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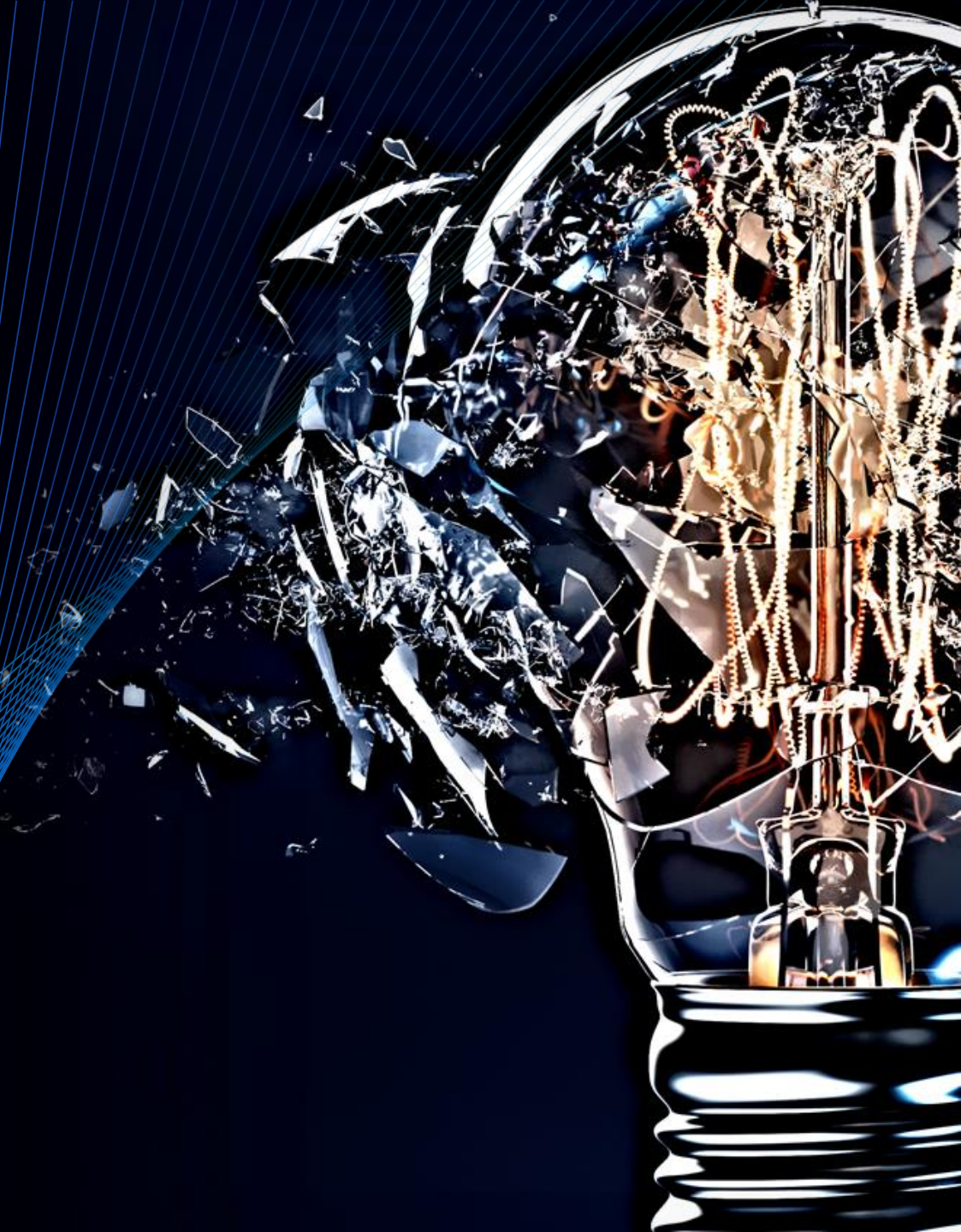
Women's Forum for the Economy and Society

CEO Champions Lunch

Paris, 30th November 2022



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Agenda

1

"CEO Champions Commitments" progress on core actions and implementation ideas

2

Women-related DE&I initiatives across the globe by sector

3

Role and relevance of DE&I topics for the ESG ratings providers

The Women's Forum CEO Champions Commitments

We, **business leaders**, strongly believe **the world needs women's leadership, purpose, and power for positive impact**, to create a **more equal economy and society**

Diversity and inclusion have been on the agenda of most companies for years, but there is still **plenty of room for improvement**

The **future** of our economies and societies **depends on our collective action now. It's time to act**

Therefore, **we commit ourselves** to implement the following **five concrete actions**, and we suggest, for each of them, some **implementation ideas**

In the transition towards **Net Zero Gender Gap**, we take the **commitment to define and communicate our gender diversity targets for 2030 and to publish our progress every year**

- 1 Remove unconscious bias from our hiring and promotion processes**
 - Adopt an inclusive approach to resume screening
 - Unconscious bias training for recruiters and evaluators
 - Guarantee equal opportunities in every promotion conversation at senior levels
- 2 Establish female recruiting and promotion targets**
 - 50% female recruitment goal
 - Fixed share of women in managerial positions and Boards of Directors
- 3 Support female talent retention and advancement**
 - Sponsorship programs
 - Work-life balance measures
 - Empowerment, upskilling and reskilling programs
 - Accelerated career paths for female talent
 - Succession plans
- 4 Ensure that equal pay for equal work is in place and effective**
 - Dedicated KPIs in the management evaluation system to correct gaps
- 5 Regularly measure, monitor and evaluate progress in all of the above actions**

WOMEN'S FORUM for the Economy & Society

New participant
(Paris 2022 edition)

80+ companies have signed the CEO Champions Commitments



Illustrative

1

Remove unconscious bias from our hiring and promotion processes

63%



Companies with published initiatives on this pillar

Focused on implementing trainings to limit unconscious bias during interview process

Non-exhaustive

Illustrative

Key initiatives among CEO Champions Commitments' signatories



AI and analytics to achieve an inclusive approach for resume screening

Augmented writing platform that **scans job descriptions** for phrases that could turn off potential applicants

≈ 9% increase in female applicants



Dedicated training and tools for interviewers to limit unconscious bias

Adoption of standardized **procedural framework** for interviewers to prevent discrimination

Trainings in competency-based **interviewing techniques** and employment law



Structural monitoring to guarantee equal promotion opportunities

Analytical review of senior promotion outcome

Learning initiatives to teach on how to identify and counteract inequality

2

Establish female recruiting and promotion targets

86%



Companies with published initiatives on this pillar

Focused on disclosing 50% target for women employment

Non-exhaustive

Illustrative

Key initiatives among CEO Champions Commitments' signatories



Tailored initiatives to achieve ambitious targets on female recruiting

Non-Executive role

Executive role / BoD



Transparency on company performance vs. target

Adoption of **KPIs to measure** % women shortlisted, quality, solidity, **diversity** of the pipeline

Site visit for school-girls on **STEM jobs**

Lady boost program for unemployed women

Definition of **Gender Equity commitments in hiring and promotion** of middle and top management

Target setting for women presence in BoD

Continuous monitoring of results and progresses

Publishment of **D&I report** on performances and initiatives vs. Gender Equity Index targets

3

Support female talent retention and advancement

91%



Companies with published initiatives on this pillar

Focused on implementing program to support women recruiting and coaching

Non-exhaustive

Illustrative

Key initiatives among CEO Champions Commitments' signatories



Specific programs to empower, upskill and reskill female employees

Coaching **acceleration** programs / **sponsorships** for women with potential to take up Executive roles

Post-career breaks **re-boarding**

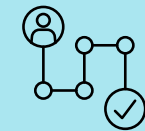
Program to fuel **development of female STEM leaders** and feed the STEM talent pipeline



Policies / measure to preserve **work-life balance**

Introduction of **maternity and paternity leave policy** with more days off than legal obligations

License for **flexible working** hours / days of remote working for mothers



Accelerated career path and **succession plans** for female talent

Gender and succession KPIs embedded in long- and short-term incentive systems

Cross-divisional female **mentoring program** with senior colleagues

Involvement of managers to identify high potential women for managerial roles

4

Ensure that equal pay for equal work is in place and effective

79%



Companies with published initiatives on this pillar

Focused on setting and disclosing target for wage equality

Non-exhaustive

Illustrative

Key initiatives among CEO Champions Commitments' signatories



Assessment of pay gaps across roles

Statutory obligation to the **measurement of dedicated KPIs** (e.g., Gender Wage Equality Index)

Introduction of **standard methodologies to quantify pay gaps**



Transparency on wage equality statistics

Target setting on wage equality KPIs

Internal reporting on pay gap statistics

Disclosure of Gender Pay Gap Report



Financial measure to limit pay gap

Allocation of **annual budget to compensate** for pay gaps

Enforcement of **unbiased compensation schemes** based on experience, performance and tenure

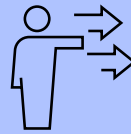
5

Regularly measure, monitor and evaluate progress in all of the above actions

Non-exhaustive

Illustrative

Key initiatives among CEO Champions Commitments' signatories



Monitoring & Steering

Quarterly / yearly basis **monitoring of progresses** across the mentioned actions, e.g.:

- **KPIs** to measure % women shortlisted, quality, solidity, **diversity of the pipeline**
- Measurement of **KPIs on Gender Wage Equality**
- **Gender succession and retention KPIs** in long- and short-term incentive systems
- **Publishment of DE&I report** on performances and initiatives



Governance

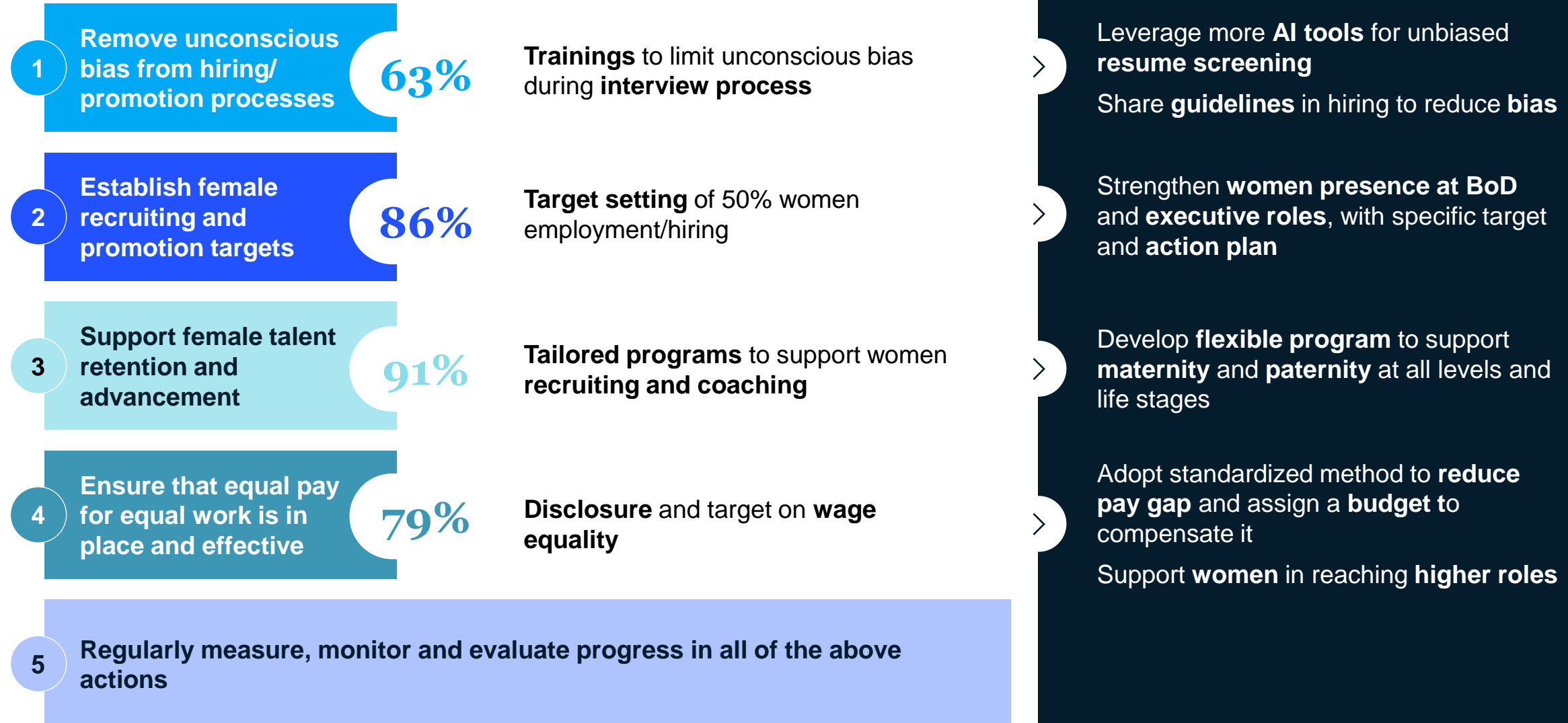
Strong **Governance commitment** to guarantee required sponsorship and execution

Introduction of **statutory obligation** to the measurement of dedicated KPIs

Introduction of tailored policies to support maternity and women career

Best practices among CEO Champions Commitments' Signatories...

Signatory companies with published initiatives, %



...and areas for improvement

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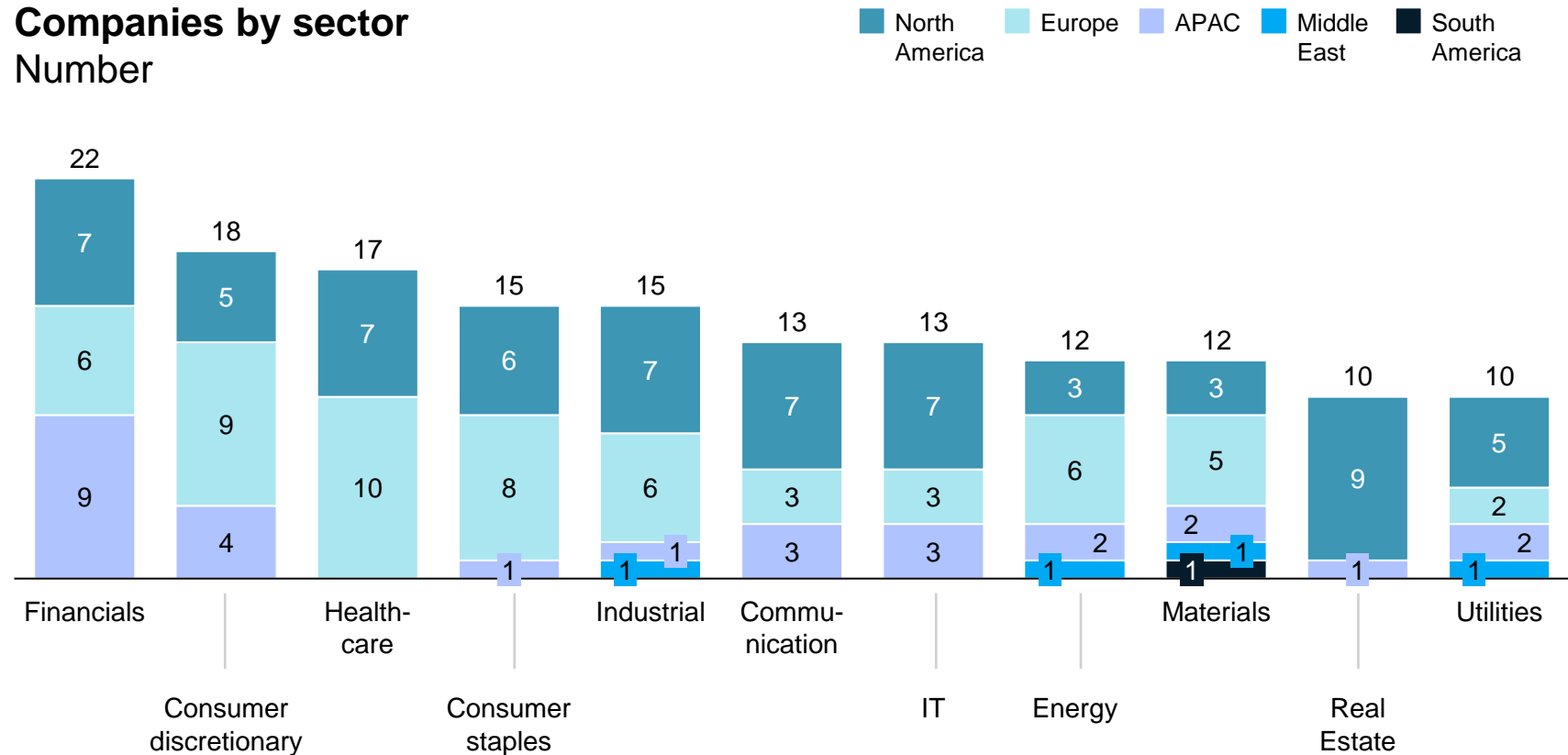
Women-related DE&I initiatives across the globe by sector

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Role and relevance of DE&I topics for the ESG ratings providers

The analysis of DE&I policies in 157 companies shows the global relevance of this topic

Companies by sector Number



- **European companies resulted to be the best performers** in terms of initiatives per pillar, while North American firms rank second
- **The health care sector is the most active in disclosing Gender Equality initiatives**, followed by the IT sector
- **The initiative of establishing female recruiting and promotion targets is the most common** among firms, while initiatives related to the **unconscious bias phenomenon** are the less applied

150+
Top Companies¹

21
Countries in 5 regions²

11
Sectors

1. Top companies per Market Capitalization by sector and by country
2. North America, Europe, APAC, Middle East and South America

Despite the sector, these are the additional initiatives/ findings that could be implemented

	Additional initiatives	Rationale
1 Remove unconscious bias from hiring/ promotion processes	Avoid to ask for historical salary data or gender-based occupational titles to reduce the risk of gender bias	Use of technologies such as AI may create new ethical questions, including how to avoid biases in data
2 Establish female recruiting and promotion targets	Invest on a strong female oriented pipeline and implement promotion initiatives to reduce the pay gap given by the role difference	Focus on female hiring to mitigate the issue, but in the long-term reach parity at higher roles, as it is one of the KPIs strongly valued by DE&I-related scores
3 Support female talent retention and advancement	Include a Chief Diversity Officer (CDO) to monitor the DE&I initiatives and develop a long-term strategy	Implement initiatives to improve retention and work-life balance, while continuing to invest in upskilling trainings and initiatives
4 Ensure that equal pay for equal work is in place and effective	Disclose a gender pay gap report and define a specific budget to fix the eventual inequality	Ensure that this action is implemented in different geographies and at group level
5 Regularly measure, monitor and evaluate progress in all of the above actions	Use frameworks and disclose clear information regarding the progress	Set targets to direct the efforts of the DE&I strategy. Top management should engage in <i>ad hoc</i> moments focused on DE&I

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Role and relevance of DE&I topics for the ESG ratings providers

While the relevance of DE&I in general ESG ratings is still limited, providers are creating DE&I focused sub-brands

Not Exhaustive

Detailed next

Provider	ESG rating hallmarks and DE&I relevance
 <p>S&P Global 1st global sustainability benchmark since 1999</p>	<ul style="list-style-type: none"> • Forward-looking opinion of readiness for disruptive ESG risks and opportunities • Human Capital Development together with Talent Attraction and Retention KPIs weight up to 18% out of the total ESG score
 <p>REFINITIV Most comprehensive ESG databases in the industry</p>	<ul style="list-style-type: none"> • Transparent and objective scores to measure ESG impact • Workforce and community related scores worth 12-25% of the ESG rating - based on the sector - and measure diversity together with other KPIs related to the workplace environment
 <p>MSCI World's most used ESG rating by Asset Managers</p>	<ul style="list-style-type: none"> • ESG key issues focus on the intersection between the business and industry-specific issues to detect risks and opportunities • Human Capital Development weights 0-20% based on the sector. It measures the ability to attract, retain and develop the workforce
 <p>Bloomberg Global leader in business and financial data, news and insight</p>	<ul style="list-style-type: none"> • The rating includes as-reported data and derived ratios as well as sector and country-specific data points • One of the key sustainability topics analyzed by the rating is diversity
 <p>ISS ESG Global ESG Index provider focused on Governance</p>	<ul style="list-style-type: none"> • It develops indices and collaborates with index providers to create solutions based on high-quality, reliable, and relevant ESG data • Diversity is measured across a range of different tenets, principally gender, ethnicity, age, tenure, and skills

DE&I dedicated sub-brands

100 Gender Equality & Inclusion Equal Weight Index

Diversity & Inclusion Index, ranking 12k+ companies and identifying 100 best performers

MSCI USA Gender Diversity Select Index

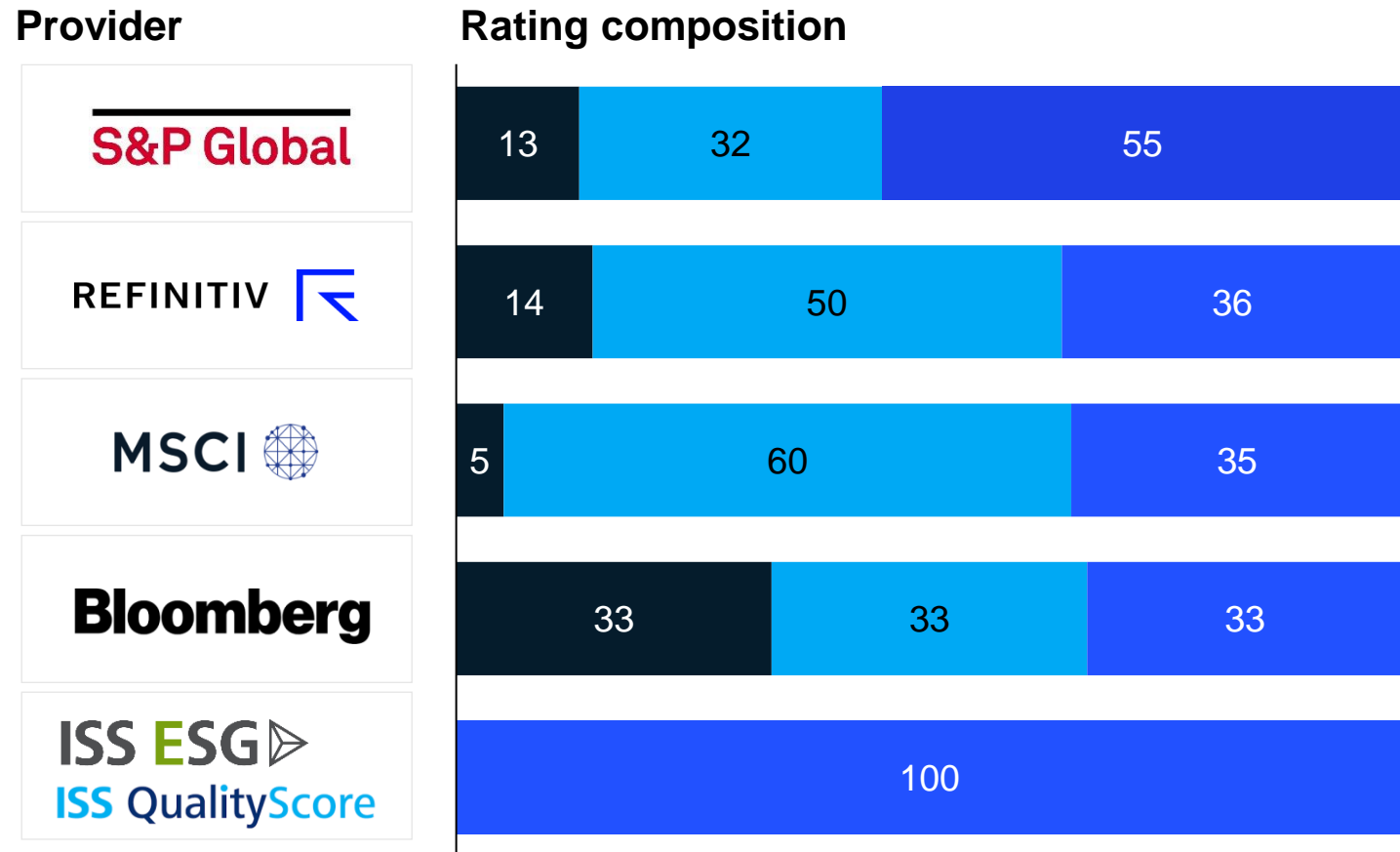
Gender Equality Index

n.a.

Differences among providers for Social indicators' role are visible in each sector

Example for Banking, Weight indicators, %

■ Environment ■ Social ■ Governance



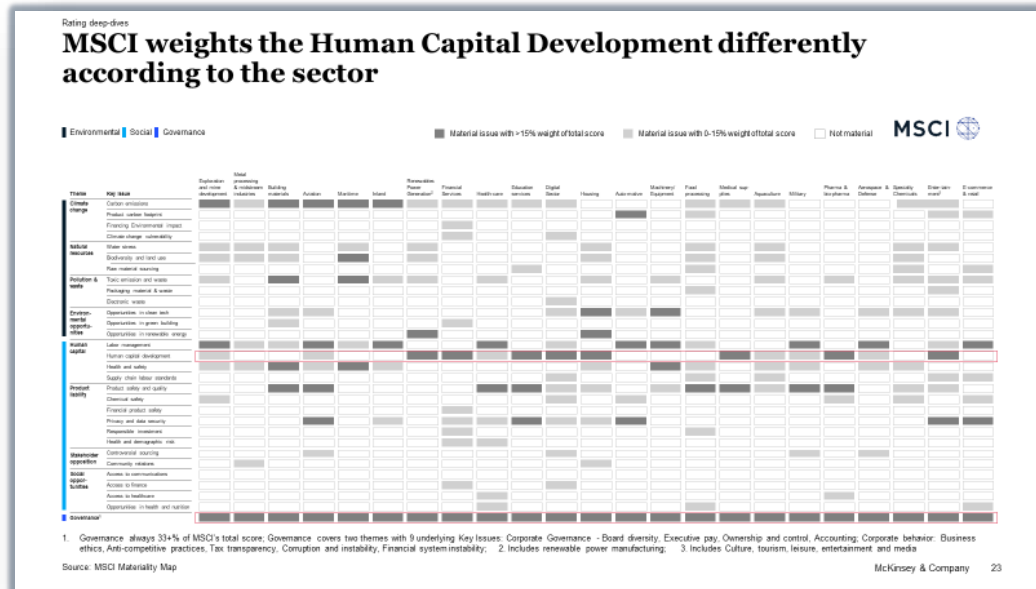
1. Also covers climate governance as part of scoring
2. For Refinitiv, ESG combined score is the combination of ESG score and controversies score
3. CDP rates companies based on disclosure and includes governance data
4. Weights are based on Banking for S&P, Banking for Refinitiv, Banking for MSCI. Bloomberg is not Banking specific

Source: S&P Weights 2021, Refinitiv, CDP, MSCI, Sustainalytics, ISS

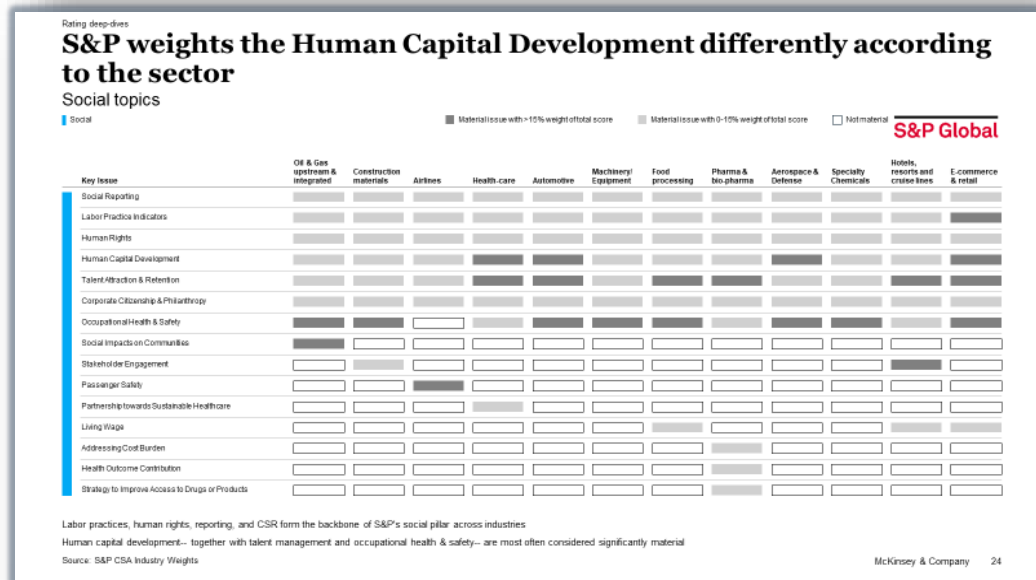
- Each rating provider bases its ESG rating methodology on a different set of KPIs
- Based on the sector, rating providers give different importance to the three elements of ESG scores
- This leads to a different value of the DE&I initiatives underlying the Social aspect
- The banking sector is characterized by a low relevance of the environmental aspects, strongly compensated by the role of social and governance factors

Social and Governance elements value DE&I initiatives and KPIs differently according to the sector

DETAILED IN BACK-UP



MSCI indicates *Digital, Education, Entertainment, Financial Services, Housing, Medical Supplies, Pharma and Renewable Power Generation* as the sectors where **Human Capital Development** matters the most



S&P indicates *Healthcare, Automotive, Aerospace and e-commerce* as the sectors where **Human Capital Development** matters the most

Rating providers have started to create and implement DE&I focused Indexes

DE&I sub-brand

S&P Global

100 Gender Equality & Inclusion Equal Weight Index

REFINITIV 

Diversity & Inclusion Index

Bloomberg

Gender Equality Index

Characteristics

- It measures the **equal-weighted performance of the highest-scoring stocks** of the S&P Global Gender Diversity Score
- It is calculated using an **approach based on the Corporate Sustainability Assessment (CSA)** question-level scores
- It identifies the **top 100** publicly traded companies **with the most diverse and inclusive workplaces**
- It is based on **24 separate metrics across 4 key pillars** that are evaluated considering the **peers performance**
- The GEI is designed to **encourage the disclosure and measurement** of company-specific **social data**
- 70% of the framework is based on **five key pillars** and allows companies **to identify areas for improvement and track progress**

Methodology

- The score focuses on the **board gender diversity (25%)** and the **breakdown by gender (30%)**
- It also contains KPIs related to **gender pay, health and well-being initiatives** and to the **diversity policy** of the Board
- Core KPIs are related to the **gender diversity** at all levels, **flexibility** in terms of working hours and services, and the ability of the company to **improve employees' skills**
- It also considers the **presence of controversies**
- The score is mainly based on the initiatives related to the **female leadership** and pipeline (25%), **pay parity (25%)**, and the level of **culture inclusivity (30%)**
- It also considers **anti-sexual harrassment** and **pro-women brand** initiatives

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Great progresses have already been achieved towards **gender parity**.

However, there is still a long way to go.
Let's make it the **Next Normal!**

Everywhere, for every woman.

