

# Vigeo opinion on the prevention of discrimination and the promotion of diversity



On International Woman's Day 2014, Vigeo is partnering with Euronext to highlight companies from four different countries (Belgium, France, Portugal and the Netherlands) on the prevention of discrimination and the promotion of diversity in the workplace. Addressing these issues has been a widespread ambition from publically traded companies to address for over a generation. Vigeo Rating's research shows some advanced performers. However, our research also indicates that a gap between commitments and results still persists with a universe performance that only shows limited results. Even amongst leading companies a gender gap in key leadership roles persists.

## Vigeo's Main Findings

Average Universe score:	37/100
Average Europe score:	42/100
Average North America score:	38/100
Average Asia Pacific score:	30/100
Average Emerging Markets score:	27/100

Companies highlighted by Vigeo for International Women's Day on the topic of preventing discrimination & promoting diversity

Country	Company
Netherlands	• Koninklijke DSM
	• STMicroelectronics
	• Akzo Nobel
Belgium	• Umicore
	• Delhaize
Portugal	• Banco Espirito Santo
	• Redes Energetical
	• Energias de Portugal
France	• BNP Paribas
	• GDF Suez
	• L'Oreal

## Vigeo's Top Performer 2014

Name	BNP Paribas
Sector	European Diversified Banks sector
Rank in sector	1st (93/100) on Non Discrimination and Diversity.
Indices	   
Some best practices	Some best practices: BNP Paribas <b>targets 25% of women as senior managers at executive level</b> by the end of 2014, increasing from 16% in 2009. This target is one of the indicators included in the <b>variable compensation</b> of senior managers.

## Results summary

- Vigeo's assessment revealed that Europe continues to be the best performing region, followed by North America. There is a limited overall average score for our rating universe, the four regions and most sectors. This underlines that corporations in general still have far to go on addressing this issue.
- Vigeo assesses 2500 companies across Europe, North America, Asia Pacific and Emerging Market regions. For International Women's Day 2014, we have assessed 36 sectors, on preventing discrimination and promoting diversity. Data from March 2011 to December 2013 has been used.

## Rationale

- Strong performances on non-discrimination can improve a company's 'return on human capital investment' by retaining key talent for longer. Companies can also enhance productivity for parents through supportive policies and thus boost efficiency in a key demographic. Companies can also improve internal well being and reduce the level of employee absenteeism .
- Discrimination allegations can lead to high costs for settlements, fines and litigation.
- Diversity driven companies can think, innovate and act in more languages and thus widen their consumer base across multiple demographics.

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## What we assess

### Preventing discrimination:

- Non-discrimination principles should be integrated into a company's Code of Conduct.
- Companies should explicitly define the potential categories of discrimination (e.g.: gender, sexuality, ethnicity, family responsibility, disabilities etc)
- Companies should explicitly define the managerial processes to which their policy applies such as hiring, promotions, salaries and the provision of certain benefits etc.
- Reporting systems should be in place to allow employees to record concerns in a formal and confidential manner.

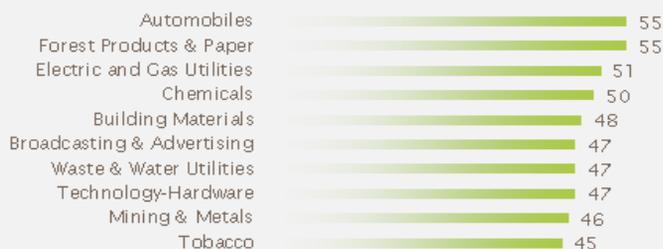
### Promotion of diversity:

- Companies should set quantitative targets for increasing the diversity of their workforce as well as the diversity of their management structures.
- Companies can provide formalized trainings for employees on diversity and discrimination.
- Companies can establish 'affirmative action' programs to spur development for targeted vulnerable groups;
- Companies should monitor and should report on key performance indicators;
- Companies should react transparently, and proactively to allegations should the arise.

## European sector insight

Scores for European companies, across the 36 analysed sectors, were erratic, spanning from weak (31/100) to robust (55/100). Disappointingly, no sectors attained advanced absolute scores (scores of 60+/100). The Forest Products and Paper and the Automobiles sectors led the panel with average scores of 55/100. The Forest Products and Paper sector is composed of six companies, four of which are Scandinavian. In 2013 the World Economic Forum released its latest Gender Gap Report; in which Scandinavian countries ranked as the top four in the world (Iceland, Finland, Norway, and Sweden). The Automobiles sector includes 18 European companies. This sector has far-reaching and historical collaboration with trade unions and public authorities helping to drive a progressive approach to non discrimination and diversity. Automobile

companies are also historically large and well known bringing attention from media, local civil society, trade unions, NGOs etc, helping to further drive performance. We see this through the issue of strong commitments to promote equality across the sector, close to half of the companies have signed Global Framework Agreements covering non-discrimination. A majority of the companies also show a positive trend in terms of gender distribution in management positions. In the male dominated Mechanical Components & Equipment and Industrial Goods & Services sectors, many companies do not communicate on efficient programmes in place to promote gender equality and less than 30% disclose increased shares of women holding management positions for the past few years.



European, Average Sector Scores for Prevention of Discrimination & Promotion of Diversity

Vigeo is the leading European expert in responsible performance. Founded in 2002 and headed by Nicole Notat, Vigeo measures the performances and risks of more than 2500 companies, local and countries in the word with regard to six areas of corporate social responsibility: environment, human rights, human resources, business behavior and corporate governance.

Vigeo rating's research meets high quality standards and is externally certified to the Arista standard.

Vigeo is present in Paris, Casablanca, Brussels, Milan, London and Tokyo and has more than 120 employees.