

The courage needed to grasp DE&I opportunities

Companies are paying greater attention than ever to diversity, equity and inclusion, but it's not enough. To avoid the much-feared risk of “pinkwashing”, it's important to contextualize behaviours, projects and objectives in a broader and more structured strategic vision. And now is the time to do it.



By **JAMES OSBORNE**
Head of Sustainability & Partner, Lundquist

2082 That's the year when the Global Gender Gap Report, published by the World Economic Forum, predicts Europe will manage to close the income difference between men and women in Europe, based on current trends.

This enormous delay offers a tangible picture of the fragile equilibrium in which values of diversity, equity and inclusion are implanted in our economic and social fabric.

What's more is that this means we won't be here and thus won't witness the possible productive changes we are striving for.

And despite the proclamations and good intentions, the road to complete inclusion and diversity – not just gender diversity – is all uphill from here. In recent years, we have witnessed the slow destruction of standards and stereotypes aimed at depicting diversity as an obstruction, considering that the representation we are seeing more often in media is one that can revolutionize traditional narratives and overturn cultural norms, encouraging us to see what makes a person unique and embrace their hidden potential.

However, this gradual transformation in communication doesn't seem to correspond with an actual overhaul of practices, the definition of new objectives or the ability to evaluate them in companies and organizations.

On the contrary, given a market scarred by the effects of the pandemic and bogged down by an increase in regulations and certifications, it's rare to find coherent, structured corporate policies that seek to create value from inclusion and the fair representation of everyone's identities.

"A competitive advantage is never possible if actions, initiatives and behaviours are not framed within a broader strategic framework."

A COLLABORATIVE APPROACH

The trivial but real risk is that companies exploit the attention they get for issues of diversity, inclusion and equal opportunity just to be talked about. They lack the courage to frame actions, objectives and initiatives in a broader strategic framework and seize the opportunity to embrace completely unexplored perspectives.

This is why we joined forces with Afuture (see p. 32) to examine the strategies, practices and communication of 50 of the largest Italian listed and unlisted companies with the highest number of employees or with a capitalization of more than 10 billion euros in May 2022. The list includes giants like Eni, Generali, Intesa Sanpaolo and UniCredit as well as brands like Calzedonia, Ferrero, Moncler and Gucci.

We wanted to understand to what extent leaders of the country's productive landscape could take advantage of the connections between diversity, equity and inclusion. As a result, we want to foster a space for dialogue with them in which we can create a new way of doing business, starting with an awareness of the enormous potential of including diversity. This hidden and disruptive potential is the only fuel that can spark an authentic and radical cultural transformation capable of meeting the expectations of newer generations and the challenges that await them.

STRATEGIC VISION: WHAT DOES IT MEAN?

If it seems clear by now that promoting, embracing and protecting gender, race, age and orientation diversity to make the most of the talent and unique characteristics of individuals is a moral and legal obligation, it is likewise evident that no productive or competitive advantage can arise if actions, projects and

behaviours are not framed in a systemic and ecosystemic vision. This is because a clear and effective strategic vision is by no means the product of the sum of policy, objectives, governance and initiatives. What matters is instead the way in which the interaction between individual elements contributes to the development of the company and its business.

There must always be a "why" behind the strategy and actions taken by various company functions, and our research, entitled "The hidden potential of inclusion," offers many encouraging examples of this type of purpose.

"A clear and effective strategic vision is by no means the product of the sum of policy, objectives, governance and initiatives. What matters is instead the way in which the interaction between individual elements contribute to the development of the company and its business."

THE HIDDEN VALUE OF INCLUSION

With the help of new regulations like those regarding gender equality, DE&I is a subject that affects all companies.

However, as we have already seen with the surge in incidents of greenwashing, the risk is addressing these issues through a short-term lens and thus losing sight of the value they hold for business.

That's why we **examined the strategies, practices and communication of 50 large Italian companies** – the most important in terms of direct employment with more than 1.7 million employees. Our research, “DE&I: The hidden potential of inclusion,” published in September 2022 in the newspaper *Il Sole 24 Ore*, highlights several points of reflection:

- **Diversity alone divides:** *Diversity alone has no value; it needs inclusion. This is a behaviour not just a number and is therefore often more difficult to measure and evaluate.*
- **Not just gender:** *Don't focus solely on a correct representation of diversity – starting with women – but on the full inclusion of such diversity.*
- **Beyond trends:** *Become aware of the potential of inclusion by making it an incentive for business and going beyond trendy initiatives (although they can be interesting!)*
- **Beyond numbers:** *Numbers and recognition are important for measuring the effectiveness of activities, but often inclusion is a matter of people's behaviours. It's important to listen, not just measure.*

GET INSPIRED TO IMPROVE

Sixty-eight percent of the companies we examined have initiated training programs on DE&I subjects, and those at the forefront are developing strategic plans in which inclusion is a driver of innovation, company transformation and sustainable growth.

Terna's transformation strategy, for example, focuses on the development of female leadership and the promotion of a more inclusive work environment, with the goal of fostering collaboration and the development of new perspectives.

Enel, on the other hand, sees the integration of sustainability and innovation as a key to generating new opportunities.

One example of this is the Value4Disability initiative, which promotes inclusion and the active participation of people with disabilities in one of the most wide-reaching processes of innovation in the company. By nurturing their talent and listening to their needs, the company can develop creative solutions for an energy system that is more accessible to everyone.

Likewise, in the financial sector, inclusion can play a key role in the process of transformation. UniCredit, for example, includes key elements of work inclusion and female empowerment in their new strategic plan.

This exemplary case fully expresses these values in the financial realm as well, with plenty of attention given to actions and investments that support the "diversity and inclusion framework."

In addition to the numerous initiatives focused on inclusion and gender equality, Intesa Sanpaolo has also signed an agreement with union organizations that expands parent benefits, such as time off at birth and for day-care placement, parental leave, assistance for learning disabilities, childbirth bonus included under the “Youth Package,” pension bonus and other economic subsidies. These also apply to civil unions, de facto unions and children of spouses.

Values related to diversity, equity and inclusion are also featured among the drivers of Atlantia's new corporate culture. When it has a clear understanding of the social impact of its business, a company can make the effort to define its strategic priorities, promoting the active participation of all its stakeholders with tools of listening and involvement, such as the "Diversity, Equity and Inclusion (DE&I) Guidelines."

Finally, some sectors more than others have emerged that have anticipated and introjected new social attitudes. One of these is the fashion industry. Some companies, like Gucci and Moncler, have made inclusion and freedom of expression a categorical imperative and offer examples of structured and ambitious programs designed to be more in line with the needs and codes of expression of newer generations.

OUR MOTTO: SYSTEMIC ACTION

We have presented a few exemplary cases that, despite the emphasis on gender equality in terms of regulations, clearly offer a glimpse of a broader and deeper reflection but which are unfortunately still isolated.

Although 56% of companies included in the sample have at least one objective related to DE&I, they primarily focus on diversity, with a

clear majority of the targets aimed at increasing the presence of women on boards. Their approach is seriously lacking in the definition of objectives and appropriate metrics for measuring them.

The thing that should make a difference – in addition to interest being translated into sporadic and isolated actions – is reflecting on how to not just achieve correct representation of diversity but also its full inclusion. Only then can the integration of values related to DE&I in corporate missions cease to be configured as an act of superficial communication or a simply a wink at a younger generation of talents.

Applied in this way, it would transform into the highest expression of the strategic vision and its ambitions, a compass that can align objectives, KPIs and initiatives, guiding the actions and behaviours of everyone – from those in leadership roles to new hires.

The most ambitious and complex transformations require not only time but, more importantly, a desire to look inward and the audacity to face challenges every day with vision and credibility. All together.

