

# Diversity, Equity + Inclusion Best Practices Case Study






**Covestro:**  
Employee Resource Groups



# About Covestro

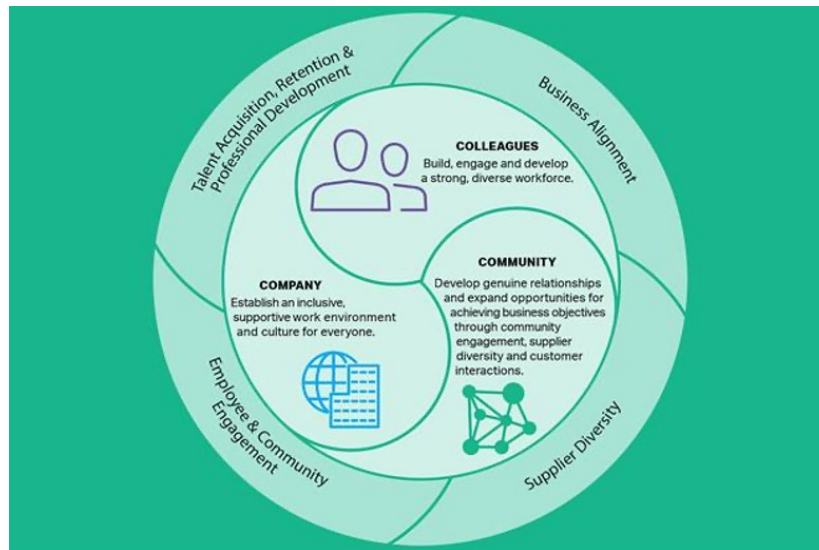
Covestro is among the leading suppliers of premium polymers. Our materials and application solutions are found in nearly every area of modern life. Innovation and sustainability are the driving forces behind the continuous development of our products, processes and facilities. Covestro develops sustainable solutions to the greatest challenges of our age: climate change, resource depletion, urban expansion, population growth and the resulting increase in awareness of environmental issues. These will inevitably lead to a higher demand for renewable energies, alternative resources, energy-efficient transportation, and sustainable, affordable housing. Covestro aims to meet this demand with long-lasting, light, environmentally friendly and cost-effective materials, which in many cases are suitable replacements for conventional materials such as steel and glass. We do so by focusing on innovation and sustainability and by following our objective: “To make the world a brighter place”.

Diversity and inclusion at Covestro is both rooted in our vision of making the world a brighter place and aligned with our values – Curious, Courageous, Colorful. We are inspirers of innovation and drivers of growth. To be successful individually and as a company, we must embrace different points of view, perspectives and experiences. Equally important, we must cultivate and nurture an inclusive environment that is open to such diversity. Great ideas have no value if our voices cannot be heard.

<p><b>Tags</b></p>  <p>Internal, Long-Term, Uniform, Site-Dependent</p>	<p><b>Launch Time</b></p>  <p>2 months, then ongoing</p>	<p><b>Location</b></p>  <p>United States (multiple sites) with eventual expansion to Mexico, Brazil, and Germany</p>
<p><b>Budget</b></p>  <p>\$ - \$\$ depending on event costs</p>	<p><b>Complexity</b></p>  <p>1 out of 3 light bulbs</p>	<p>“</p> <p>“What do you stand for? What are you ready for? What are you evolving towards?”</p>

## Program Summary

After Covestro branched out as its own company, Dina Clark (Head of D&I for North America) had a blank slate and a vision to build a robust D&I framework from scratch. Looking at the North America region comprehensively, Clark and Covestro’s senior executive leadership established a D&I Council to simultaneously look at Covestro’s North America operational structure and support for employees through a D&I lens. The team came up with a three-pronged strategy of Colleagues, Company, and Community, leaving the option open to add more focus areas in the future.



The goal of Covestro’s D&I activities is to involve everyone at every level of the company to “go above and beyond” in becoming more diverse, equitable, and inclusive. To work toward this goal, Covestro has D&I Ambassadors and employee resource groups (ERGs). The goal of each work site is to have a D&I Ambassador that partners with the site leader to grow diversity, equity, and inclusion efforts at each location. Once in place, all Ambassadors meet monthly to share best practices, lessons learned, and activity updates, and Ambassadors can also start ERGs at their respective sites.

To start a new ERG at Covestro, two people must be involved, and they must create a structure of two co-leads and two vice co-leads. As membership of an ERG increases, the leadership structure may also grow. Employees who serve in ERG leadership have two-year term limits plus a one-year transition period to train replacements, effectively making term limits three years. While contractors can participate in any ERG, they unfortunately cannot serve in ERG leadership.

Rather than having executive sponsors for each ERG, which can sometimes cause power differentials between the ERGs based on leaderships’ time and standing, the entire North American D&I Council sponsors all of the ERGs so any ERG can go to Clark or the Council if they have concerns. Similarly, senior leaders are encouraged to listen and support ERGs so they are accessible, able to connect ERG work with their external work, and part of the company’s D&I efforts, but not take on a leadership role. To ensure that everyone from new hires to mid-level managers to leadership understands the importance of the ERGs, Clark conducts presentations about the D&I Council and ERGs as part of onboarding and as annual open-invite meetings. As the ERGs have high engagement from entry-level employees and leadership, but mid-level managers do not always have capacity to join or learn about the D&I work they do, these open-invite meetings are aimed at everyone, but Covestro strongly encourages mid-level managers to attend. At the meetings, people learn what the ERGs are, the activities they conduct, their strong endorsements from the D&I Council and other leadership, and their high value to the company as a whole.

Thus far, Covestro has 12 ERGs across its United States operations, which focus on the following areas:

- ACCESS (African American Network): African American and African Diaspora cultural awareness (including Ghana, Jamaica, Nigeria, Rwanda, and the United States)
- APC (Asia Pacific Circle): Asian Pacific
- CARE (Covestro Accessibility Resource Effort): People with disabilities, accessibility, and inclusion

- CHAMP (Covestro Helping Armed Forces Military Personnel): Veterans and military personnel
- COMPASS: Women
- CONNECT: Cross-cultural, cross-functional, cross-generational
- FIT Health and Wellness: Physical activity, nutrition, mental and physical health and well-being
- i3 STEM (ignite, imagine, innovate): Cross-cultural youth science engagement
- Lo Latino: Latinx, Latinos, Latinas, and other employees with Latin roots
- Spark: Emerging professionals
- Toastmasters International: Leadership and communication development, especially for English language learners
- UNITE Together for Diversity: LGBTQ

To make sure the ERGs are an accessible employee resource rather than top-down, they are employee-driven and employee-led. Any employee in good standing can join an ERG by reaching out directly to a co-lead or to Clark directly, and most employees inform their supervisors that they will be spending time as part of the ERG.

For planning ERG engagement opportunities and events, Clark encourages partnerships between the ERGs and meets monthly with the co-leads to share events ideas, challenges, and best practices. In keeping with the Colleagues, Company, and Community framework, each ERG must hold at least four engagement opportunities or events per year, with at least one for each framework area in order to receive a budget for their activities. As one example, the ERGs share ideas with recruiters and the Covestro recruiting team now partners with multiple ERGs to attend job fairs, ensuring that the recruiters are seeking diversity across all dimensions of identity at all job fairs. In addition, the annual Connect with Covestro event launches the D&I Annual Report and allows the ERGs to present the highlights of their work to community members.

## Program Impact

Due to their wide range, the ERGs have had a significant impact on Covestro employees across sites and departments. One especially impactful activity was International Day, held at two sites with all ERGs participating (even those that do not represent a particular region). International Day was a “tour around the world” to discuss cultures, try foods, find similarities between countries, and build community support for people from around the world who have moved to particular work sites in the US. For example, one man had recently moved to West Virginia from Japan with his family, so upon hearing about the International Day at the Pittsburgh site, he drove his entire family there to connect with everyone across cultures. While enjoying the event, he noticed that International Day was the first time he and his family were able to connect across cultures with others at Covestro.

## Steps for Implementation

1. Align with your company’s DEI Strategy
2. Talk with employees to create overarching priorities and focus areas about inclusion
3. Establish decisionmakers and empower them with time, leadership support, and a budget
4. Create frameworks and guidelines, but seek out feedback to change them as needed
5. Be open to expansion and growth
6. Review successes and challenges at least annually to continue making progress

# Best Practices

## 1. ANCHOR ERG ACTIVITIES TO A LARGER D&I STRATEGY THAT HAS SUPPORT FROM OTHER AREAS OF THE BUSINESS TO AVOID “FOOD, FEST, FUN, AND FLUFF” COMMITTEES

Diversity, equity, and inclusion activities have significant business value, including in areas like recruitment and retention. Ensure that ERG activities are understood as an employee-driven activity that also benefits the business as a whole, making participation encouraged and valued by everyone.

## 2. KNOW YOUR VALUES AND WHAT YOUR COMPANY IS WILLING TO STAND FOR

When your company begins having open, honest conversations about diversity, equity, and inclusion, your leadership must be prepared to make statements and take action on issues that arise. If a business practice is specifically causing employees from any underrepresented group to feel unsafe, if a particular employee is known to use offensive language, or if another similar issue arises, your values should be robust enough (and your leadership prepared) to take a stand for inclusivity. Growth can be uncomfortable, but necessary to work toward a workplace where everyone with any type of identity feels that they are truly part of the team and will be taken care of as such.

## 3. TAILOR EXISTING FRAMEWORKS TO YOUR NEEDS

At Covestro, leadership supports and references international human rights frameworks, including the United Nations Sustainable Development Goals (SDGs), the Universal Declaration of Human Rights (UDHR), and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), as outlines for how the company can commit to progress on human rights (across all global sites) and civil rights (which vary from country to country).

## 4. ALIGN YOUR GOALS WITH YOUR LARGER INDUSTRY, THEN MAKE PROGRESS

Even if your industry is considered “conservative” in its diversity, equity, and inclusion business goals, you can “start where you are” and create goals that work for your company and industry. Consider how you can better support your employees and your community, as well as which small steps you can begin taking toward big goals.

## 5. HAVE CLEAR METRICS AND BUDGETS

Term limits, guidelines to manage power dynamics like having leadership participate, and defined budgets strengthen the sustainability of D&I activities like ERGs. As is the case for all components of a D&I plan, the metrics and budgets can evolve over time, but can be used to demonstrate the business impact and high value of diversity, equity, and inclusion to those who may not yet see the value.

