectrum of information, not only financial results. By this doing, the company expects to engage in a constructive dialogue with a broader audience of stakeholders, for instance, employees, clients, government and civil society.

Those reports vary in their content, but most of them include indicators related to inclusion. For instance, one of the most popular standards include an indicator for “percentage of individuals within the organization’s governance bodies” in several diversity categories. This includes gender, age group, and “other indicators of diversity where relevant”. The same standard includes another indicator for the “ratio of the basic salary and remuneration of women to men for each employee category…”

Social Accounting can contribute to Inclusion at least in two ways. First, it is important that stakeholders, particularly those of civil society, get familiar with those indicators related to inclusion. Understanding those indicators, comparing them over time and across companies, can help to create a substantiated dialogue between society and the firm. Second, given the increasing importance of the United Nation’s Sustainability Development Goals (SDGs), many companies have begun to make links between their corporate actions and their impact in some specific SDGs, particularly SDG 5 (Gender Equality), SDG 8 (Decent work and Economic Growth) and SDG 10 (Reducing Inequality). By this doing, companies will more clearly explain their contribution to Inclusion at a global scale.
At Great Place To Work®, the perception of inclusion is a major issue which is taken into account in evaluating companies

The Best Workplaces label awarded by Great Place to Work®, which rewards the companies with the best workplace experience, is based on two key tools. The Trust Index©, which accounts for ⅔ of the score, measures employees’ perceptions using questions about conviviality, sense of belonging and fair treatment. Administered to all employees of a company on a completely anonymous basis, the demographic questions also make it possible to identify populations that are behind in certain aspects. The Culture Audit© accounts for ⅓ of the score and evaluates management practices using a methodology that takes into account variety, originality, “inclusivity”, generosity and integration of practices.

PWC has analyzed the “collaborative experience” of women in order to gain a greater understanding of the lack of women in top management positions

As a result of many interviews, the company has built 3 typical profiles (personae) of women at PWC and identified the key moments in their employee experience and the factors which could cause them to become disengaged and thus possibly to leave the company. This study has served as the platform for actions intended to promote gender equality in order to maximize its impact.

5. Adopt a continuous progress approach

Inclusion does not go with efficiency. It rhymes potentially with effectiveness, but not with efficiency. It is a much more long-term performance.

Junko Takagi, Teaching Professor, Management Department, Chair of Leadership & Diversity, ESSEC

An inclusion policy is a lengthy process, with long-term results. You have to accept that you may make mistakes at first, that you may have to try again, and to deconstruct what you knew in order to re-learn what you thought you knew.

Inclusion is also a complex concept. You must anticipate changes. We live in an uncertain world with many systemic crises and challenges, and the inclusion of today will not be that of tomorrow. These changing trends must be taken into account so as not to fall behind. Artificial intelligence (AI), for example, could erode progress in gender diversity. The IMF predicts that more jobs currently held by women risk being lost as a result of AI than jobs held by men. Reskilling and training as part of inclusion policies will therefore be crucial in order to prevent disproportionate job losses for women in the future.

We must constantly work on inclusion and never assume that things are perfect. We must keep in mind that our solutions are fragmentary and temporary and we must be able to renew them. Companies must regularly take a step back from what they know. We must be able to control, but without losing sight of the fact that the institutional nature of inclusion is constantly under construction.

Laurent Bibard, Professor, Management Department, ESSEC.

INSPIRATIONAL EXAMPLES

- **Technology in support of inclusion at Airbus**
  By using virtual reality to expose its managers and employees to situations of harassment and discrimination, Airbus has achieved excellent results in raising awareness of biases and prejudices as well as in developing the right behaviors to adopt.

- **At Klaxoon, progress in inclusion comes from everyone**
  According to its HR director, the secret sauce behind Klaxoon’s excellent results in matters of inclusion is the “the humility of the management team”, who are always asking themselves how they could do better and do not assume that they alone have all the good ideas. For instance, Team Building (orientation program, internal events) is not entrusted to members of executive management or Human Resources, but to a rotating committee of 10 people, selected at random.

**SDGs: A driving force for making inclusion an accelerator for success and performance for the company**

Céline Dassonville, CEO and Co-founder of Ethiwork

Ethiwork is an impact studio created in 2018 with the aim of helping companies manage their economic, social and environmental externalities by optimizing their positive contribution and reducing their negative impact. Ethiwork acts on inclusion issues through a self-imposed duty to set an example for gender equality issues and by assisting senior talent in returning to work and employability. Ethiwork works closely with participants from the social economy and with NGOs which offer concrete solutions to the key issues of sustainability and resilience of our development models.

In France, implementation of inclusive approaches by companies is hampered by their lack of knowledge of their unconscious normative behavior and by a systematic failure to measure their level of and their contribution to inclusion. Thus, some forms of inclusion persist, such as exclusion of people from diverse backgrounds, while others are increasing, such as exclusion of older employees who are still of working age. However, two elements lead us to remain optimistic that progress can be made. First, the emergence and dynamism of purpose-oriented companies in France are helping to realize this possibility of putting inclusive performance at the core of the corporate business model. Second, the inclusion of Sustainable Development Goals (SDGs) in companies’ CSR strategies helps with the introduction of progress measures and strategies in these areas. Indeed, several SDGs directly promote inclusion.

At the company level, the emergence of initiatives aimed at reducing unequal pay and of fairer profit distribution practices, particularly in the outsourcing chain, can be directly linked to SDG 8, which promotes sustained, inclusive and sustainable economic growth. Initiatives created to combat poverty via donations and patronage align with SDG 1, which aims at ending poverty. Measures to promote gender equality in the workplace are in line with SDG 5, and so on. One of the dangers of non-inclusion is that it puts at risk the pursuit of SDG 16, which promotes peaceful and inclusive societies for sustainable development. For companies, defining how they contribute to inclusion also helps guard against potential risks of social conflict and loss of attractiveness towards talent and customers who are increasingly sensitive to these issues.

There is still much to be done. But the emergence of a common language promoted by the SDGs gives us hope that companies will be able to strive to increase performance by developing inclusive business models.
Our Two Proposals for the State

In times of economic crisis, when the need for survival is foremost for companies, there is a risk that matters of inclusion may be overshadowed in the absence of clear incentives from the State. As a first step, therefore, **the State must guarantee companies’ capacity for inclusion to ensure economic recovery.** This involves, in particular, restoring the confidence of companies so that they can continue to hire apprentices and young workers.

As a second step, in order to make inclusion a prism of sustainable and responsible growth, the State must overcome the “name and shame” approach of punishing bad behavior. This appears insufficient if we are to continue to move forward harmoniously in matters of inclusion. It must be complemented by a rationale of “name and claim”, with strong incentives that reward good inclusive practice.

1. Make inclusive recruiting one of the levers of economic recovery

AmCham welcomes the government’s announcement, as part of its economic recovery plan, of a reduction in social charges for hiring young people.

By extension, and as a way of recognizing the social impact of hiring choices made by companies, AmCham recommends a “zero employer’s charges” system for the year following the hiring of young people aged between 18 and 26 who are at risk of long-term unemployment, according to specific criteria:

- Young recipients of minimum social benefits for unemployment and/or disability, or based on household income;
- Young people with lower or no qualifications: maximum of 3 years of higher education (after high-school);
- Young people living in priority neighborhoods of towns or cities.

Apprenticeship contracts are an essential lever for inclusion in the workplace. AmCham also acknowledges the plan which the government has proposed to preserve this type of education, particularly the increase in the hiring subsidy for the first year. However, excluding apprentices at Master’s or Engineer level from this measure is a breach of equality. For students in higher education, particularly those from disadvantaged backgrounds, an apprenticeship contract can be essential for financing their studies. As such, we recommend extending the hiring subsidy to all apprentices, whatever level of diploma they are studying for.

Furthermore, Chambers of Commerce and Industry (CCIs) estimate that 10 to 15 % of young people with contracts with the CCIs’ network of apprentice training centers have had their contracts terminated because of the crisis, i.e. 10,000 to 15,000 cases. To safeguard their contracts, we are proposing that employers be fully exempt from contributions specific to private sector apprenticeship contracts for all apprentices hired prior to June 10 2020, regardless of the size of the company, the amount of the remuneration paid to the apprentice and the level of diploma for which the apprentice is studying.

Finally, to ensure professional integration of apprentices at the end of their training, we are proposing that employers be exempt from paying employer’s contributions for hiring an apprentice on a fixed-term contract at the end of his or her apprenticeship contract up to December 31, 2020. This exemption would be valid for the period of one year. This strong, clear and simple measure will support, in particular, those sectors of activity traditionally associated with apprenticeships (craftsmen, VSEs and SMEs), which are also the sectors most affected by the crisis.
2. Reward good behavior and set an example through public procurement

The French legislative framework and its recent changes have a definite knock-on effect for inclusion in the workplace. This is the case, in particular, with quotas which have made it possible to reach the goal of 40% of women on boards of directors, quotas for hiring people with disabilities, and more recently, the creation of the Gender Equality Index in 2019.

To this end, AmCham advocates a genuine and assertive consideration of inclusion in CSR criteria. On an equal footing with environmental criteria, selection for public markets and procurement could be done according to measurable criteria not purely based on financial reporting, such as:
- **a.** Companies taking inclusion criteria into account in their value chains.
- **b.** Manager bonuses indexed on results which relate to inclusion.
- **c.** Use of work-study and apprenticeship contracts and of programs and opportunities for continuing training for the most vulnerable employees.
- **d.** A move towards gender equality based on the Gender Equality Index and an evolution towards a goal of 40% of women on executive committees, in line with the proposal from High Council for Gender Equality between Women and Men to establish such a quota, along the lines of what has been done for the boards of directors.

However, companies sometimes move faster than governments, exceeding legislative expectations and by adhering to rigorous practices and commitments which the State itself does not follow. This is the case, in particular, for their purchasing policies. However, public procurement policy can be key for instigating a knock-on effect for inclusion in the workplace.

*The law is not an end in itself. However, it forces learning situations.*

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