Equity, Diversity & Inclusion in Europe: Take the Challenge to Make *Real* Change

Felicia A. Henderson December 14, 2021

Why Now? Social drivers Murder of George Floyd & US HQ, stakeholder, and regulator attention to ESG practices Covid-19 pandemic and local contexts of social inequality Business drivers US HQ, stakeholder, and regulator attention to ESG practices The "great resignation" and employee well-being

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Two Key Challenges

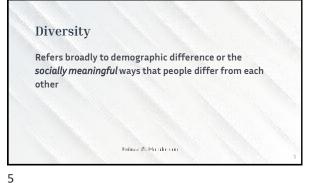
Are European businesses thinking enough about equity, diversity, and inclusion?

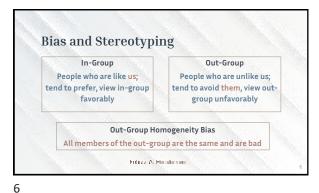
Are European businesses thinking *correctly* about equity, diversity, and inclusion?

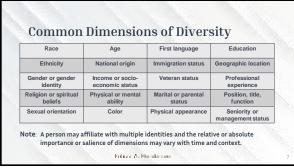
Folias A. Hondoson

Key Concepts

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Increasing diversity does not, by itself, increase effectiveness; what matters how an organization harnesses diversity

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Inclusion

The extent to which an organization's culture/climate provides a sense of welcome, respect, value, belonging to all employees regardless of individual identity characteristics

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Equity

Organizational fairness in access, opportunity, advancement taking into account each individual's varying life experiences as shaped by their social identities

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Why EDI Matters in Business

 $1000 + large\ companies, 15\ countries \\ \text{including DEN, FR, GER, NOR, SWE, UK*}$

Above avg profitability +25% more likely Most gender diverse executive teams

Above avg profitability +36% more likely *Most ethnically diverse executive teams

low inclusion matters, May 2020



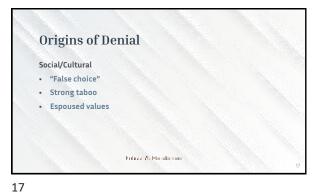


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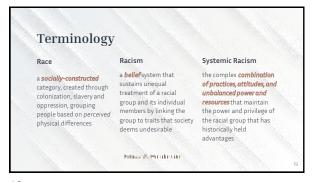
Why progress on EDI initiatives stalls

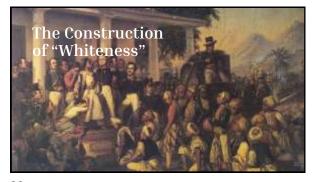


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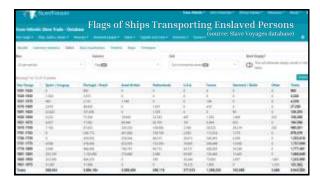




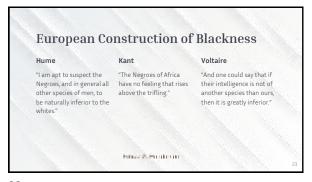


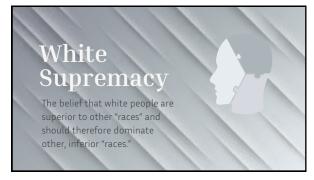






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EDI is more than gender or nationality

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Regional and social class differences Shifting racial and ethnic demographics Evolving attitudes

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Business Context

- Awareness of inclusion challenges posed by national culture
- Gender initiatives
- Some progress on disability

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Lived inequality in European business today Promoting EDI in European Business

Pitfalls and Essentials

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Potential Pitfalls

- Diversity without inclusion or equity
- "Virtue signaling"
- Focus on compliance instead of culture transformation

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Essentials

- · Leadership championing
- Inclusive process
- Resources and infrastructure
- Collective learning, patience

Polica Pallindoson

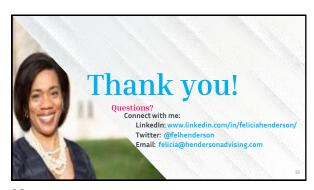
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What in-house lawyers can do to advance EDI



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