

Business for Inclusive Growth (B4IG) takes action for an inclusive recovery

The B4IG coalition leads the way for an inclusive recovery. It has adopted a strong roadmap calling businesses and governments to coordinate their efforts to define a common approach to tackle inequalities in the wake of the current economic and social crisis

Paris - November 12, 2020 – Launched by the French G7 Presidency in August 2019, Business for Inclusive Growth (B4IG) is a CEO-led coalition of 40 major global companies fighting against inequalities of income and opportunity. Powered by the OECD as its Strategic Partner, B4IG coordinates with governments to advance inclusive growth at both local and global levels.

The coalition held its annual Board meeting on November 12. It was co-chaired by Angel Gurría, Secretary General of the OECD, and Emmanuel Faber; Chairman and CEO of Danone, with the participation of the CEOs and chairpersons member of the Board including Julie Sweet, CEO of Accenture; Thomas Buberl, CEO of Axa; Saori Dubourg, Member of the Board of Executive Directors of BASF SE; Paul Hermelin, Chairman of Capgemini; John Driscoll, CEO of Carecentrix; Philippe Brassac, CEO of Crédit Agricole SA; Richard Edelman, CEO of Edelman; Olivier Goudet, Managing Partner & CEO of JAB, Jamie Dimon, CEO and Chairman of JPMorgan Chase, Kyril Courboin, CEO of J.P. Morgan France; Robert Gamgort, Executive Chairman of the Board & CEO of Keurig Dr Pepper; Jean Paul Agon, Chairman and CEO of L'Oréal; Grant Reid, President and CEO of Mars; Florent Menegaux, CEO of Michelin; Brad Smith, President of Microsoft; Niren Chaudhary, CEO of Panera Bread, Jake Yamashita, President and CEO of Ricoh, Denis Terrien, CEO Europe of Salesforce; Jean-Pascal Tricoire, Chairman and CEO of Schneider-Electric; Denis Machuel, CEO of Sodexo; Roger Ferguson, President and CEO of TIAA; Alan Jope, CEO of Unilever [*tentative list of CEOs and speakers attending the BM*]. The board officially welcomed Capgemini, Microsoft, and Salesforce as new members of the coalition.

The COVID-19 pandemic threatens to reinforce existing socio-economic divides. This is most visible on the labour market, where low paid workers have seen larger employment declines. According to a harmonised real-time survey for 11 OECD countries, workers in the top earnings quartile were on average 50% more likely to be working from home in April 2020 than those in the bottom quartile. Conversely, workers in the bottom earnings quartile were twice as likely to have stopped working altogether.

As the most vulnerable have been hit hardest by the COVID-19 crisis and as social movements have demonstrated the persistence of systemic discrimination, tackling inequalities is more necessary than ever.

The members of the coalition have adopted a strong roadmap calling businesses and governments to coordinate their efforts to build an inclusive recovery:

Building an equitable and inclusive future of work

Today's economic crisis compels us to **reject the temptation to return to “business as usual”**. The B4IG roadmap for an equitable and inclusive future of work cuts across four areas



of intervention, defining priorities to tackle systemic inequalities and build longer-term resilience:

Ensuring that the workforce is prepared for the future of work and that no one is left behind (supporting **training and transitions for workers whose jobs are at risk**, and stepping-up work-based learning, especially for the youth and grouping efforts to improve affordable and universal access to secure **digital** infrastructure, tools, content, and skills).

- **Ensuring restructuring takes place in a responsible and inclusive manner** (initiating concrete collective actions from member companies on specific topics linked to responsible restructuring).
- **Building truly diverse and inclusive workplaces** (looking at diversity in its broader scope, from **gender, ethnicity, culture, disability to sexual orientation**, and translating it into a set of actions, addressing **unconscious bias** and opportunities for under-represented and under-privileged groups and taking action to destigmatize mental health issues and actively support **mental wellbeing**).
- **Ensuring good jobs with decent wages and adequate social protection** (taking action to advance the concept of **living wage** within our own operations as well as along our supply chains and addressing the **social protections challenge** in times of crises with governments who are responsible for social protection systems).

Strengthening Fundamentals

Facing increased prevalence of human rights violations and of socio-economic vulnerability in many societies, the B4IG Board stressed the need to avoid losing progress achieved over the last decades both within companies and along supply chains, defining a roadmap on:

- **Human rights**, by reaffirming its resolve to eliminate child labour and forced labour, and to respect freedom of association.
- **Inclusive sourcing**, by working on a model that will cover the entire supply chain of a company.

Impact Measurement, the key to systemic change

Developing a measurement framework and methodology that can be used to assess impact is **a key commitment of the B4IG Pledge**, as businesses must complement ESG reporting with metrics and standards that assess the *outcomes and impact* of companies' activities on employees, customers, the environment and society at large and report both negative and positive externalities.

The coalition calls for Governments, investors and businesses to cooperate on the development of a common impact measurement approach to complement the financial indicators of business performance.

Fostering inclusive projects with the Incubator

The B4IG Incubator accompanies selected inclusive business projects developed by B4IG companies as they test and scale novel approaches to inclusive growth. In 2020, the Incubator selected a first cohort of **12 projects** from diverse industries across different geographies. From, for instance, facilitating access to remote healthcare in Mexico (AXA), to helping



smallholder farmers access drone services to protect crops in Latin America (BASF) and enabling social inclusion through recycling and the circular economy (Danone), these projects all aim to advance inclusive growth on a local, micro level.

However, the learnings from these projects go well beyond the micro effects to the macro. Through the acceleration programme, which includes support such as tailored consulting and peer-mentoring sessions, these local solutions have been reinforced to potentially be applied broadly across geographies and different economic sectors.

Financing inclusive growth

The B4IG coalition includes as one of its pillars the **Inclusive Growth Financing Forum**. The coalition defined a roadmap to encourage the development of a financial ecosystem which supports investments in inclusive growth **through several actions**:

- An **Inclusive Growth Marketplace**, of which the pilot edition took place on November 11th, and where developers of inclusive growth projects can meet with impact investors to seek financing and will hold several marketplace cycles per year.
- The creation of **Investors for Inclusive Growth**, an association of impact investors currently financing or interested in financing inclusive growth in advanced countries
- The coalition will explore with **Investors for Inclusive Growth** the opportunity of creating one or several Inclusive Growth Financing Initiative(s), where the private and public sectors can come together in joint operations financing inclusive growth.

Emmanuel Faber, Danone Chairman and CEO, and chairman of the B4IG Board, declared: *“I am pleased to have co-chaired our annual board meeting with OECD Secretary General Angel Gurría. With the CEOs of the 40 companies who were represented, we reviewed progress of this first intense year of work and put forward how we want to foster efforts to collectively address the current socio-economic crisis. Within B4IG, as business leaders, we will work together on an ambitious action plan for an inclusive recovery: B4IG is central to our company efforts to build a fair, resilient, and sustainable future. More than ever, we have a key role to play in addressing inequalities alongside governments.”*

Angel Gurría, OECD Secretary-General and chairman of the B4IG board, said *“The COVID-19 pandemic has generated the worst health, economic and social crisis in our lifetime. It is a truly global crisis: no country, no economy, no society has been spared, and none can sufficiently confront these challenges alone. Governments and businesses need to work together to fight inequalities and create equal opportunities for all. B4IG provides impetus and a tangible illustration of what this joint response could look like. We need to pave the way for a strong and inclusive future that preserves our planet, our people and our prosperity.”*

See in annex initiatives that B4IG member companies have already begun in those directions. See the complete roadmap on www.b4ig.org.

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About B4IG: Launched by the French G7 Presidency in August 2019, Business for Inclusive Growth (B4IG) is a global CEO-led coalition of 40 major companies fighting against inequalities of income and opportunity. Powered by the OECD as its Strategic Partner, B4IG coordinates with governments to advance inclusive growth at both global and local levels. Current members include: Accenture, Axa Group, Basf, BNP Paribas, Capgemini, Carecentrix, Cogeco, Crédit Agricole, Danone, Edelman, Engie SA, GINGroup, Goldman Sachs, Groupe CDC, Henkel, Ingka Group, J.P. Morgan, JAB, Johnson & Johnson, Kering, Keurig Dr Pepper, Legal And General Group, L'Oréal, Mars, Michelin, Microsoft, Panera Bread, Pret-A-Manger, Renault, Ricoh, Salesforce, Schneider-Electric, Sodexo, Suez, TIAA, UniCredit, Unilever, Veolia, Vinci, Ylva. More information on www.b4ig.org.



Appendix. Inclusive Business Initiatives

Roadmap for an inclusive recovery

(1) The Future of Work

- **Preparing for accelerated automation and restructuring**
 - **Accenture's** Inclusive Future of Work initiative targets workers who face the double disadvantage of vulnerability to automation and lack of access to training and transition support
 - **Michelin** ensures restructuring takes place in an inclusive and responsible manner. As a principle, when closing a site, Michelin aims at creating jobs and developing new opportunities for the workforce, to minimize potential negative impact on local communities.
 - **Unilever's** Future Fit Plan is a methodology that helps people explore the skills they might need to reskill, upskill in line with their purpose and opportunities within or outside the company. This purposeful approach has been found to be very successful in motivating people to commit to lifelong learning.

- **Preparing for future growth sectors**
 - **BNP Paribas** has introduced different programs to encourage the training and inclusion of young people from disadvantaged areas in “tomorrow’s industries” such as tech, in which women and young people from rural and modest areas are under-represented
 - **Danone** is working with the IUF, the global federation of unions in the food industry, to pioneer an innovative approach called “**FutureSkills**”. The objective of this joint initiative is to counter upcoming challenges and support Danone employees whose job may be at risk and who will need new skills by offering them the opportunity to be trained and upskilled for the jobs of the future. Throughout their long-term training program, they will remain Danone employees and keep their benefits.
 - **Johnson & Johnson's** Bridge to Employment initiative partners with nonprofit FHI360 to help young people improve school attendance, enhance academic achievements, and gain awareness of career possibilities in healthcare.
 - **Pret A Manger's** Coffee Fund addresses the declining youth involvement in coffee farming, by equipping the next generation of farmers with the tools they need to build a sustainable business. The average age of coffee farmers in the company’s network is over 65 years which, now more than ever, in the light of the impact of Covid-19, is a major challenge for the future of the sector. Each year, a group of approximately 65 young people from across Peru enroll in the course, which provides intensive training on smart technologies, improving crop yield and coffee quality, and adaptation to climate change, as well as a post-training support services (grants, loans). The program has direct links with the local cooperative to ensure career opportunities after graduation. The Coffee Fund is now in its 6th year and is having a real and lasting impact on the young people who have participated, with 94% of students having remained in coffee farming.

- **Bridging the digital divide**
 - **Microsoft** is driving an initiative to help 25 million people worldwide acquire the digital skills needed in a COVID-19 economy. The initiative uses data to identify in-demand jobs and the skills needed to fill them; provides free access to learning paths and content to help people develop the skills these positions require; and delivers low-cost certifications and free job-seeking tools to help people who develop these skills pursue new jobs. In three months since its launch in July 2020, the initiative has reached 10 million learners.
 - **Capgemini** launched in 2019 a Digital Literacy stream of initiatives to impact a maximum number of beneficiaries by imparting foundational digital skills to enable



them to take their first steps towards digital autonomy (In 2020 more than 100,000 Digital Literacy beneficiaries were impacted thanks to efforts from our local CSR teams and NGO partners in shifting projects online in the context of the current global crisis). In France Capgemini is partnering with WeTechCare and Emmaus Connect engaging the expertise of the employees by pro bono or volunteering actions to support these key players in the mission of bridging the digital divide. Capgemini launched also a Digital Inclusion module with a UK NGO partner, Digital Unite to help our colleagues understand Digital Inclusion and pledge to become Digital Champions being skilled and equipped as “helpers” to support the digitally excluded.

- **Ricoh** has supported small and medium companies who weren't equipped with the necessary digital tools to work from home since the start of 2020. In Japan, Ricoh provided a two-month free trial period of its remote working solutions and supported over 10,000 small and medium business to make the digital transition seamless. In Europe, Ricoh launched “SCALA” a 6- to 9-month talent development programme that will develop and up-skill delegates, providing specialist technical skills and expertise, along with an industry-recognised accreditation, to subsequently support the growing areas of Ricoh's business.
- **Henkel's** digital upskilling and digital working initiatives have been adapted and accelerated in response to the COVID-19 crisis. Confinements have raised the importance of effective remote and flexible working, as well as digital learning programmes, and digital tools to ensure full business continuity independent from location.
- **Accenture** provides courses to help unemployed workers develop digital skills, as well as providing hardware and connectivity to households lacking Internet access during confinement.
- **GINgroup's** “Digital Inclusion” programme in Mexico aims to collaborate in the development of open, inclusive, integrated and intelligent business ecosystems that promote electronic commerce and the digital economy in Mexico, through projects and programmes of dissemination, training and networking.

(2) Diversity & Inclusion

- **Strengthening commitment to a culture of equity and inclusion**

- **Credit Agricole SA** believes that, even if reducing social inequality is first and foremost a political issue and investors cannot replace governments, by investing in stocks from listed companies, we can play a part in contributing to the reduction of inequalities. Indeed, we believe all the major listed companies can widen or narrow social inequalities through their policies. And we, as investors, can influence their practices through disinvestment on one hand and dialogue on the other one. AMUNDI – through its subsidiary, CPR AM, has just launched a Social Fund called CPR Invest Social Impact, the world's first global equity fund with a portfolio core fully integrating the social dimension. It is a unique investment solution on the theme of reducing inequalities based on homemade methodology to score companies and countries in terms of social inequality. CPR Invest – Social Impact is a global equity fund which selects companies that best contribute to social progress and inequality reduction worldwide. Its investment universe is defined through the evaluation made by CPR AM for each company on the different aspects of human resources and tax policies or ethical practices in relation to its country of origin. ESG & controversies filters complement the definition of the eligible universe. Its investment objective is to outperform global equity markets over a long-term period (minimum of five years) whilst integrating a sustainable approach with a particular but not exclusive focus on the social dimension.
- **TIAA** launched its Inclusion Index in 2019, with a goal to create a simple metric, using the engagement survey, that leaders could use to measure inclusion,



understand how they are showing up to their teams, and gauge how they compare to their peers.

- **Goldman Sachs** has made a public commitment to require all companies they take public to have at least one diverse (women, Black or Hispanic/Latino) board director. This initiative commenced in July 2020 and will require two diverse directors by 2021. The commitment is driven by research that shows how diversity in board composition drives superior performance.
- **Fighting racism inside and outside the organisation**
 - **BASF** has developed tools to cope with unconscious biases, which are one of the most important barriers to increase diversity in organisations.
 - **JPMorgan Chase** announced on October 8th new long-term commitments to advance racial equity. The firm will harness its expertise in business, policy and philanthropy and commit an additional \$30 billion over the next five years to provide economic opportunity to underserved communities, with a focus on promoting affordable housing and homeownership, growing Black and Latinx-owned businesses, improving financial health and access to banking, and supporting employees.
 - **Sodexo** has joined the “Tent Partnership for Refugees” in 2018 and hires hundreds of refugees each year, and its employees provide mentorship and support with their job applications and resumes. With a long history of being discriminated against, such initiatives will be vital for refugees in the aftermath of the pandemic.
 - **Salesforce** has developed and implemented trainings and awareness sessions to address biases (such as “Having Racial Equality Conversations: Inclusive Language and Allyship”) and has funded actions and organizations that bridge the gap for minorities, for instance:
 - Doubling our US representation of Black employees in our tech company leadership
 - \$1.25M grant to bring diversity to the workforce
 - \$200M to be donated to organizations advancing racial equality
 - \$100M to be invested by Salesforce Ventures to Black and underrepresented minority founders
- **Supporting mental health**
 - **AXA** has launched a program called ‘How are you?’ that seeks to reduce the stigma around mental health, upskill the support available to employees in need and encourage use of support
 - **GINgroup** has designed a platform that encompasses aspects that every human being must consider for their well-being and on which they must work to develop them and get closer to self-realization and happiness.

(3) Living wage and social protection

- **Living wage measures**
 - **CareCentrix** has pushed beyond the federal minimum wage of \$7.25/hour for entry-level jobs and announced in January 2015 a minimum base pay of \$15/hour. Such increase in base pay was possible through senior management agreeing to freeze the salaries of 20 executives and investing the annual inflation adjustment into raising the wages of entry-level employees. CareCentrix minimum wage is now approaching \$16.50/hour, and in 2019 the company broadened profit sharing to all levels.
 - **L'Oréal** launched its Employee Human Rights Policy in January 2020, which focuses on guaranteeing a living wage for its employees around the globe, in partnership with the Fair Wage Network. The Network provides L'Oréal with a comprehensive and up-to-date database that can be used to define, build and deploy a living wage strategy throughout its operations, for employees of L'Oréal

and its suppliers. Ensuring a living wage means providing workers and their dependents with sufficient revenue for food, housing and basic needs, regardless of the country where they work.

- **Schneider Electric** has enhanced its existing global benefit standards (Life, Health and Family Care) for all its employees worldwide in response to the COVID-19 crisis. + The company is committed to paying employees in the lower salary ranges at or above the living wage to meet their family's basic needs, including food, housing, sanitation, education, healthcare, and discretionary income for local standards of living.
- **Upgrading Social Protection**
 - **Danone** launched in 2010 the Dan'Cares program with the goal of providing all Danone employees with quality healthcare coverage of major risks, while taking account of different market practices. The three main risks are hospitalization and surgery, outpatient care and maternity care. About 70% of Danone employees live in emerging countries where healthcare systems are often expensive to access, and such coverage is not traditionally provided. In 2019, Dan'Cares was covering over 99,000 employees in 53 countries.
 - **Engie's** Engie Care project was launched in June 2019 and parts of it were adapted and accelerated in response to COVID-19. The initiative offers a minimum base of social protection for all Group employees throughout the world, including subcontractors, and allows for effective management of benefits through a digital tool.

Impact Measurement, the key to systemic change

- **Impact valuation methodology**
 - **BASF** has co-founded the Value Balancing Alliance (VBA) to develop an impact valuation methodology that goes beyond the existing financial dimensions in standard accounting practices, to incorporating monetized values for non-financial metrics. BASF and VBA have moved beyond the traditional reporting of input and output, to impact measurement covering outcome, impact (broader effect on society and nature), and finally value of impacts (monetization). They envision a value statement incorporating both financial and ESG dimensions that covers not only the company's own operations, but also reflects upstream and downstream effects, essentially covering the entire value chain to show the positive and negative contributions overall.

Strengthening Fundamentals

(1) Human Rights

As part of their resolve to eliminate forced labour and child labour, and to respect freedom of association, B4IG members are already implementing ambitious policies and initiatives relating to due diligence, social compliance and grievance mechanisms.

- **BASF** has established a Human Rights Advisory Council, in which independent and international human rights experts advise BASF, in order to systematically integrate external expertise. The Human Rights Advisory Council promotes a constructive exchange on human rights, helps BASF to better understand different perspectives and address conflicting goals. In addition, the Council promotes the development of BASF's human rights-related strengths as well as the potential for improvement.
- **Mars** launched its Next Generation Supplier program focused on better engaging its suppliers as they deliver greater positive impact in their workplaces. Through this program, Mars supports certain suppliers of its top 10 raw materials, and other strategic suppliers, as they advance their performance through a new, longer-term model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors, including Verité - a leading nonprofit and global expert on labour rights.

As part of its commitment to building supplier capability, Mars periodically engage suppliers in awareness raising and third-party training initiatives in order to drive continuous improvements.

- **Schneider Electric**, as part of its vigilance plan, is conducting a specific evaluation of its entire network of tier 1 suppliers (52,000+) through a third-party independent database which covers all natures of risks. The Group targeted to audit 350 of the 1500+ “high risk” supplier identified. Schneider’s audit questionnaire and methodology are fully aligned with the Responsible Business Alliance framework. This methodology has a strong dimension on Human Rights with specific categories on freely chosen employment, child labour or the existence of an adequate and effective grievance/complaint process. The objective of this audit plan is integrated in the 2018-2020 Schneider Sustainability Impact (SSI) which includes 21 key performance indicators and impacts the variable compensation part of 60,000+ employees. Schneider’s objective is to close 100% of all types of non-conformances identified, whatever their priority level
- **Sodexo** is in its fifth year of a social compliance program in its sourcing of uniforms. This is a program which aims at support textile suppliers to advance their Respect for Human Rights. This program including audits conducted by experts (3rd party), corrective action plan. 100% of global providers were evaluated, including 100% in a follow-up audit. Through monitoring and improvement plans implemented with their partners over the last two years, suppliers have achieved a low level of risk. The audits that have been completed by auditors have all resulted in corrective action plans that are jointly followed up by Sodexo and the tier 1 supplier(s) and that have resulted in a least one corrective action. At the end there is no global supplier ranked as “high risk” because of the corrective actions that have been implemented.
- In 2018, **VINCI** signed a Public-Private Partnership on Fair Recruitment in the Construction Sector with the International Labour Organisation (ILO) in Qatar. To fight debt bondage, a major factor contributing to the vulnerability of migrant workers, VINCI opened its door to the State of Qatar and the ILO Project office to let them closely examine how recruitment takes place in the construction sector, identify the gaps and develop a fair recruitment corridor between Bangladesh and Qatar. With the leverage and support of the ILO Project office, VINCI was able to embark its placement and recruitment agencies in the transformation of their recruitment practices, and developed an impact assessment study and toolkit. The end results of the partnership’s first pilot project will be shared at the end of 2020.

(2) Inclusive Sourcing

- **Keurig Dr Pepper** has a deep-rooted commitment to engage with its coffee supply chain on complex, long-term issues impacting farming families, and the company is on track to meet its 2020 goal to engage with one million people in its supply chain to significantly improve their lives. For 20 years, KDP has partnered with Root Capital, a nonprofit agricultural lender, to support financial training and critical advisory services to the organizations that small farmers rely on to market and sell their coffee to buyers like KDP. As one of the largest global purchasers of coffee, KDP embraces its responsibility to support farmers, and The Partnership for Sustainable Coffee, in particular, represents the company’s continued efforts to promote the inclusion of small holder farmers in its supply base. Because of this project, as of the end of 2019, 170 co-ops – representing over 310,000 farmers – received loans and/or financial training, among other impacts
- **L’Oréal** solidarity sourcing program was launched in 2010 to embed inclusion policies in the company’s procurement decisions. The aim is to open the Group’s calls for tenders to companies that employ people in socially and economically vulnerable situations, allowing them to have durable access to work and income. The program is also geared toward companies that traditionally do not have access to large calls for tenders of multinational companies. Solidarity sourcing reflects L’ORÉAL’s commitment for sustainable inclusive growth.
- **Ylva** has launched Inclusive construction site program. The goal of the work on inclusiveness is a construction site where people work together as a team, trusting each other and doing their



best to ensure a successful result. Everyone is treated fairly and they get a decent pay for their work. Ylva's view is that inclusion on construction sites is built on three pillars: fairness, cooperation and pride in one's achievements. The program also aims to diminish the effects of grey economy. Ylva has also established a national steering group from different stakeholders such as labour unions and immigration officials, to co-create new best practices for construction industry. In order to ensure inclusion turns into reality, Ylva has introduced an anonymous whistleblowing-channel, through which each worker of all contractors can be in direct contact with Ylva's top management.