

A company's approach to DE&I *from the perspective of a board member*

A conversation with Laura Cavatorta, board member for Snam and Inwit.

An enlightening perspective from someone who has a top-down view of DE&I and a clear projection for the future.



Interview by **AMELIE REUTERSKIÖLD FRANCHIN**
Sustainable Growth Strategist, Afuture

Laura Cavatorta was a panellist at the Lundquist Annual Seminar 2022, which took place at the Corriere della Sera headquarters.

Amelie Reuterskiöld Franchin, cofounder of Afuture and our partner on the research “The hidden potential of inclusion”, met with Laura Cavatorta, a staunch supporter of gender equality who, as an independent director of listed companies such as Snam and Inwit, is involved in governance and sustainability.

🗣️ IN WHAT WAY CAN A BOARD ACTIVELY CONTRIBUTE TO THEIR COMPANY’S DE&I APPROACH?

LC I’m tempted to say by starting with including DE&I issues in the agenda. In reality, I think it’s difficult to find a large company that hasn’t addressed how it might become more sustainable and one of the first areas of focus alongside environmental initiatives are of course those related to gender equality, diversity and inclusion.

Let’s not forget that in Italy the boards of listed companies, state-owned companies and their subsidiaries are subject to the Golfo-Mosca law, which imposes a 40% quota for the least-represented gender and has been in effect for more than 10 years.

However, the fabric of Italian business is mainly composed of small- and medium-sized enterprises which, not being subject to these types of legal obligations, might be less willing to address DE&I issues.

In any case, the board can truly make a difference in practical terms. It can start building a Sustainability (or ESG) Committee that also addresses DE&I; decide to have a dedicated policy; suggest putting together a DE&I Team of volunteers among employees, who would ideally represent the diverse cultures and needs of staff; request an internal survey on the topic or a training plan to familiarize people with DE&I and decide to publish the Non-Financial Statement or Sustainability Report even when it’s not required.

In short, we can kickstart a virtuous path that carries greater sensitivity and a new shared culture, supports the definition of specific objectives, the search for appropriate KPIs to measure progress and the ability to be more attractive in recruiting and career opportunities. These all greatly affect the success of the company over time.



LC IN TERMS OF GOVERNANCE, WHAT IS THE BEST FORMULA THAT ENSURES CLEAR ACCOUNTABILITY OF DE&I GIVEN THAT IT TOUCHES VARIOUS PARTS OF THE BUSINESS? HOW CAN YOU AVOID THE RISK OF FRAGMENTATION AND LACK OF OWNERSHIP?

LC A lot depends on the size and organizational complexity of each company. If we look at a large, structured company, it's important to provide various forms of governance.

These can draw strength and legitimacy from the bodies in charge and of course from the CEO and BoD, who can ensure the best types of processes and tools for implementing DE&I throughout the entire company. This starts with the involvement of the Leadership Team, the first line below the CEO.

To give you an example, the sustainability function will be in charge of defining DE&I objectives and monitoring their progress alongside the Human Resources and Finance and Control functions, among others. Through the distribution of objectives, the people of each company function who are involved will be assigned their relative responsibilities regarding the processes they manage.

Then, the board might also require a designated policy. The Compensation Committee or HR might use incentive systems for management that address DE&I issues.

On the one hand, it is undeniably true that it is necessary to move in a comprehensive and cross-cutting way to orient a company along the lines of principles and behaviours that promote equity, diversity and inclusion.

This, however, can and must happen in a coordinated and shared framework in which everyone knows "who is responsible for what" and how different tools and initiatives are fulfilled in a larger, holistic picture, supported by top management but nurtured by the active listening of the whole company fabric.

"DE&I is applied holistically, coordinated and shared, and everyone is aware of their strategic and operational responsibilities towards tools and initiatives."



Q WHAT ARE THE OPPORTUNITIES BEHIND A SOLID DE&I STRATEGY AND GOVERNANCE?

LC I believe that in business, as in all other areas of society, there is an undeniable advantage to embracing contributions you can rely on.

Listening to the thoughts of people from different backgrounds and perspectives will reflect in planning and more inclusive solutions, which can grasp the complexity that distinguishes our time and are sensitive enough to intercept interconnections, weak signs, unwanted side effects and emerging risks.

The potential is enormous, and it would be absurd to ignore it. But there's more.

Numerous studies and independent research show how new generations increasingly have a need for "meaning" that permeates every part of their lives in an integrated way. They don't accept that a part of their lives, that dedicated to work, could have different values than the ones that guide their life choices.

It is therefore clear that not very inclusive environments that don't embrace diversity or equally recognize the value of the contributions of their people, regardless of their unique characteristics, will struggle to attract talents and plurality of thought. They will inevitably be less ready to anticipate and adapt to the many changes that await us.

In other words, developing work environments with an authentic DE&I culture I believe is not only an opportunity but a necessary investment for those who want to be leaders of the future.

WHAT ARE THE RISKS OF APPROACHING DE&I ISSUES AND HOW CAN THEY BE MITIGATED?

LC The greatest risk is not understanding the true weight of DE&I and limiting ourselves to some formal commitment only for appearance.

Choosing this path carries a double risk: depriving themselves of the opportunities I've already mentioned and finding themselves in great difficulty later when realizing the mistake and how much money and time is necessary to make up for lost time.

To avoid this, it's important to approach DE&I issues with the same seriousness and attention dedicated to other strategic drivers: studying the different aspects, identifying the objectives and right indicators to measure them, designing a path with the appropriate tools and processes, and allocating responsibility and resources.

It's a medium-term investment that is more demanding in terms of focus and economic resources, and therefore, is within reach for any company, not to mention, in my experience, this path can foster involvement, energy and a sense of belonging.



"New generations have a need for meaning that permeates every area of their lives, even work."

📍 HOW DOES ITALY COMPARE TO OTHER MAJOR EUROPEAN COUNTRIES?

LC The situation in Italy is spotty. It is far ahead in community ranking in areas where legislation has been applied and where its effectiveness is visible to everyone.

We have moved from 7% of women on the boards of listed and public companies to 38%, and it will soon reach 40% or more. This is a significant change that wouldn't have been possible without an ad-hoc law.

In addition, we have the Equal Opportunity Code (Legislative decree 198/2006), which was recently "reinforced" in the reporting obligations by companies with more than 50 employees, and many other regulations, especially in the work environment, that are meant to promote a culture of equity and inclusion and reduce any form of discrimination. Lastly, the Gender Equality Certification (UNI/PDR 125:2022) has just been introduced as a voluntary tool that can facilitate access to public tenders.

Unfortunately, in the absence of legal obligations, there are still behaviors driven by prejudice – whether they're conscious or unconscious – that create an obstacle to the spread and consolidation of a truly equitable and inclusive culture in many areas of our global society.

The same institutions or public administration that should be first to make these changes are in many cases lacking, as we can see, for example, in their representation and leadership roles of women as well as in generational diversity and so on.

WHAT DO YOU BELIEVE ARE THE MAJOR THEMES THAT SHOULD BE REINFORCED IN THE FUTURE?

LC Many minorities don't have a voice, or worse, are discriminated against because of hostile predominant mindsets and their small numbers (as a minority). In addition to minorities of cultural, ethnic, sexual, and religious diversity, particular attention should also be paid to, at least in our country, generational diversity.

In Italy, an ageing population and low birth rates put "younger" groups at risk of not being heard, despite scientific evidence that indicates that those aged between 20 and 30 years old are at the most creative and innovative stage of their lives. These facts are valuable resources that aren't given enough attention. In fact, we prefer to take into consideration different areas of study and work that weakens our ability to evolve and innovate.

Furthermore, it would be opportune to extensively reinforce the still largely incomplete path to gender equality, which is still demanded from a minority of society. In addition to the numerical falsehood (that women are equal in number or outnumber men), the issue continues to be proposed as a "zero-sum game" – whatever is given to women will be taken from men.

This is a defensive and near-sighted approach that is incapable of understanding or accurately evaluating the collective advantage of the egalitarian involvement of men and women in the productive system as well as the social and institutional system.



LAURA CAVATORTA
Chairwoman ESG Committee,
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Laura has a degree in sociology and is a lover of numbers. She has an equal passion for humanistic disciplines and STEM and is always focused on the inclusion and integration of different perspectives. She has 23 years of experience as an executive in air transport, a fascinating international industry that is technologically innovative, highly competitive, tightly regulated, operationally complex but also in which customer experience and human capital are central.

Her growing interest in long-term strategic vision and corporate governance led her to a career transition meant to give her a different purpose, follow her values and contribute more directly to a better future.

She believes that governance and sustainability are fundamental drivers for development that can, through innovation and human capital, generate prosperity and equity in the medium- and long-term in companies and society, with full respect for people and planet. She supports gender equality for the full integration of women in all sectors and at all levels of society because building the present and designing the future are extremely relevant tasks that involve women and men equally and must draw on the vision and values of both.

