

The background of the slide is a dense, vertical arrangement of numerous colorful sticky notes. The colors include various shades of blue, purple, orange, yellow, green, and red. The notes are of different sizes and are slightly offset from each other, creating a textured, layered effect. The top of the slide is a solid teal color that transitions into the sticky note background.

# Diversity & Inclusion 2021/2022 EPCA survey outcome

April 2022

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# Welcome

This report summarizes the findings of research run by the EPCA's **Talents of Today, Leaders of Tomorrow (TTLT) committee** between 2021 and 2022 to better understand how Diversity & Inclusion has evolved over the last years in the petrochemical industry.

In the first phase of the project, the TTLT committee issued an updated version of the 2016 EPCA's "[Why Diversity Matters](#)" survey to track and compare D&I progress achieved – and recurring challenges - over 5-year time within the companies that participated in the original survey and in comparison with other industrial sectors. The outcome of that research is available on the [EPCA website](#).

In this second phase, we selected key and most relevant questions and expanded the survey to the wider EPCA Community, to compare results and achieve a broader perspective of D&I within the petrochemical sector.

This initiative has been conducted by the TTLT's **Diversity & Inclusion subcommittee**, an expert group that encourages EPCA member companies to pursue recruitment and talent management practices that will lead to a modern, diverse and inclusive environment to boost creative thinking and adaptability that innovation requires.

## Disclaimer

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## Background | Previous Research

### Diverse companies outperform their peers. The key success factor is inclusion

Difference in likelihood of outperformance of 1<sup>st</sup> vs 4<sup>th</sup> quartile, %

**+25%** Likelihood that **gender diverse companies** outperform less diverse peers<sup>1</sup>

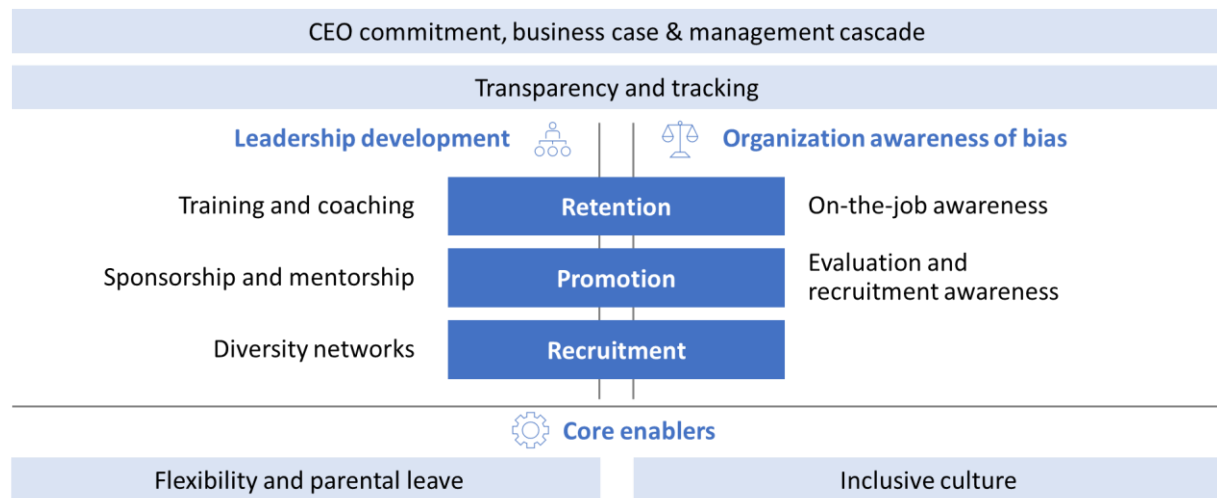
**+36%** Likelihood that **ethnically diverse companies** outperform less diverse peers<sup>2</sup>

<sup>1</sup> Likelihood of financial outperformance by executive team gender diversity quartile: calculated as share of companies in the respective diversity quartile outperforming industry benchmark by region, based on average EBIT margin across 2014-2018; includes companies from North America, Asia-Pacific, Continental Europe, Latin America, and Sub-Saharan Africa.

<sup>2</sup> Financial likelihoods to outperform based on EBIT margin from 2011-2015 above industry avg.; Ethnicity defined as all non-white ethnicities. In the US, we also include Hispanic/Latino of any race

SOURCE: McKinsey, Diversity Wins (2020)

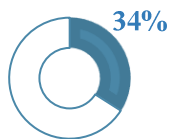
### Research shows an ecosystem is required to make change happen



SOURCE: McKinsey Women Matter Report (2017)

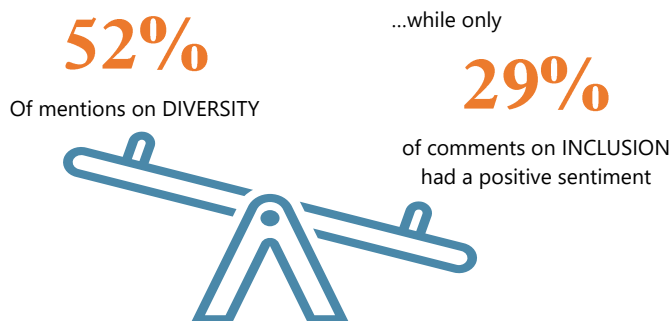
...but employees often identify gaps in inclusion

### Inclusion and diversity are on employee's minds



**34%** of online comments about an organization's environment, culture and dynamics focused on inclusion & diversity

### Employees generally have less positive views of inclusion than they do of diversity



## Inclusion is necessary to capture the performance benefits of diversity

### Diversity:

“Who is in the workplace” The composition of employees across various elements of difference (e.g., gender, race/ethnicity, age, sexual orientation, disability), measured at each level of the organization.

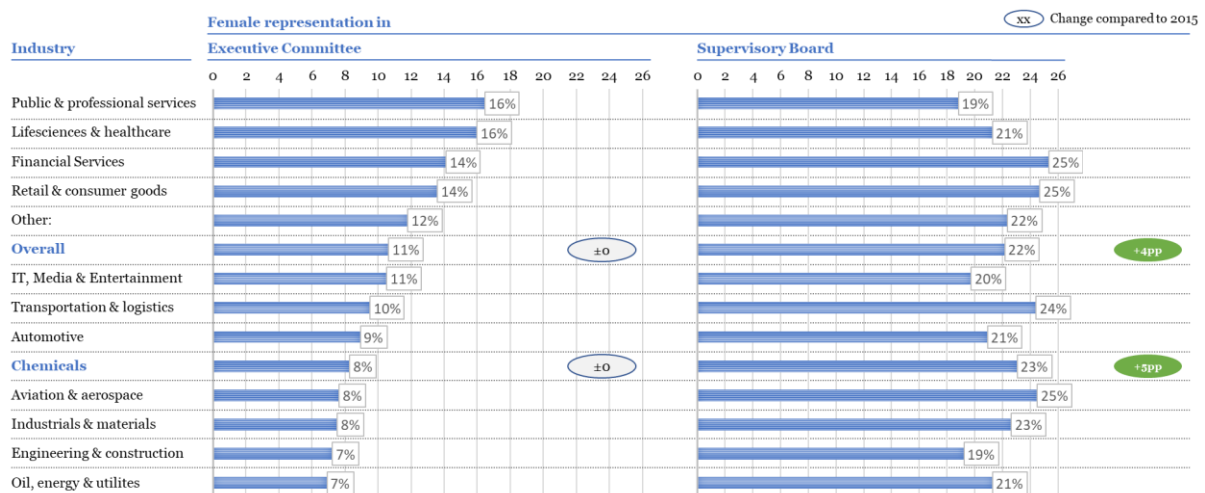
### Inclusion:

“How employees feel” The degree to which organizations embrace all employees and enable them to make meaningful contributions.

### 5 ways inclusion and diversity impact performance:

1. Win the battle for **talent**
2. Improve the **quality** of **decision making**
3. Increase **customer insight** and **innovation**
4. Drive **employee motivation** and **satisfaction**
5. Enhance a company's **global image** and **license to operate**

The chemical industry has improved its female share in Supervisory Boards, yet there is little progress in Executive Committees compared to other sectors.



SOURCE: BoardEx 2021

## EPCA Diversity and Inclusion survey

### Overview

EPCA has run two surveys to understand progress, activities and initiatives to improve diversity & inclusion in the petrochemicals industry: a focus group survey to gather detailed insights on what outperformers do differently and an EPCA member-wide survey to understand if the key findings mirror the larger chemical industry peer group.

The **focus group in-depth survey** was run in mid-2021 and included over 60 questions on figures, different practices & activities of and for women in chemical companies along 4 key dimensions: recruiting, performance & promotion, retention & inclusion, environment. 15 EPCA member companies took part to this exercise, findings have been summarized in the [Diversity & Inclusion Reimagined](#) report.

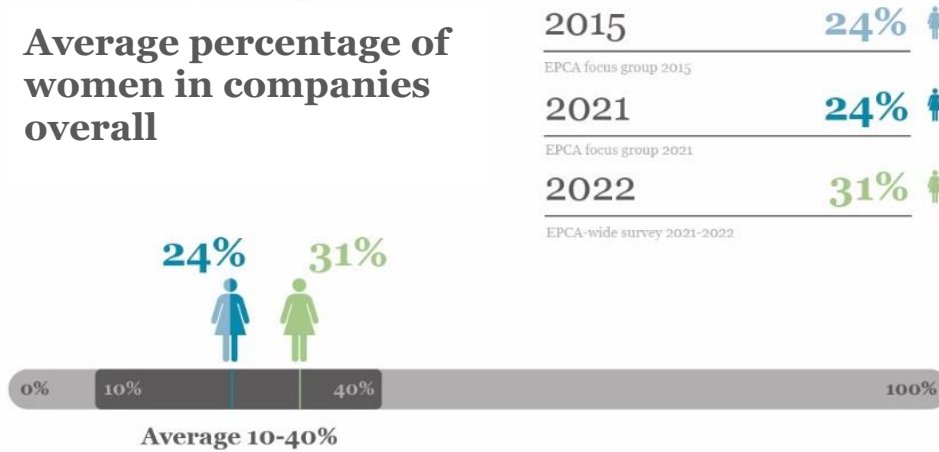
This report concerns a **follow-up survey run within the wider EPCA community** and based on a shorter questionnaire (10 questions) to understand if key findings of focus group survey mirror the larger EPCA membership peer group. The survey was run anonymously and over 160 companies participated, representing the entire petrochemical value chain.

## Results

### 1) Overall share of women in companies

The average percentage of women in companies overall did not increase in focus group since 2015. The share in the EPCA-wide survey is higher.

#### Average percentage of women in companies overall

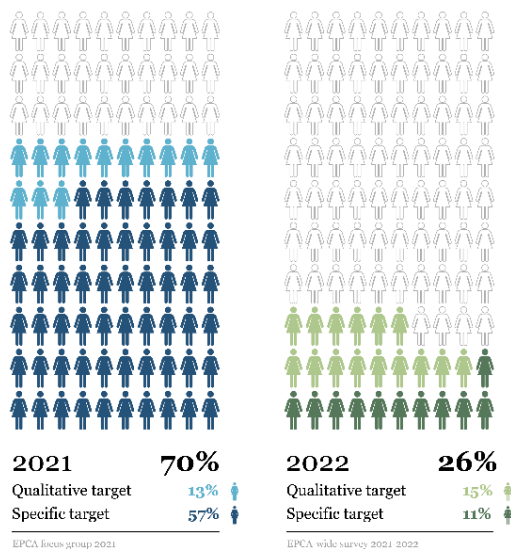


### 2) Setting targets

Focus group members have largely set targets for female share. 3/4 of companies surveyed EPCA-wide do not have yet.

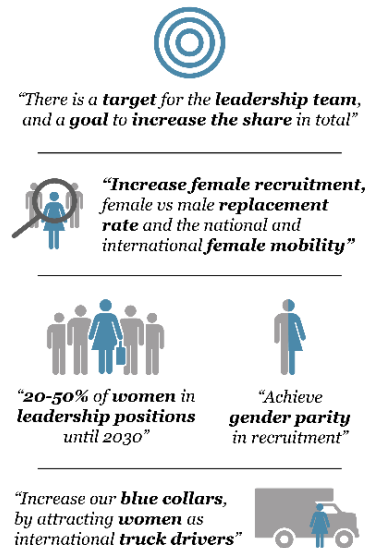
#### Do you have a target for female share of total employees set for 2025?

Percent %



#### What is your qualitative target for female share set for 2025?

Examples

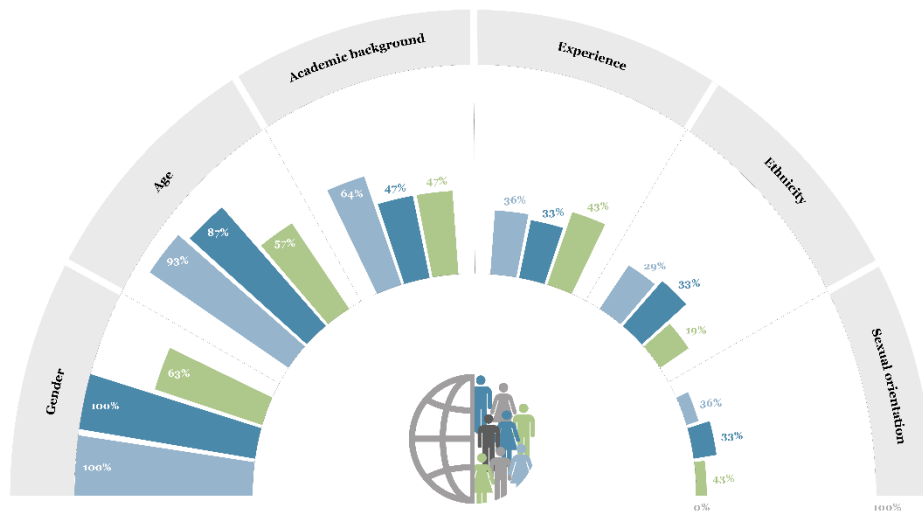


### 3) Tracking diversity

Not all companies track key diversity dimensions yet, particularly in the wider EPCA community.

**Which diversity dimensions does your company track?**  
Percent of companies tracking

EPCA focus group	2015
EPCA focus group	2021
EPCA-wide survey	2021-2022

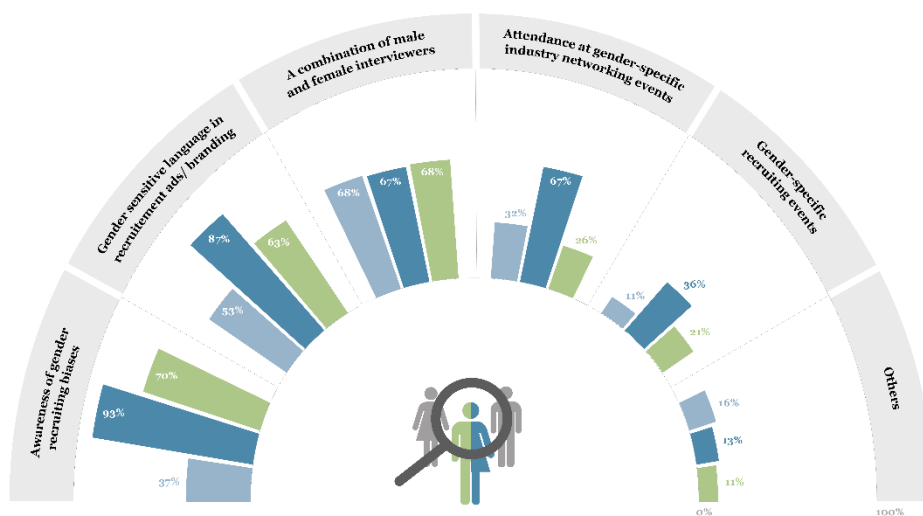


### 4) Gender specific recruiting activities

Gender specific recruiting activities are in place. There is room for further diversification

**Which of the following practices do you currently have in place to promote gender equality in recruiting, or do you plan to incorporate in the next year?**  
Percentage of companies with active measures in place

EPCA focus group	2015
EPCA focus group	2021
EPCA-wide survey	2021-2022

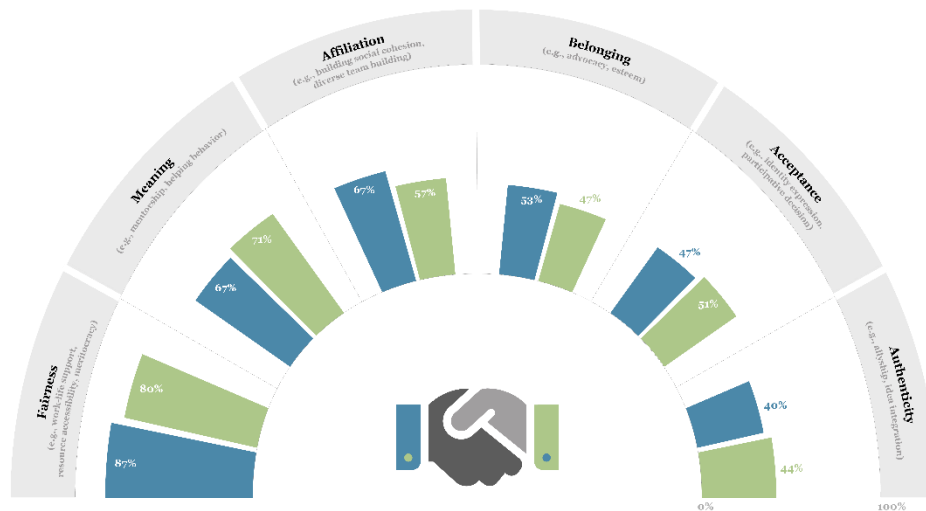


## 5) Inclusive culture and behaviours

Inclusive culture and behaviours are still largely lacking. Companies can better shape their environment, so it enables diverse talent to succeed.

**Which of the following inclusion measures does your company take to make diverse talent feel they can be themselves to enable them to be their true best?**  
Percentage of companies with active measures in place

EPCA focus group **2021**  
EPCA-wide survey **2021-2022**

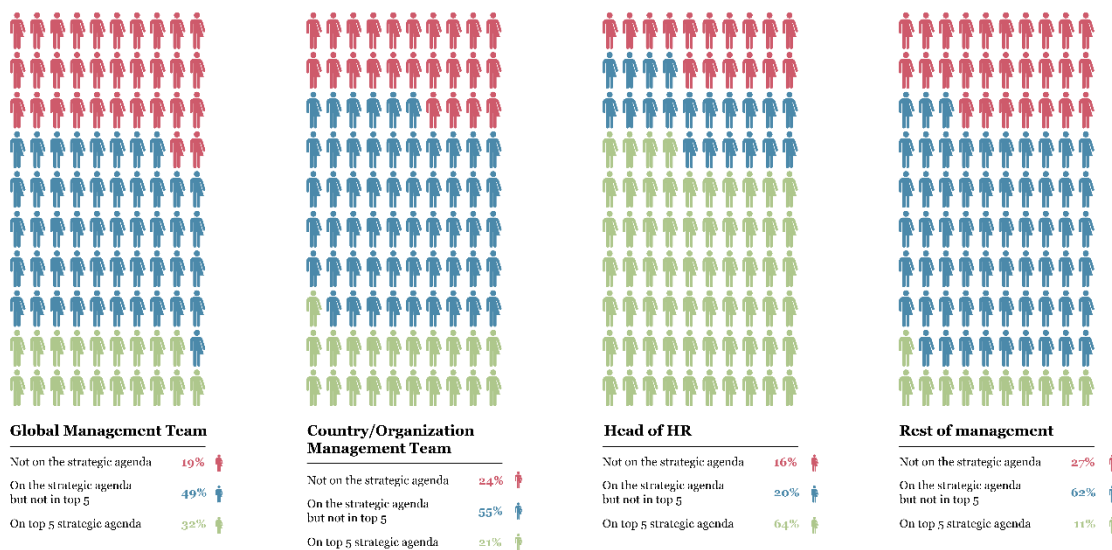


## 6) Gender equality and strategy

Senior management ownership and cascading gender equality down the organization still an opportunity.

**Where does gender equality rank on the strategic agenda for each of the following hierarchies in your organization?**  
Percent %

EPCA-wide survey 2021-2022





7) Career advancing opportunities

Providing career advancing opportunities to diverse talents and moving from mentorship to sponsorship.

Examples of career critical assignments



International assignments

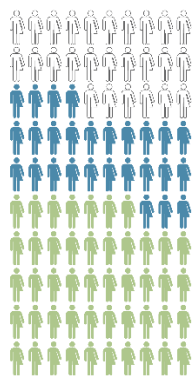


Leading key strategic projects



Experience in multiple departments/functions

Does your organization have in place processes to ensure women and men have equal access to career-critical assignments? Percent %



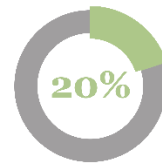
EPCA focus group 2021

Don't know	26%	
No	27%	
Yes	47%	

What types of gender specific talent development activities does your organization offer for women? Percent of companies with activities being current practice



Formal mentorship activities (e.g., matching women with professionals who provide advice)



Formal sponsorship activities (e.g., matching women with professional who create work opportunities for them)

EPCA focus group 2021

8) Flexible work options

Flexible work is offered by most companies, but improvement in less traditional options is possible

Which of the following flexible work programs does your organization offer? Percent %

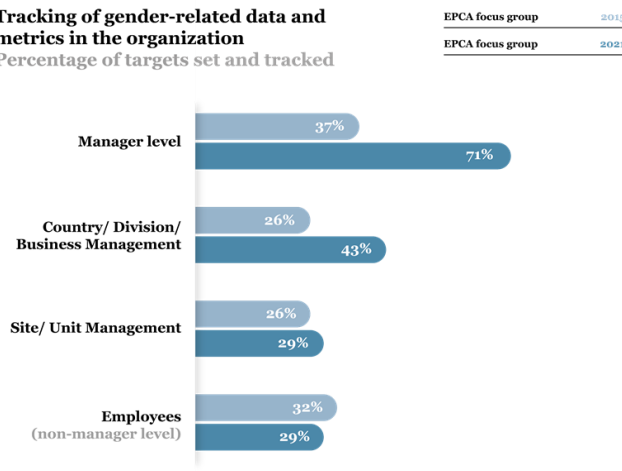
EPCA focus group	2015
EPCA focus group	2021
EPCA-wide survey	2021-2022



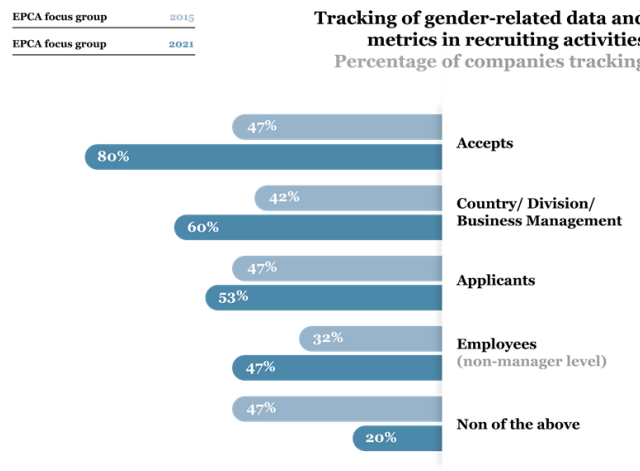
## 9) Tracking and measuring gender-related data

There was great progress in tracking and measuring gender, yet room for further improvement.

**Tracking of gender-related data and metrics in the organization**  
Percentage of targets set and tracked



**Tracking of gender-related data and metrics in recruiting activities**  
Percentage of companies tracking

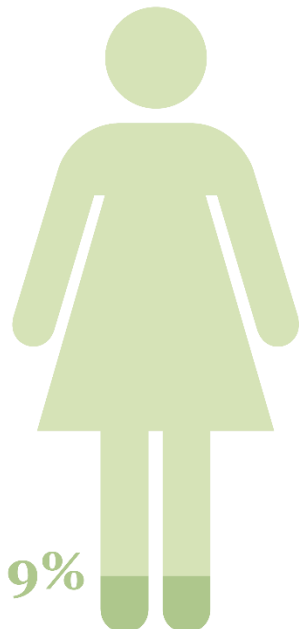


## 10) Female attrition rate

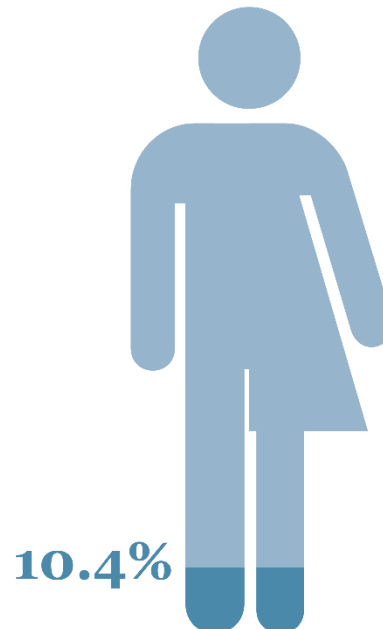
In 2021, female attrition rate was similar to the overall attrition rate in chemical companies surveyed

**EPCA-wide survey 2021-2022**

### Female attrition rate



### Overall (male and female) attrition rate



## Summary of our findings and recommended next steps

- **Diversity and inclusion are more important than ever** – research shows that it is not only important for fairness reasons, but more diverse companies also outperform their peers. Outperformance is driven by winning the battle for talent, improving the quality of decision making, increasing customer insight & innovation, driving employee motivation & satisfaction amongst all employees and enhancing a company's license to operate.
- **The chemical industry has improved** and is now on par with other industries on female share in supervisory boards (23%), yet there is little progress in Executive Committees (8% female share).
- The **share of women in the total employee group** of the focus group did not change compared to 2015 and remains constant at 24%, the EPCA member-wide share of women is generally higher with 31%.
- The slow progress was likely not caused by a drawback in 2021 due to the crisis as **female attrition rate in the chemical industry was on par with the overall employee attrition rate** (~10 %).
- **Transparency of tracking has overall improved** – yet there is room for further improvement to closely monitor success:

  - Most chemical companies of the focus group track gender and age, while EPCA-wide only two thirds track the female share of their employees which makes it difficult to track improvements. Other diversity measures such as academic background, experience, ethnicity or sexual orientation are tracked less consistently.
  - Improvements have been made on tracking gender related metrics through the recruitment process and on manager levels of employees, while tracking is still low (<30%) on site management and non-manager level.
- **Setting targets for diversity & inclusion** has been largely adopted by the focus group (~70%), while only 26% of EPCA members surveyed have set specific or qualitative targets.
- Next to transparency and tracking and CEO commitment to create change, there are **four key elements to address leadership development and organizational awareness of bias**: Recruitment, retention, promotion and creating the right environment:

  - **Recruiting**: Gender specific recruiting activities in place – with room for further diversification of measures and targeted approach of different talent pools.
  - **Retention**: Inclusive culture and behaviors still largely lacking – companies can shape their environment to enable diverse talent to succeed, biggest gaps in belonging, acceptance, authenticity.
  - **Promotion**: Providing career advancing opportunities to diverse talents, ensure processes are in place to grant equal access (e.g., to international assignments, leading key strategic projects) and moving from mentorship to sponsorship are key levers to promote diverse talent.
  - **Environment**: Flexible work is offered by most companies – improvement in less traditional options possible, senior management ownership and cascading gender quality down the organization still an opportunity to create an equally diverse and inclusive environment throughout all levels of the organization.

In summary, research shows **an ecosystem is required to make change happen**. Creating a tailored diversity and inclusion strategy and the right environment in every chemical company will drive the change, likely improve performance and also enable the chemical industry to be better prepared for future challenges to come.

## ANNEXES and REFERENCES

### Data points:

- 2015 – focus group = 19 member companies (qualitative data)
- 2021 – focus group = 15 member companies among those participating in 2015 (qualitative data)
- 2022 – EPCA-wide survey = over 160 member companies responded (qualitative data)

### References:

- BoardEx, 2021 Global Gender Balance Report, <https://info.boardex.com/2021-global-gender-balance-report>
- McKinsey & Company, Diversity Wins (2020), <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>
- McKinsey & Company, Women in the Workplace (2021), <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>
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