

IMPROVING DIVERSITY AND INCLUSION

A GUIDE TO BEST PRACTICES FOR THE GLOBAL PETROCHEMICAL INDUSTRY



FOREWORD

e are pleased to present *Improving Diversity and Inclusion: A guide to Best Practices for the Global Petrochemical Industry*, the second in its series on Diversity and Inclusion (D&I) published by EPCA.

In 2015, EPCA conducted a D&I survey among some member companies to gain a better understanding of the current state of gender diversity across the European petrochemical industry. Gender diversity was selected as several EPCA member companies had already engaged in this area as a window into broader cultural diversity.

Building on these findings and in line with its multifaceted definition of diversity encompassing gender, age, ethnicity/race, nationality and culture, the **EPCA Talent and Diversity Inclusion Council (TDIC)** launched in early 2016, a research effort to better understand the root causes of D&I challenges in general and harvest best practices on D&I amongst its members. The objective of this was to identify existing practices, discuss their impact, learn from each other's experience and sometimes failures, borrow the best ideas and last but not least, share the outcome of this 'crowdsourcing' exercise with the wider EPCA community.

In that respect some findings of this research project were presented and discussed at the D&I Session of the EPCA 50th Anniversary Annual Meeting on 3rd October 2016 which gathered circa 200 participants. We hope this brochure will effectively complement this discussion for those who took part and will benefit those who could not attend.

This research study has shown that in many companies and for several industry leaders D&I is not an initiative imposed on business by HR to fulfil quotas perceived as politically correct. D&I is about attracting and retaining the best talent in order to prosper in an increasingly competitive and volatile global market place. This is true for all businesses, and especially applicable to the petrochemical industry which is perceived as rather conservative, male dominated, operates globally across many countries and cultures and faces challenges in terms of employee mobility and recruitment for high-skill and technical jobs. Not to mention that by 2020, 5 generations will be sharing the workplace¹. D&I is also about reflecting society in which we operate and meeting the expectations of customers and society at large with which we do business with and buy from.

This research project has highlighted the importance of not only acknowledging differences but also creating a workplace environment where individuals regardless of personal circumstances are encouraged to participate, have a feeling of being listened to and a sense of belonging to the organization. Diversity certainly goes together with Inclusion as illustrated in this brochure.

If there is no "one-size-fits-all solution" as the size, vision and structures of companies and business units are diverse, it is striking to see that some ingredients are key to the success of the D&I recipe:

- D&I initiatives need to be made an integrated part of the industrial strategy of the company,
- Leadership engagement is required at all levels, not only at the top but also including middle-management,
- D&I need to be embedded in the organizations DNA, and
- Sustainable cultural change needs to be targeted, and new mind-sets and innovative approaches need to be encouraged.

As any useful toolbox, this guide combines both methodological and pragmatic contributions. Readers will find structured reflection and concepts as well as numerous concrete examples from formalized structures and practices to anchor D&I initiatives in the business and the organization to practical tools like the "Inclusiveness minute" built on the "safety minute" which is well known to our industry, or the dilemmas discussion, that do not necessitate heavy infrastructures or significant investments and can be implemented whatever the size of the organization. D&I is important for every company; for large companies as well as SMEs, for producers as well as logistics service providers and other supply chain players without exclusion of any kind.

We would like to warmheartedly thank all of the contributors to this brochure starting with the **EPCA member companies** who have accepted to share their best practices during the TDIC meetings and workshops that we organized in 2016. We would also like to thank the **Accenture team** who has accompanied us throughout the year and has fueled our discussion with some additional concrete cases and challenged some of our thoughts. All these active contributors helped us to make this brochure as informative and accurate as possible.

We hope you will find this second opus practical and inspirational. Diversity and Inclusion at the workplace is a living and ever evolving topical theme which is nurtured by practice and experience. Therefore, EPCA welcomes your comments, suggestions, questions and contributions in order to increase awareness and promote benefits of D&I within and beyond the petrochemical industry.

Caroline Ciuciu CEO EPCA



 $^{1 \ \}text{Harvard Business Review. 2016. Managing People from 5 Generations - https://hbr.org/2014/09/managing-people-from-5-generations.} [Accessed 30 \ \text{November 2016}] \ \text{November 2016}]$

METHODOLOGY

EPCA collaborated with Accenture to collect the best practices on D&I and develop practical guidelines for its member companies. We began with an initial pulse survey among the EPCA Talent Diversity and Inclusion Council (TDIC) members. Based on these initial findings, we interviewed 10 EPCA member companies to analyze the current state of D&I within their respective organizations and to identify best practices.

We synthesized the results into a collection of major D&I trends and examples from our participating members and discussed the options available from leading practices from other industries during a workshop series, as well as from Accenture research, to broaden the perspective. We refined these findings in two sessions with TDIC representatives and developed implementation guidelines for D&I initiatives.

The following EPCA member companies participated in these activities: BASF, DOW, ExxonMobil, INEOS, Integra, SABIC, Shell, TOTAL, ROYAL VOPAK and one other EPCA member company. As a sign of our appreciation, the logos of these companies are presented below.





















EPCA TDIC MEMBERS (AS OF DECEMBER 2016)

Nathalie BRUNELLE - TOTAL (Chairperson)

Dorothee ARNS - PETROCHEMICALS EUROPE • Caroline CIUCIU - EPCA
Cathy DEMEESTERE - EPCA • Gina FYFFE - INTEGRA

Anne-Gret ITURRIAGA ABARZUA - INEOS • Kate JOHNSON - SHELL CHEMICALS EUROPE
Loraine PHILLIPS - EXXONMOBIL CHEMICAL • Pilar ROJAS - REPSOL
Rovani SIGAMONEY - UNESCO • Niels SMITS - DOW BENELUX
Jutta WALLDORF - BASF • Claire WATSON - SABIC

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CONTENTS

FOREWORD

METHODOLOGY

INTRODUCTION

1 - MASTER A "BUSINESS-LED" APPROACH

2 - ENGAGE THE LEADERSHIP

3 - EMBED D&I IN THE ORGANIZATION

4 - TARGET SUSTAINED CULTURAL CHANGE

CONCLUSION



INTRODUCTION



umerous studies² have proven that diverse and inclusive work environments deliver tangibly better results in a broad range of metrics-from employee attraction and retention to innovation and productivity. Yet evidence from across industries shows that Diversity and Inclusion (D&I) initiatives can have varied success, and that inclusiveness is a learning-by-doing process. As several EPCA member companies have already embarked on the D&I journey, with more to follow, the EPCA Talent and Diversity Inclusion Council (TDIC) decided to identify, with help from Accenture, the most effective D&I practices for the benefit of the EPCA chemical business community.

The question EPCA wanted to answer is: How can D&I be driven comprehensively into an organization to become a strategic imperative and add real value to the business?

Diversity is defined at EPCA as individual difference in the fields of gender, age, ethnicity/race, nationality and culture. While gender balance has been considered as

a key theme to start in addressing D&I in the workplace by several EPCA member companies and was also the main theme of the EPCA brochure "Why Diversity Matters," published in February 2016, the other facets of this diversity definition are certainly part of the D&I equation as promoted by EPCA. Many of the best practices presented in this guide can apply mutatis mutandis to several dimensions of diversity.

According to the EPCA members who participated in the research effort, there are several reasons why D&I is especially relevant to the petrochemical industry including:

CUSTOMERS' AND END CONSUMERS' EXPECTATIONS

Many surveyed EPCA members shared the observation that customers tend to expect the same type of diversity they represent from the companies with which they are working. Increased cultural sensitivity and insights from diverse perspectives may offer a competitive advantage in accessing these growing markets, as well as for petrochemicals companies expanding into new markets as part of their overall business strategy.

INNOVATION AND PROBLEM SOLVING

The industry must remain innovative in order to survive. D&I initiatives, which have a positive correlation with innovation as well as complex problem solving, may serve as one antidote to these challenges. Diverse teams are more creative, as they comprise different professional experiences, functional backgrounds and social style; they are also more open to leaving the beaten track when addressing problems and designing new solutions or business models.

ATTRACTING TALENT

Demographic changes have led to a shortage of highly skilled employees in the global labor market. This shortage, in turn, has led to intense competition among employers to recruit and retain talent. The petrochemical industry is particularly challenged, as in addition to the talent shortage, the industry's conservative reputation and perceived image as not as attractive as other industries is driving away some potential employees—particularly millennials. The scope of the problem varies by company, certainly. However, even those companies that may not have issues recruiting locally—where their corporate brand



is strongest–may have challenges in other regions. To get the right number of the right talent they need, petrochemical companies must make themselves appealing to potential employees, and D&I programs can help.

AGING WORKFORCE

Many companies in the petrochemical industry are faced with challenges associated with an aging workforce - on the one hand, postponed retirements and longer careers require employers to adapt to the changing needs of an older workforce population, while conversely also planning for their eventual retirement including strategies for retaining valuable knowledge from retiring workers.

CORPORATE SOCIAL RESPONSIBILITY

The industry has a responsibility to help build a better world, and there is a need to embrace what its customers—and society at large—expect of it as part of their business strategy and corporate social responsibility programs. D&l initiatives are central to those programs.

Together, these reasons provide a powerful impetus for companies to take a bold step forward with their D&I initiatives.

DEFINING A PATH FORWARD

Four key pillars necessary to successfully implement D&I initiatives and enable a sustainable culture change have been identified through research, interviews and working sessions conducted by EPCA & Accenture in 2016:

The interplay of Diversity and Inclusion

Diversity and Inclusion are like yin and yang: they need to coexist to create real benefits for an organization. While diversity describes the multitude of different individuals within an organization, inclusion focuses on creating a work environment where all individuals, regardless of personal circumstance, are encouraged to participate, have a feeling of being listened to, and a sense of belonging to the organization.



² Examples of studies include: 1) "Getting To Equal" — Accenture Research (2016) - https://www.accenture.com/t20160303T014010_w_/us-en/_acnmedia/PDF-9/Accenture-IWD-2016-Research-Getting-To-Equal.pdf; 2) "How Diversity Can Drive Innovation" — Harvard Business Review (2013) - https://hbr.org/2013/12/how-diversity-can-drive-innovation; 3) "Workplace diversity can help the bottom line" — MIT Study (2014) - https://news.mit.edu/2014/workplace-diversity-can-help-bottom-line-1007; 4) "Why Diversity Matters" — McKinsey & Company Study (2015) - https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters



MASTER A "BUSINESS-LED" APPROACH

istorically, D&I has been considered an HR topic, driven by diversity metrics such as how many women have leadership positions, and supported by HR-driven initiatives such as mentoring. Yet the acceptance of such initiatives by the business may be challenging for organizations that unknowingly adhere to a legacy culture. Often, these companies have not yet experienced the full benefits from or lack a "burning platform" for D&I initiatives in the business.

To counter this phenomenon, D&I needs to be elevated to a strategic initiative that is owned and driven by the business, with requirements that define the future direction.



HOW TO INTEGRATE D&I INTO THE BUSINESS STRATEGY

The repositioning of D&I can be achieved through a business-first approach. This means engaging the organization to analyze the current state of programs, creating a future vision and strategy, and ensuring active support from organizational influencers and leadership in making D&I a success. To do this, companies should:

ANALYZE AND MAP THE ORGANIZATION

The typical structure of petrochemical companies includes various business units and locations, performing diverse functions and spanning a wide range of organizational areas from oil refineries, to shop floors, to corporate headquarters. Each of these areas will have differing D&I states and development paths. Therefore, as a first step, D&I leadership has to analyze the current organization, mapping the structures, leadership and influencers who can have an impact on their programs including the champions of and resisters to D&I.

This analysis can be done quickly with current knowledge of the organization, as well as through formal and informal interviews with individuals. By creating this organizational and stakeholder map, leadership can align their approach to existing business structures

and begin to define D&I initiatives tailored to the issues of each area.

CREATE A CROWDSOURCING

To refine these initiatives, D&I leadership should establish the current state and maturity of each business area through a detailed analysis, gathering both the current areas of success as well as perceived issues or ideas for improvement. One way to accomplish this is through "crowdsourcing"—assembling a diverse group of participants from all organizational levels and listening to what employees on the ground think about the company's D&I efforts. By listening to both positive and negative perceptions and adapting effectively, initiatives will be more responsive to what the business actually requires.

JOINTLY DEFINE WHAT SUCCESS LOOKS LIKE

To ensure there is a clear view of the organization's future state, D&I leadership, in consultation with the crowdsourced partners, should work to formalize a short- and long-term vision for each business area. This vision needs to link D&I with high performance, including engagement, productivity and innovation within the workforce.

The role of D&I leadership in this process is to correlate the voices of involved individuals to the vision developed, while pushing for an aspirational yet achievable goal, specific to the business area.

MOBILIZE MANAGEMENT

As a final step, D&I leadership should work to remove obstacles and assign resources to make the initiative in each business area a success. Leadership should also communicate acknowledgements and areas for improvement directly to the business, and set expectations for business managers and the organization about their involvement in initiatives.

The "Executive Diversity" program at BASF illustrates how initiatives can engage the business in finding meaningful solutions tailored to their needs. While BASF chose to focus on gender diversity, the basic principles can be applied to all dimensions of diversity.

Accenture has also developed a suite of tools and networks which enable its employees to understand, access and utilize the latent benefits generated by diverse teams, operating different cultures and time zones.





BASF EXAMPLES OF LEADING PRACTICES

EXECUTIVE DIVERSITY

BASF's business areas have vastly different maturities in relation to their D&I status, attitude and offerings. In this environment, setting up meaningful initiatives can be challenging since what is effective for one business division may be different for another. To address this disparity, BASF created its "Executive Diversity" initiative to foster more diversity among leadership levels and to address the specific challenges of each division. This approach enabled D&I managers to provide targeted, concrete solutions to each business area, while catering to their distinct situation. In addition to gender, other diversity dimensions such as internationality and diverse backgrounds were also considered.

ANALYSIS TO IDENTIFY ROOT CAUSES

To begin, the D&I manager performed an as-is assessment of the business area along the employee lifecycle to determine areas for

improvement. This analysis was performed in consultation with and presented to senior management for discussion, and identified the root causes and barriers to be overcome.

After the areas were reviewed, the D&I manager presented a "D&I toolbox" to business managers. The toolbox contained a variety of measures to overcome existing challenges for more gender diversity divided into five categories (culture, attraction, selection, promotion, retention). During a discussion facilitated by the D&I manager, the business selected actions to take. For example, to improve "development of women in the talent pipeline," the business manager could choose to provide additional mentoring and training support for female employees.

SIMULATION TO SET ACHIEVABLE TARGETS

Additionally, business managers were provided with a "base-case simulation,"

defining the realistic percentage of female leaders if no actions were taken (based on current level and expected turnover), and a calculation for an aspirational target taking the selected measures into account. These numbers helped senior management decide on an achievable target of female leaders in their division.

Overall, BASF's Executive Diversity approach allows D&I to provide solutions for the entire employee lifecycle with the ability to set realistic goals for each business area. Business area management can select their focus area, yet be accountable through the results of the simulation. The program has been piloted in selected business areas and will be implemented across the organization by the end of 2016.



ACCENTURE PROMOTING UNDERSTANDING ACROSS CULTURES

It is one thing to bring together a diverse group of people—but quite another to create a cohesive, effective team that honors members' varied perspectives while finding the common ground to build long-term relationships across multiple time zones and cultures. The Accenture Way is to have the best people teaming to produce results and deliver high performance for clients and for Accenture. To that end, the company equips its people with the tools (see below) they need to develop a global mindset and work effectively across cultures, either virtually or face to face.

Example tools used by Accenture teams:
• Detailed individual assessments and

Detailed individual assessments and team comparison tools are built in to every employee's performance appraisal to evaluate their cognitive and cultural style. Employees can compare their results within teams and develop action plans to grow their personal brand in line with Accenture's D&I values

- Engaging training and coaching for employees as well as dedicated training for all employees with management responsibilities to increase awareness and improve management of various dimensions of D&I in teams
- Diversity Management Workshops to equip teams with strategies and resources to foster and manage a diverse and inclusive work environment

ENGAGING THE BUSINESS TO PROMOTE GLOBAL UNDERSTANDING AND TEAMWORK

Accenture's internal Global Inclusion & Diversity portal connects people to cross-cultural diversity resources, including: training; materials to organize team workshops; quick reference cards with information about business etiquette and communication styles in specific countries; and a global multicultural calendar. Stories and tips from people across the globe bring the subject to life.

Additionally, a broad network of cross-cultural diversity sponsors and champions from the business complements online resources and training. Sponsors have experience managing teams across cultures and country borders; the sponsors also serve as faculty for cross-cultural training courses to enrich the training with their real-life examples.

All Accenture people have the opportunity to become champions and support cross-cultural diversity in their teams or projects by serving as points of contact for cultural and diversity questions, promoting the resources available to heighten awareness and organizing training for their teams, thus enabling others to become ambassadors and role models for D&I, too.



ENGAGE THE LEADERSHIP



n organization naturally takes the direction of its leadership. What leaders say, how they behave, and which employee behaviors

they encourage or discourage becomes a template for all employees. Leadership plays a pivotal role in shaping the organizational culture and for initiatives to be successful, and organization's leaders—top to bottom—must actively support and champion those initiatives and serve as D&I role models.

LEADERSHIP BEHAVIORS THAT ENCOURAGE D&I DEVELOPMENT ACROSS THE ORGANIZATION

GET IT

Listen to employee input and reframe the D&I discussion to make it relevant to them.

BUY IT

Understand that the long-term benefits of D&I in terms of value creation (such as employee engagement, innovation, productivity, brand attractiveness) and cost reduction (including reducing attrition and decreasing rehiring costs) outweigh the effort involved in establishing a truly inclusive company culture.

• LIVE IT

Understand that they must be ambassadors and role models for D&I to foster a truly inclusive culture at the workplace. Leaders must ensure accountability,

and bold targets help by underlining the strategic importance.

Leadership, starting at the top, who demonstrate the following behaviors, usually make an impact across the enterprise:

- Ongoing promotion of D&I as a strategic initiative, supported by the "business-first" approach.
- Consistent and visible role modeling of D&I values, such as frequent and clear communications and behaviors in both informal and formal situations, both inside and outside the organization.
- Participation, promotion and uptake of D&I initiatives by the leadership teams, setting clear and strong expectations with direct reports and the wider organization.
- Clear demonstration of a "zero tolerance for discrimination" attitude by immediately and visibly addressing any forms of open or covert discrimination.



During the **World Economic Forum** in Davos, Switzerland in early 2016, the world's leading oil and gas companies signed a Call to Action charter to improve the participation rate and development of women in their organizations. This step was an important signal to both internal and external stakeholders regarding the importance of improving the current standing of women in the industry. The charter was endorsed by 22 companies, including 11 EPCA member companies.³

For **Eelco Hoekstra**, the Chairman & CEO of **Royal Vopak**, signing the Call to Action was regarded as a signal both internally and externally that the company is truly committed to supporting greater diversity and inclusion. He describes the reasons why he values a more diverse and inclusive working culture thus:

"I truly believe that a diverse and inclusive organisation creates for all our employees the opportunity to develop their potential to their best. Greater diversity also leads to more effective and open decision-making as people feel that whatever their background, their opinion is truly valued. An inclusive and inspiring environment makes it easier to attract and retain talent. Any company needs to be responsive to changing external demands in a globalizing world and must stay relevant to society – it can do this best when it is a reflection of that society."

Incorporating D&I principles into an organization's core values may help emphasize its importance. Many petrochemical companies such as BASF⁴, DOW⁵ and ExxonMobil⁶ have included D&I in their company's core values, which elevates the importance and intention of the initiatives. For example, BASF embodies D&I principles in its core value of 'open,' which is defined as, "We value diversity – in people, opinions and experience. That is why we foster dialog based on honesty, respect and mutual trust."⁷

ENGAGING MIDDLE MANAGEMENT IN THE JOURNEY

D&l initiatives usually consist of culture change efforts that are just above the surface. But at a deeper level, it is more difficult-yet wholly necessary-to create sustainable change. Leadership behaviors should reinforce the desired culture, and leadership values should be deeply rooted within the organization's DNA.

Harvard Business School professor David Thomas suggests that, "The people at the very top say all the right things relative to diversity, but their middle management, who really run the organization and create the experience of people who work there, don't understand and don't feel accountable for Diversity and Inclusion."8 He adds: "What's important for each organization is to identify the relevant dimensions, measure them, and make that part of how managers are evaluated."

USING KEY PERFORMANCE INDICATORS TO DRIVE SUCCESS

For Key Performance Indicators (KPIs) to be useful, they must address the core of what an organization wants to achieve with its D&I initiatives. A small set of meaningful KPIs is more useful than a vast number of randomly chosen ones. Additionally, it is critical that these KPIs span all stages of the employee lifecycle and cascade from the top down (Table 1). Leaders at all levels must be accountable for achieving these KPIs; they should treat them not as "nice to haves," but as equal in importance to any other business KPI.

Many organizations at the beginning of their D&I journey typically start by focusing on KPIs targeted at aspects of diversity as these are oftentimes easier to measure—such as percentage of women across different levels within the organization. However, as D&I efforts mature, so do the KPIs. For example, companies could begin to measure how well-integrated various groups feel, for example, by using focus groups, crowdsourcing initiatives and/or regular employee satisfaction surveys—all the way to including a question in exit interviews. Another KPI related to integration might be the level of active participation of majority groups in Employee Resource Groups, such as participation by men in a women's initiative.

When using KPIs, it is crucial to not just look at the status quo, but to search for patterns within the data instead. For example, looking for correlations such as performance (e.g., sales success) within diverse groups may help companies identify their own relative strengths and areas for improvement.

³ Closing the Gender Gap in Oil & Gas: A Call to Action for the Industry, January 2016, World Economic Forum. http://www3.weforum.org/docs/WEF_AM16_Closing_Gender_Gap_Oil_Gas.pdf.
4 BASF company website, "Our Values" section, www.basf.com/en/company/investor-relations/basf-at-a-glance/strategy/our-values.html. 5 DOW company website, "Beliefs and Culture" section, www.dow.com/en-us/about-dow/our-company/beliefs-and-culture/corporate-diversity-and-inclusion. 6 ExxonMobil company website, "Culture and Values" section, http://careers.exxonmobil.com/en/about-us/Culture-and-Values/Diversity-and-inclusion. 7 BASF company website, "Our Values" section, www.basf.com/en/company/investor-relations/basf-at-a-glance/strategy/our-values.html.
8 Victoria L. Brescoll (2011): "What do leaders need to understand about diversity?", Yale Insights, available at http://insights.som.yale.edu/insights/what-do-leaders-need-understand-about-diversity."



Employee Lifecycle Stage	D&I KPI examples
Attraction	 Percentage of qualified applications from various groups Cost per hire before versus after adoption of D&I program External reputation as employer (such as scoring highly in a "Best Employers" ranking that includes D&I as a measure)
Selection	 Relative percentages of applications from diverse groups moving forward in the selection process Satisfaction ratings measuring the selection process from diverse group applicants
Onboarding	 Percentage of voluntary turnover within various groups in a given timeframe, which may be an indicator for the degree of inclusiveness
Development	 Employee satisfaction scores from various groups within an organization, which may reveal patterns and areas of relative strength or weakness with regards to inclusiveness Tracking of concrete development measures provided by managers and supervisors to their employees which ensure the future growth and promotion of diverse employees
Promotion	 Average time to reach next career steps for various groups, which may indicate unconscious biases and other organizational hurdles Relative percentages of promotions for diverse groups Relative percentage of diverse groups by management levels
Retirement/ Exit	 Percentage of voluntary turnover due to dissatisfaction/discrimination Attrition of minority groups in relation to overall attrition across career levels

Table 1: Typical D&I KPIs across the employee lifecycle



TOTAL has established two key global objectives to achieve by 2020:

- At least 25 percent of women and 40 percent non-French personnel in executive positions.
- More than 20 percent of women in management committees in all geographies

and business areas and between 50 to 75 % local employees in affiliate's management committees.

Each division of the company sets objectives for its own senior management staff.

To track progress, a set of KPIs has been defined and is monitored per business area based on TOTAL's diversity goals. Council members can propose new initiatives to support the achievement of the established goals.



EMBED D&I IN THE ORGANIZATION

iversity without Inclusion means nothing and companies must strive to make D&I more than a mere "tick in the box". This is a conscious

culture change effort that will happen neither overnight nor by itself. Therefore, organizations need to consider putting in place formal structures and processes to anchor initiatives in the business and thereby ensure that they can make a real impact to the organization.

IMPLEMENTING DEDICATED D&I STRUCTURES

Companies can use three complementary structures, which need to be closely interlinked with the business organization:

- 1. A **Chief Diversity & Inclusion Officer**, who owns the company's D&I agenda and is responsible for driving it in close cooperation with the business.
- A **Diversity & Inclusion Council**, which acts as the steering committee for D&I initiatives in the organization.
- Employee Resource Groups (ERGs), also known as Allies programs or as Business Resource Groups, are forums to formalize and drive the D&I agenda for given segments. These groups are

responsible for aligning initiatives with the business and are involved in the management of D&I across the employee lifecycle. ERGs are typically coordinated by the Diversity & Inclusion Council.



TOTAL DIVERSITY COUNCIL

TOTAL has an established Diversity Council whose purpose is to debate diversity policy, promote diversity within the company, and track implementation of diversity goals and indicators. In doing so, the council can identify progress made on specific challenge areas. For example, recent efforts have focused on cultural diversity, women and the benefits realized by supporting D&I within the organization.

The council's chairperson is appointed by TOTAL's chairperson and CEO. Members are

drawn from across all business segments and senior management, and reflect diversity in terms of gender, nationality and career paths. Rotational members are appointed for four-year terms, bringing in experience from various parts of the business.

The Diversity Council meets twice a year, with each year a meeting hosted in a different geography in order to better connect with the employees. Local managers attend and share local challenges and best practices, which in turn

are used to improve the effectiveness of global diversity initiatives.

Diversity Council members are ambassadors in their own business areas where they discuss progress and support key programs.

The Diversity Council also hosts events on global diversity days. TOTAL's focus on diversity has had a positive impact on its employee survey, which has shown a steady increase in the appreciation and esteem of diversity topics throughout the business.

It is important to note that it takes more than creating a Chief D&I officer, for example, to achieve an inclusive and diverse organization. Company leadership at all levels must take ownership of D&I for it to become part of the fabric of the organization. Additionally, it is crucial to have HR structures in place to provide support for the D&I structure, such as the HR Business Partner role.

Most of the surveyed EPCA member companies have - formal D&I structures in place that are closely interlinked with each other as well as with the business. For example, "DOW's Diversity and Inclusion strategy is driven by the company's Executive Network Council and includes members of the executive leadership team. Each member is

responsible for leading one of DOW's employee network groups." 10

In addition to the three types of structures mentioned above, some companies such as BASF have also put in place a dedicated network.

^{9 &}quot;Employee Resource Groups: An Introduction, Review and Research Agenda," Conference Paper in Academy of Management Annual Meeting Proceedings, T.M. Welbourne, S. Schlachter, and S. Rolf, August 2015, www.researchgate.net/profile/Theresa_Welbourne/publication/280946736_Employee_Resource_Groups_An_Introduction_Review_and_Research_Agenda/links/56323e-7108ae242468d9bb1f.pdf. 10 DOW company website, "Beliefs and Culture" section, www.dow.com/en-us/about-dow/our-company/beliefs-and-culture/corporate-diversity-and-inclusion.





BASF D&I AMBASSADOR NETWORK

BASF has formed an active D&I Ambassador Network, whose objective is to positively promote the spirit of Diversity and Inclusion within the organization. Examples of the ambassadors' initiatives include:

 Language partnering, which offers employees the opportunity to meet with colleagues who are experts in, or native speakers of, the language employees would like to practice.

 Diverse Life Situations program, which supports implementation of flexible working options including telecommuting and job sharing. Meet the Management - Meet the People, an informal atmosphere for interaction among a broad mix of employees.

The overall aim of the Ambassador Network is to help initiate D&I change from the bottom up with various grassroots initiatives from the business for the business.

EVOLVING D&I STRUCTURES TO VALUE-ADDED BUSINESS ASSETS

One of the key challenges identified in the survey and interviews with selected EPCA member companies, as well as through external studies, ¹¹ is that ERGs are oftentimes seen as mere "coffee clubs" whose impacts are unknown to the organization or not directly tied to the daily business. To address this criticism, it is important to establish strong and sustainable Diversity & Inclusion Council and ERG structures with the proper leadership, governance and processes to contribute real benefits to the organization, while still holding the business accountable for D&I outcomes.

To add full value, a Diversity & Inclusion Council needs to:

- Be chaired by top management and sponsored by a CEO or another member of the Executive Committee, who clearly articulates the strategic importance of D&I to the whole organization.
- Meet regularly (minimum half yearly, if not quarterly) with attendees from all business areas, not just HR.
- Utilize rotational membership to involve attendees from various levels

and geographies of the organization, including representatives from ERGs.

- Openly discuss the direction of D&I, review measures and outcomes of programs to acknowledge positive results, and highlight areas for improvement.
- Act as enablers for initiatives, removing obstacles and ensuring visibility of D&I throughout the business.
- Work as champions of D&I for the broader business, setting clear expectations in their business areas regarding engagement in the program.

ERGs can be powerful enablers for D&I in the organization by:

- Defining unique selling points and compelling stories, which are clearly communicated to illustrate how they add value to the business.
- Creating meaningful goals linked to the needs of the organization (e.g., supporting creation of enablement tools, training or improvement of performance management processes).
- Being accountable to these goals, mapping progress and reporting progress to the organization.

- Assigning one to three managing members, who are responsible for check-ins with group members between meetings and sharing results with the Diversity & Inclusion Council.
- Inviting rotational and semi-permanent members from the whole organization, including critical/resistant individuals.
- Providing an open discussion forum for employees from all organizational levels – on the ground, in the fields, through to middle management all the way to top leadership.

Since all of the surveyed EPCA member companies are seeking to review their talent management processes (e.g., attraction, recruitment, development and performance management processes) to meet D&I objectives, there is a prime opportunity to involve the Diversity & Inclusion Council and ERGs in the input and review cycle. This would save development time and create business-aligned processes that meet identified diversity objectives.

GOALS FOR D&I STRUCTURES

The concrete goal of Diversity & Inclusion Councils should be to enable D&I initiatives in the business, and thereby fostering a culture that values diversity in any shape or form, from easily tangible D&I dimensions such as age, gender and nationality all the way to less easily observable dimensions such as thoughts, backgrounds and opinions. This translates into overseeing rather than driving new initiatives, which should

come from the business directly. ERGs, on the other hand, exist for varied groups along the D&I spectrum; thus, they are uniquely placed to support the business-led approach and definition of key initiatives in D&I to drive towards a culture that celebrates inclusion.

The expertise of ERGs can be used to review existing processes and suggest improvement

potential through a coordinated group of individuals. By leveraging feedback 'from the frontline' gathered within the ERGs, a Diversity & Inclusion Council can identify actions HR needs to take and reduce the time to create robust HR and business processes tailored to D&I objectives. For example, ERGs may provide valuable insights into the root causes of certain D&I-related issues that the business is experiencing. In turn,

^{11 &}quot;Employee Resource Groups: An Introduction, Review and Research Agenda," Conference Paper in Academy of Management Annual Meeting Proceedings, T.M. Welbourne, S. Schlachter, and S. Rolf, August 2015, www.researchgate.net/profile/Theresa_Welbourne/publication/280946736_Employee_Resource_Groups_An_Introduction_Review_and_Research_Agenda/links/56323e7108ae242468d9bb1f.pdf.



gaining a deeper understanding of these root causes will help organizations derive meaningful and impactful D&I measures that address the heart of the issue.

The review and refinement of employee lifecycle processes can be done by:

- Engaging ERGs in a first review of the processes: Where do we first want to focus our attention? What are the biggest pain points?
- Broadening the pool of participants by including online and offline crowdsourcing initiatives from the business-led approach, ensuring a depth and breadth of organizational areas are included.
- Hosting a series of workshops with the aforementioned pool of participants based on Design Thinking principles to draw out and further develop crowdsourced ideas.
- Refining outcomes of the workshops and taking these to the Diversity & Inclusion Council and leadership for final approval.
- Implementing the new processes and monitoring them (in collaboration with the ERGs) to highlight areas for further improvement.

In addition, ERGs should expand their target audiences by delivering content

that is also relevant to a broad range of participants. For example, a women's initiative may invite a female leader to speak about career development, but highlight the benefits for the whole workforce to ensure men feel invited and welcome to attend their meetings. Such range is then reflected in the perception of and participation in ERG events and meetings by the broader organization, tying them in to the business-led approach. This will foster an open exchange of opinions and experiences, thereby creating a more inclusive culture.



EXXONMOBIL DIVERSITY AND INCLUSION WEEK

ExxonMobil, one of the largest oil, gas and petrochemical companies in the world, successfully engaged its organization in the topic of D&I by organizing a weeklong event at its Europe, Middle East and Africa headquarters. To raise awareness and promote the value of a diverse and inclusive workforce, the company developed a specific event for each day, presenting employees with various opportunities to participate in the topic.

A key component was a D&I Fair, which was intended to connect employees through a logical sequence of activities: "Discover – Awareness – Learn – Practice." This helped to articulate the benefits, scope and importance of D&I.

During the week, ExxonMobil also organized various D&l-related activities—targeting either the entire campus or specific groups such as supervisors and middle managers. Diversity was presented in a broad way and delivered through various touchpoints such as the fair, workshops, D&l minutes and short presentations. Topics included cultural diversity, unconscious bias, experience, generational differences and the women's initiative.

The company also provided fun incentives to draw in all employees and focused on the practical elements of D&I initiatives that could make teams more successful. This method allowed the organization to build D&I awareness among a broader range

of people, and to offer content tailored to employee's daily work including relevant tools and support mechanisms.

The feedback and outcomes of D&I week were very positive: More than 50 percent of employees participated in one or more of the events. Understanding the breadth of D&I, as well as its impact on the success of a team, led to breakthrough moments. The use of D&I support measures also increased.

Given the importance of D&I and the positive employee response, ExxonMobil will continue to organize events around this theme to interact with employees and reinforce the benefits that an inclusive workforce can bring to individuals, teams and the corporation.



DOW SPONSOR TO SUCCESS

In the Sponsor to Success program, DOW has created a fruitful reverse mentoring program, open to female employees of all career tracks and levels. Women are paired with a male mentor in the business leadership: through the exchange,

mentees gain a broad network from their mentor as well as advice and coaching when required, while mentors gain insight into the challenges faced by women in the organization. In contrast to traditional mentoring programs, DOW's Sponsor to

Success program both actively involves men in leadership positions in the development of female colleagues, and holds the business accountable to understand and support women in the workplace.

DOW WOMEN'S INNOVATION NETWORK

The Women's Innovation Network (WIN) at DOW has also been successful in broadening its reach into the organization. In addition to regular meetings, WIN has created inclusive, well-branded events

with a push from leadership, and has enjoyed the participation of both male and female colleagues. For example, while an external speaker on career development may be female, she will address

topics and provide insights relevant to all employees within DOW. By broadening its audience, WIN actively educates men on their role in D&I while not subjugating the importance of the network itself.



TARGET SUSTAINED CULTURAL CHANGE

stablishing a corporate culture that embraces inclusiveness requires leaders who live by the D&I values, as well as establishing accountability within the business for bold KPI targets and a business-led approach that aligns initiatives with business values, as outlined

in the previous sections. However, these measures in themselves would not be sufficient to embed D&I deeply into an organization's DNA.

To take the quantum leap from diversity to an inclusive culture, D&I must also be

incorporated into every single step along the employee lifecycle and all of the corresponding talent management processes (Figure 1). Only if D&I targets, actions and policies are directly implemented within these processes will cultural change be sustainable.

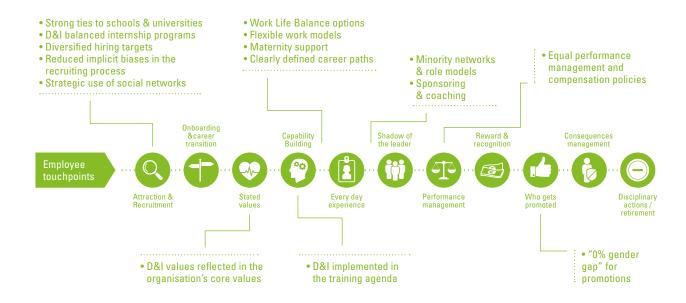


Figure 1: Processes along the employee lifecycle

BUILDING A DIVERSE TALENT PIPELINE

Continued business success of most petrochemical companies relies heavily on a healthy pipeline of highly specialized and trained professionals such as engineers and technicians. Therefore, it is crucial for petrochemical companies to get engaged early in encouraging students from a variety of backgrounds to pursue STEM (Science, Technology, Engineering, and Mathematics) and other degrees of interest. This means building relationships with

universities, technical schools and even high schools on programs that draw in and foster development of a diverse set of students.

At the same time, an organization's D&I goals must be reflected in its recruitment strategy, organization and processes. Unconscious bias must be eliminated from the process. This is especially true in petrochemicals, which is one of the more

traditionally male-dominated industries in which there can be a tendency to hire within limited demographics. One method to address this bias is to adopt a blind resume screening process, which not only can counteract gender biases, but also other types of biases, such as nationality and age biases. Additionally, business leadership should be held accountable for reaching D&I recruiting targets.



INEOS IN.SCIENCE

Since 2008, INEOS in Cologne has sponsored the TuWaS! program for 34 primary and secondary schools in the surrounding area. The program is based on the inquiry-based science education concept, and as part of the program the sponsored schools receive teaching materials developed by the Smithsonian Science Education Center, as well as teacher training. The program lasts from six to eight weeks, and schools may choose from 12 STEM themes, such as the lifecycle of a butterfly, electric circuits and chemistry tests.

The aim of the program is to foster children's natural curiosity and interest in natural science. By guiding children to ask questions, reflect, observe, discuss options and come to conclusions, they learn basic scientific principles while realizing science is key to understanding the world.

The Freie Universität Berlin brought TuWaS! to Germany in 2006 and adapted the program to the German curricula, delivering it in partnership with local businesses and Chambers of Industry and Commerce.

In Germany and Austria, a total of 280 schools are successfully using the TuWaS! program, reaching more than 150,000 children aged six to 12 years old. Similar programs are run in Chile, Luxembourg, Mexico, Sweden and the USA. Feedback from deans, teachers and parents is very positive, and TuWaS! also works well with special needs students.





ACCENTURE ATTRACTING DIVERSE TALENT

While Accenture focuses on developing and inspiring its existing talent base, the company also strives to attract more of the best people to help grow the business. Accenture offers an inclusive environment regardless of race, ethnicity, religion, gender, sexual orientation, age or disability, and this rich diversity makes the company stronger, smarter and more innovative. In fiscal year 2015, Accenture specifically focused on building the overall STEM talent pipeline to help address the existing skills gap in the global marketplace.

Highlights included:

 Accenture collaborated with the Girls Who Code program in the United States of America to help close the gender gap in technology by equipping young women with computing and professional skills to pursue technology careers. The company contributed US\$500,000 in funding and the time and skills of its people to help Girls Who Code deliver their core programming, further expand across the USA and establish a new online community for their alumnae. Accenture also hosted clubs for girls to connect and learn from each other, as well as Girls Who Code Summer Immersion programs in New York and Chicago, which offered instruction in robotics, web design and mobile development.

 Accenture expanded its Accenture Future Technology Leaders Program from nine to 13 countries and reached 500+ students-more than 175 of whom joined in India and the Philippines. The first class of program participants-42 percent women-will graduate during 2016. The program includes live webinars with STEM executives; networking, mentoring and social collaboration via LinkedIn with Accenture Technology professionals; and workshops featuring cutting-edge technology, a focus on leadership and professional development topics.



CREATING AN INCLUSIVE CULTURE

To create an inclusive culture, organizations need to develop career models that can flex to the changing needs that exist throughout the employee lifecycle. Graduates generally have different priorities than those at the midpoint in their careers; likewise, the priorities of senior employees may differ from these other groups. For example, companies can experience a drain of female talent due to

Inclusiveness Minute

Another idea is to incorporate an "inclusiveness minute" into meetings. Similar to "safety minutes" that many petrochemical companies have at the start of meetings, organizations can also include an "inclusiveness minute" i.e. a brief topic to help make D&I more top-of-mind for employees. This practice would also encourage more employees to start actively thinking about the topic.

challenges around work and family obligations. To combat this issue, companies can implement flexible work arrangements to better address the needs of working fathers and mothers.

Not only people with young kids can benefit from flexible work arrangements. For example, people with chronic medical conditions may need to attend medical appointments regularly during regular office hours. This is just one example how a wider array of employees might benefit from the flexibility these types of programs have to offer.

While flexible work models can be an important enabler, they are not a panacea. Many of the EPCA member companies surveyed have these types of models available for their employees. Yet they still face challenges retaining "up-and-coming" female leaders, as this group may be less able to move around the globe to take on different roles within the organization. Ultimately, strong leadership that invests in active career support and personal

IDCN

A topic that many EPCA members included in this survey report to struggle with is the question how to best support dual career models. Cooperation with non-profit organizations such as the International Dual Career Network (IDCN) whose objective is to facilitate job search for mobile employees' partners may help petrochemical companies address this issue. To this end, IDCN promotes a pragmatic approach organizing face to face meetings between partners looking for a job and HR Departments of their respective corporate members. For more information, please visit: www.idcn.info

coaching which takes each individual's unique needs into account is essential to success.



BASF CAREER PLUS

BASF runs a mentoring program called Career Plus for leadership candidates who are in a family active role (e.g., with young kids). Networking events and trainings are available to the mentees to support their careers. Program mentors come from senior management. With this model, career-breaks in active family phases are counteracted,

mentors get insights into the double challenge during active family phases and learn how to better support their talents.

D&I IN RECRUITMENT

BASF analyzes each step of its (external) recruitment process to define gaps regarding objectivity (blind spots). An

impact-effort-analysis was done to prioritize measures to be implemented such as conducting recruiter training about blind spots, rewording job-postings and changing key performance indicators (KPIs) to define success. These concrete adaptations raised objectivity by influencing all stakeholders in the process.

COMBATING UNCONSCIOUS BIAS

Every organization has a system of shared values and mindsets that are visible in the ways people behave. These values contribute to the organizational culture—and, as a result, assumptions and biases people hold about the way the world works become part of the organization culture as well.

Some biases manifest themselves in behaviors that may cause unintended impact on other employees. Known as unconscious bias, these behaviors can be detrimental to an organization. Yet they can be effectively addressed through training, workshops and information exchange.

Another approach are short conversation starters around D&I topics that encourage people to think and discuss about how they can approach everyday situations to become more inclusive in their behavior towards others.





SHELL TARGET SUSTAINED CULTURAL CHANGE

Shell recognizes that diversity without inclusiveness is the same as a car without petrol. As part of an annual Shell People survey, the company has specific D&I metrics that focus on inclusiveness. Survey questions include the following:

- 1) I feel free to speak my mind without fear of negative consequences.
- Shell has a working environment in which different views and perspectives are valued.
- 3) Shell has a working environment that is free from harassment and discrimination.
- 4) I am treated with respect.
- 5) Decisions are fair.

Leaders of teams of more than a certain threshold number can see the results for their particular teams – and so can their leaders. It is important to recognize that even if a direct leader is inclusive, the scores can refer to other team members or other more senior leaders who may not be as inclusive. Spotting trends provides a good starting point for leaders to understand potential areas of improvement.

D&I ICE BREAKERS

Shell realized that it needed to encourage discussions around the dilemmas managers can face in promoting inclusiveness

and that training around unconscious bias, although important, would not be enough to truly embed this value. The D&I team developed a list of dilemmas that can be used as discussion starters during lunch or dinner or at the beginning of a meeting, giving respondents an opportunity to advise what they would do – honestly and in a safe environment. Stimulating these discussions, particularly in small groups of four to six people, can generate a good dialog about other dilemmas managers may also face.

Examples of the situations include:

Male-Orientated Culture

A female Commercial Analyst is participating in a meeting with several General Managers (GMs) (all males). At the start of the meeting, the males were talking about last night's rugby game. She noticed their excitement and asked about the game, but one of the GMs said, "Don't worry. That's a rugby thing, it's pretty difficult to understand." Later on in the conversation, the group was discussing what to do to fill gaps in some key contracts in their region. When the Analyst tried to share her ideas, she was readily interrupted. She left the meeting feeling frustrated about the situation

Dilemma: You are one of the GMs in the meeting and noticed the Analyst left visibly uncomfortable. Would you engage with her and your colleagues to clarify the situation?

Follow up question: How would you engage your colleagues? What would you tell them?

Generations - Religions

You are trying to organize a social teambuilding event. There are 30 people in your team, many of whom are young, so you want to do something fun and interactive. Many members of the team want an evening party with a DJ and alcoholic drinks; however, you have a couple of team members whose religion does not allow them to drink and who may not be comfortable in that environment, as well as a few other team members who have young children for which an evening party will not work.

Dilemma: Do you go with the majority view?

Follow up question: How do you create an inclusive environment so that everyone has a good time and feels comfortable?



INTEGRA THE PRISM PROGRAM

To understand and celebrate the differences between its people, as well as show the benefits of Diversity and Inclusion, Integra has employed PRISM, a behavior mapping tool. Based on each employee's completed PRISM profile, he/she receives valuable insight into their behavior preferences, strengths and weaknesses.

PRISM uses different colored behavior dimensions—gold, green, blue and red—to create awareness about different behavior preferences. For example, an individual with a high behavior preference in the "gold" dimension tends to be meticulous, highly analytical and independent.

But, that behavior dimension could mean this person may overanalyze, resulting in slow decision-making and an inability to see the big picture. With an understanding of an employee's behavior dimensions, managers can have more meaningful discussions with employees about their profiles. In a group context, PRISM illustrates the benefit of having diverse profiles in order to achieve better results as a team, and helps managers develop more effective individual and team plans.

PRISM profiles also can be used in D&I training. For example, by grouping together employees with the same profiles and

assigning them tasks to complete, the tool highlights the pitfalls of group-think and "similar-to-me" biases when tackling complex problems. On the other hand, when groups are composed of individuals with differing PRISM profiles, outcomes improve due to the more diverse points of view that the group brings to finding solutions.

Integra has found that PRISM behavior mapping has the added benefit of increasing retention. When employees better understand themselves and their teams, their engagement with the company increases.



CONCLUSION

The importance of D&I in maintaining and enhancing competitive advantage is clearly proven and acknowledged. A diverse organization benefits from a multitude of new perspectives and ideas, and inclusion ensures that diverse voices can be heard. This benefits the global performance of petrochemical organizations to meet local customer needs, increase creativity and complex problem solving.

Numerous EPCA member companies have embarked on the D&I journey with different initiatives at different stages. While there is no silver bullet, some common themes for success have emerged. First, D&I needs to be a business imperative, not just an HR initiative. It requires strong leadership across all levels, not just from the top management. It needs to be reflected in the organization's structures by implementing respective D&I roles and bodies. Consequently it has to be embedded in the employee lifecycle.

There is a common understanding that mere voluntary actions and good gestures from the leadership alone will not do the job. D&I must be anchored throughout the entire employee lifecycle: that is, regardless of their background or personal circumstances, employees should walk away from interactions with their direct supervisor, the organization's management and administrative processes with the impression that they are measured against the same yardstick as their peers, and provided a level playing field to perform to their full potential. This is the credo for which D&I initiatives should stand.

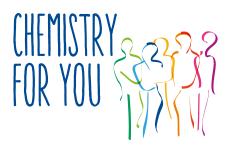
Because that is what D&I is in the end: a culture change. It will not likely be easy, and it will take time. But in this increasingly fast-changing world, time must not be wasted. If companies stick to their D&I agenda, EPCA is convinced that the ultimate vision can be achieved: that D&I initiatives become obsolete because they are an integral part of every company's DNA. EPCA will continue its work on the different facets of Diversity & Inclusion for the benefit of the global petrochemical business community.

If you want to know more about EPCA's Diversity & Inclusion activities, please also read the section dedicated to the **3rd October 2016 Diversity and Inclusion session** in the **Report of the 50th EPCA Annual Meeting**. It is available on the EPCA website **www.epca.eu**.





THE EUROPEAN PETROCHEMICAL ASSOCIATION



EPCA is the **quality network** in Europe for the **global chemical business community** consisting of chemical producers, their suppliers, customers and service providers. It operates for and through more than 700 member companies from 53 different countries that represent an aggregate turnover of over €4.4 trillion and employing over 5.6 million people. EPCA serves as the platform to **meet, exchange information and transfer learning**, as well as a **think tank** for its members and its stakeholders.

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