

# Engagement in action

## Gender Diversity at Carrefour



Engaging with investee companies is one of the most important parts of our jobs at AXA IM. The dialogue we have with them has huge potential to drive change – that’s why we place so much emphasis on stewardship.

Our goal is to guide all our investee companies on a journey to a more sustainable future. In 2021, we bolstered our efforts on climate change and biodiversity loss with further engagement around corporate governance and social issues. Gender diversity is a prominent part of social impact reporting, and the positive benefits of increasing the diversity of leadership teams are well documented – research published by Harvard Business Review found that businesses with diverse leadership teams are 70% more likely to capture new markets<sup>1</sup>.

### The Context

The first Carrefour shop opened in 1960, in South Eastern France in Annecy, near a crossroads (hence the name, carrefour means crossroads in French) and the company has since become one of the world’s leading food retailers. The National Retail Federation places Carrefour in eighth position within the top 50 Global Retailers. Headquartered in Massy, France, the Group recorded revenue of €81.2 billion in 2021. The business has made clear commitments to gender equality and I&D, and has been awarded the GEEIS (Gender Equality European & International Standard) certification.

### The Carrefour Group



<sup>1</sup><https://hbr.org/2013/12/how-diversity-can-drive-innovation>

---

## The Challenge

At AXA IM, we believe gender diversity is a cornerstone for successful business performance. A diverse workforce can advance the generation of ideas with different viewpoints and support the emergence of talent. Investors also understand that a gender-equal leadership can help improve governance, potentially resulting in better financial performance for companies, as well as for shareholders.

In May 2021, the French government introduced a new rule requiring large French companies to have at least a 30% female executive management team by 2027. Currently, fewer than 70% of liable companies have met this. Unless the transition is accelerated, many SBF120 businesses are unlikely to meet their obligations. Given this ruling and Carrefour's own ambitious targets, we understand how important stewardship can be in achieving this level of representation.

---

## The Approach

Using our stewardship expertise to help instigate a necessary transformation, we helped create the 30% Club France Investor Group in November 2020 and called for other asset managers to join us, while encouraging large French companies to commit to promoting gender diversity at a senior level. The goal set was to reach at least 30% by 2025, compared to just 21% in 2020.

Through Stewardship, as in all business endeavours, we are guided by our purpose – to act for human progress by investing for what matters. We favour engagement and dialogue to transition to a more sustainable future. With this front of mind, the investor group embarked upon a mix of 'soft' and 'hard' engagement tactics with companies - dependent upon their progress towards gender diversity. The group proposed the use of common KPI metrics to chart the companies' progress and created partnerships for them to learn about Gender Diversity. In line with the 30% Club France Investor Group, we look at a number of KPIs including, % of females in a company's global workforce, number of females in executive or management roles, staff retention, remuneration, and benefits such as maternity pay.

“  
**At AXA IM, we believe gender diversity is a cornerstone for successful business performance**  
”

In further measures to increase transparency, we called on firms like Carrefour to disclose their procedures on finding and appointing new members to executive management – and how they encouraged diversity at every management level.

### Our Engagement Scope: Gender Diversity at Carrefour



% of females in a company's global workforce



number of females in executive or management roles



remuneration and benefits such as maternity pay



staff retention

## Key results and changes

The way we act on our convictions has huge power to influence, as demonstrated following discussions between Carrefour's executive team and the investor members of the Club France Investor Group during 2021. We concluded the French supermarket group had developed and implemented dedicated action plans to achieve its gender equality goals.

The results are promising. At the end of 2020, 18% of Carrefour's executive committee were women, with 58% representation within the business overall. Gender equality is also taken into account in executive compensation. Since 2021, this practice has been extended to variable compensation for all employees of the group and of manager in the integrated countries. Moreover, Carrefour underwent gender equality audits in key business areas. Carrefour has also signed a global trade agreement to integrate conditions

to protect female employees from violence in the workplace, while also promoting diversity and equal opportunities.

While Carrefour is yet to set its own diversity targets for the executive level, they do have a plan in place to reach, by 2025:



**40%**  
women in key  
positions



**35%**  
in the top 200  
management  
positions

## Next steps and learnings

With regards to the other 23 companies selected for active engagement during the first year of the launch of the 30% Club France Investors Group, we found an imbalance depending on the sector. The STEM industries (science, technology, engineering and mathematics), despite their historically low rates of female representation, showed a strong desire to improve as demonstrated by a willingness to speak with and learn from the investor group. The sector also showed clear commitments on attracting more women to the sector, ensuing they could reach the executive level. By contrast, sectors which have relatively high rates of female employment (the financial and consumer sectors,

for example) appear to have a more embedded glass ceiling. While there are targets and strategies in place, our experience in those sectors has been challenging and can hopefully be improved through active engagement.

[Read AXA IM's 2021 Active Ownership and Stewardship Report.](#)

**Companies shown are for illustrative purposes only and it does not constitute investment research or financial analysis relating to transactions in financial instruments, nor does it constitute an offer to buy or sell any investments, products or services, and should not be considered as solicitation or investment, legal or tax advice, a recommendation for an investment strategy or a personalized recommendation to buy or sell securities.**

This document is for informational purposes only and does not constitute investment research or financial analysis relating to transactions in financial instruments as per MIF Directive (2014/65/EU), nor does it constitute on the part of AXA Investment Managers or its affiliated companies an offer to buy or sell any investments, products or services, and should not be considered as solicitation or investment, legal or tax advice, a recommendation for an investment strategy or a personalized recommendation to buy or sell securities.

Due to its simplification, this document is partial and opinions, estimates and forecasts herein are subjective and subject to change without notice. There is no guarantee forecasts made will come to pass. Data, figures, declarations, analysis, predictions and other information in this document is provided based on our state of knowledge at the time of creation of this document. Whilst every care is taken, no representation or warranty (including liability towards third parties), express or implied, is made as to the accuracy, reliability or completeness of the information contained herein. Reliance upon information in this material is at the sole discretion of the recipient. This material does not contain sufficient information to support an investment decision.

Issued in the UK by AXA Investment Managers UK Limited, which is authorised and regulated by the Financial Conduct Authority in the UK.

Registered in England and Wales No: 01431068. Registered Office: 22 Bishopsgate London EC2N 4BQ

In other jurisdictions, this document is issued by AXA Investment Managers SA's affiliates in those countries.

Design & Production: Internal Design Agency (IDA) | 2-010939 | 06/2022 | Photo Credit: Gettyimages