



SOCIETY: DIVERSITY & INCLUSION

In addition to plunging us into an unprecedented health and economic crisis, the pandemic has exposed inequality and a lack of inclusion in all Latin American countries. The most vulnerable populations and communities, whether due to their gender, sexual orientation, ethnicity, age or socioeconomic status, were the most impacted.

What is the role of organizations in this context? How can brands and companies contribute to a fairer world? Why are corporate Diversity and Inclusion policies gaining even more strength in this context?



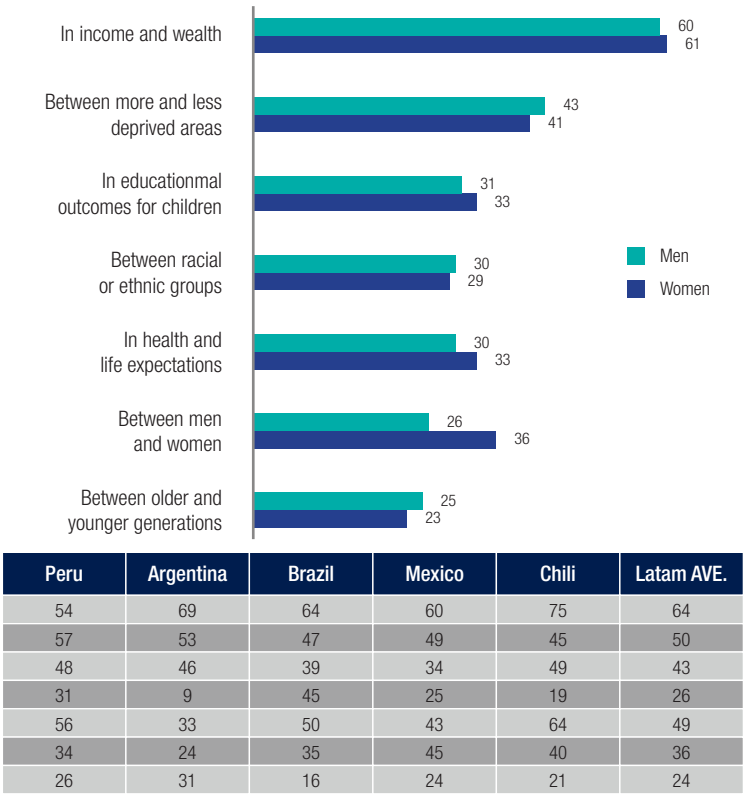
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MarComs

WHAT MANY DID NOT WANT TO SEE WAS ABSURDLY VISIBLE DURING THE PANDEMIC

Covid-19 has redrawn more sharply inequalities in income, geographies, education, race and ethnicity, life expectancy, gender, and between generations.

In Latin America, Brazil leads in the public perception of income and racial inequality, Peru in geographical origin, Chile in education and life expectancy, Mexico in gender, and Argentina between generations.

Which of the following types of inequality, if any, do you think are most serious in your country? (Global country average, %)

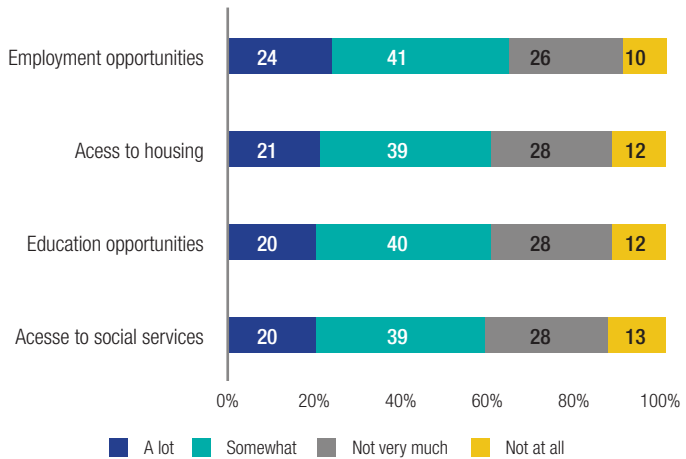


These inequalities obviously impact consumption, access to products, services and opportunities, and essential social services that should be universal, according to the countries' own constitutions.

Ethnicity and national origin are, for example, perceived to have a very strong impact on employment opportunities, housing, education and access to health systems. And, once again, we must remember that the pandemic has

given double importance to these four areas. Unfortunately, Brazil leads the inequality ranking, closely followed by Chile. Only Argentina is below the Latin American average in all aspects.

Perception that a someone's ethnicity/national origin impacts their opportunities (Global country average, %)

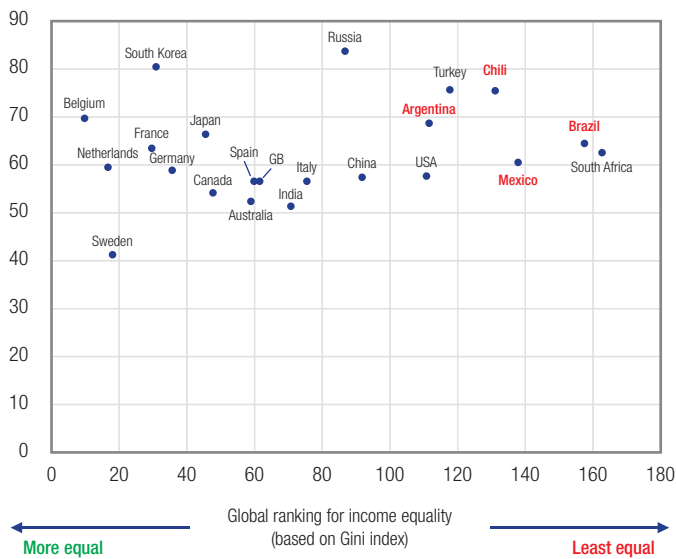


Peru	Argentina	Brazil	Mexico	Chile	Latam AVE.
66	59	71	64	69	66
58	48	66	56	66	59
63	56	68	61	68	63
65	55	68	67	66	64

And here, we are not just talking about perceptions, as there is very strong alignment between the perceptions of the people interviewed and the reality of economic inequality as measured by the Gini index, which calculates the degree of concentration of income in each group.

This correlation is a positive thing because, to solve a problem, the first step is awareness: realising that it exists.

Selected country's ranking for income equality vs % who say income inequality is one of the most serious types of inequality in their country

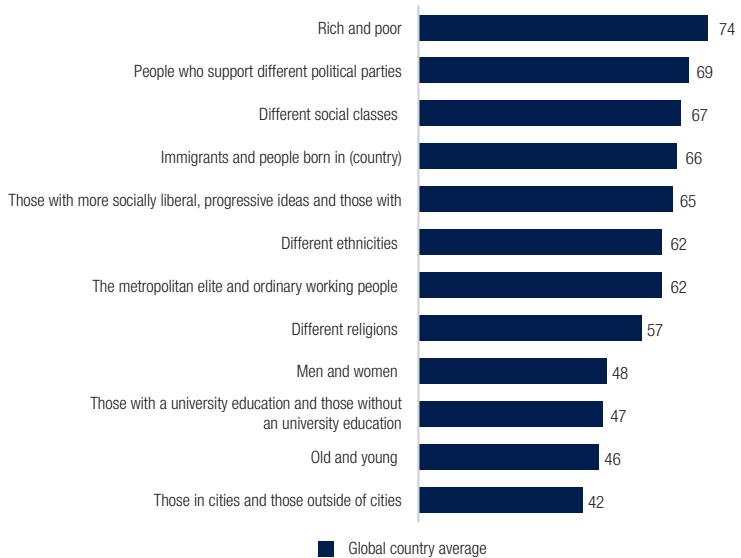


DANGERS OF A LACK OF SOCIAL COHESION

Inequalities create a less inclusive, more divided, and less cohesive society. It is one of the clear consequences of growing polarization and the weakening of the collective.

Globally, inequalities in income, social class, immigration, ethnicity, geographic origin, gender and education are identified as causes of social tensions.

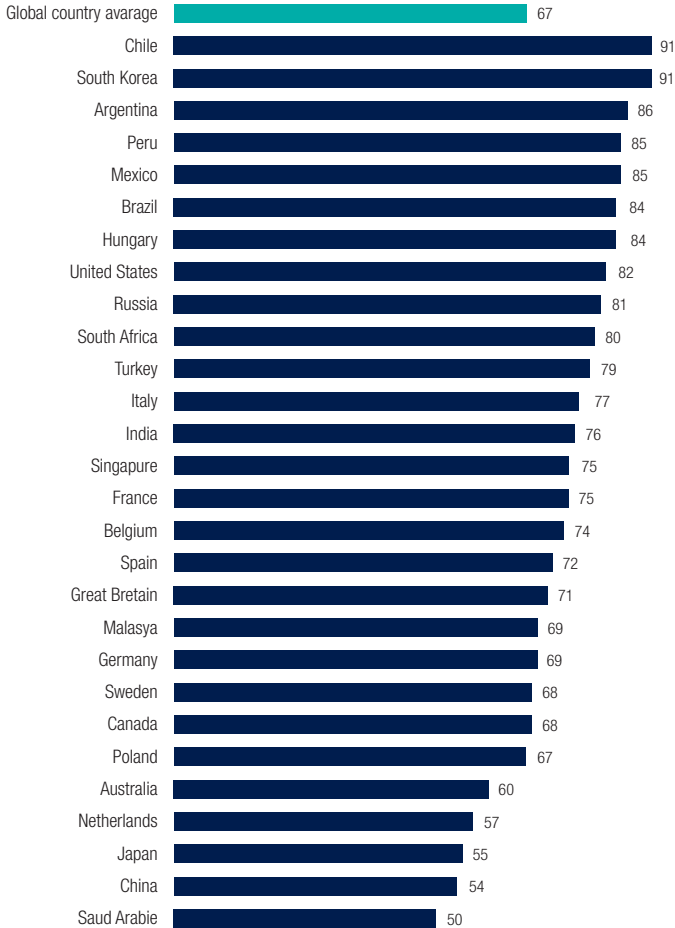
How much tension, if any, would you say there is between [...] in your country today? (%)



And, looking more specifically at the difference between the rich and the poor (the inequality that people across 28 countries identify as the number one cause of tension in their country), we find that Chile leads the global ranking, with 91% of Chileans saying that income inequality creates 'a considerable amount' or 'a lot' of tension in society.

Argentina is at 85%, Mexico and Peru are both at 84% and Brazil at 79% – all above the global average (74%).

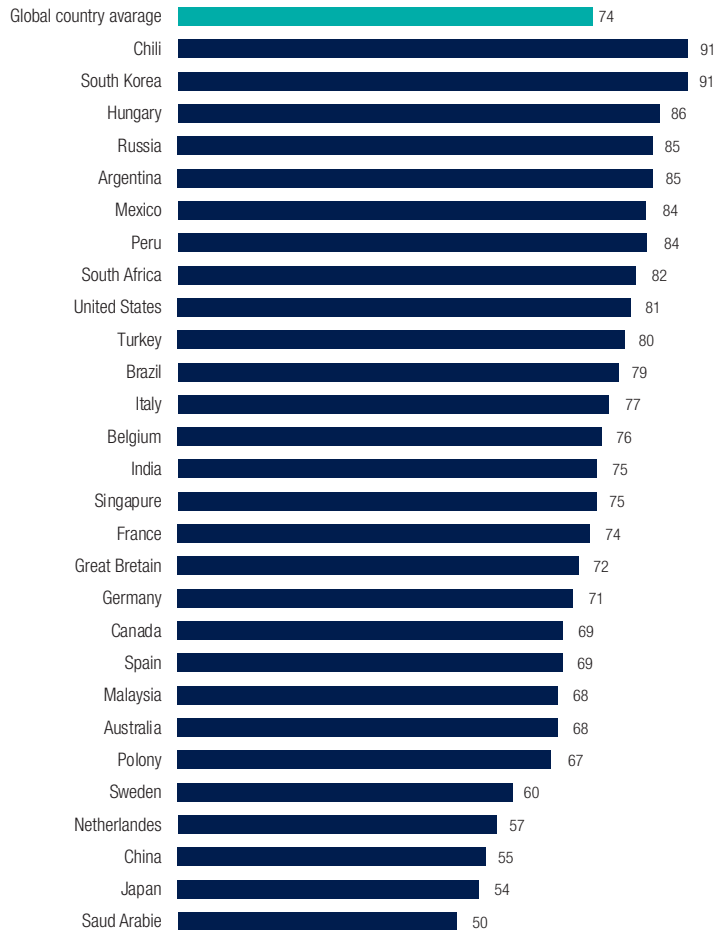
How much tension, if any, would you say there is between different social classes in your country today? (%)



The same thing can be seen for social classes in Latin American countries. Chile, once again, leads the ranking of the 28 countries surveyed, with 88% of Chileans stating that belonging to different social classes creates a considerable

amount or a lot of tension. Argentina (85%), Peru (81%), Mexico (80%), Brazil (77%) are close behind – all well above the global average (67%).

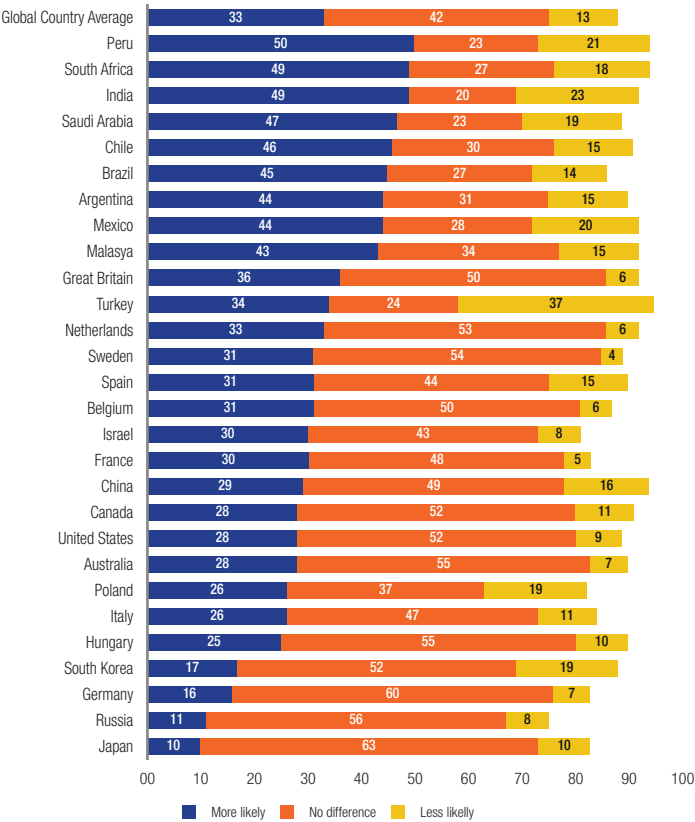
How much tension, if any, would you say there is between rich and poor in your country today? (%)



REACTIONS TO INEQUALITIES AND SPACE FOR THE BRANDS TO ACT

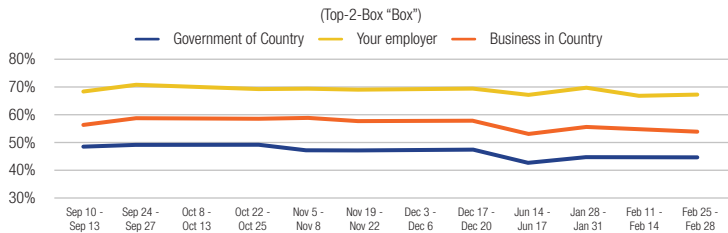
At this moment of extreme vulnerability for our populations, with the pandemic devastating Latin American countries, people declare themselves much more open to helping others in the community. Among the eight countries at the top of the ranking, six are from the region.

Help others in my community... (%)



Another interesting point is that people clearly see that brands have performed positively during the crisis, creating the need for them to play a more active role in economic recovery and social issues. When we ask people to assess the performance of governments and businesses during the pandemic, the latter come out far better than the institutions that govern our countries.

Performance of Government, Employers & Businesses



The importance of companies and brands as agents of social transformation has been growing for some time now. Due to their weight in the economy and influence in driving new behaviors and social habits – think of the “uber-isation” of the economy and the explosion of delivery services in almost all countries during the pandemic – companies exert considerable influence on society. They are increasingly expected by people, not only as consumers but as citizens, to bring about positive changes in the world.

In June, we celebrated LGBTQ+ pride month around the world, a community that has suffered and still suffers from exclusion and violence in everyday life.

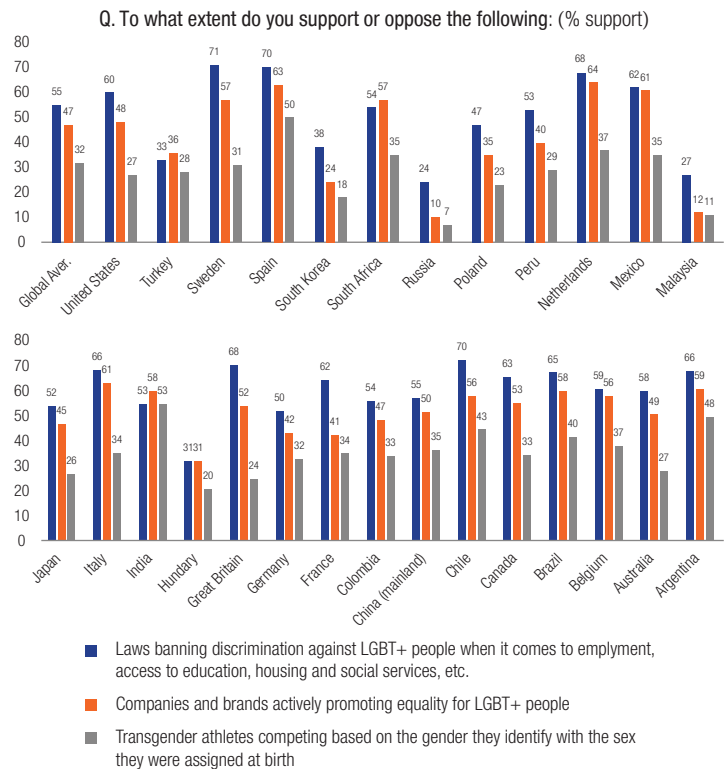
Our Ipsos Global Advisor survey in 27 countries shows that 55% of respondents worldwide support laws that prohibit any and all forms of discrimination towards the LGBTQ+ community, e.g. in relation to employment, housing, education, and social services.

In Chile, 70% support these laws, placing the country among the three most favorable after Sweden and tied with Spain. Argentina (66%), Brazil (65%),

Mexico (62%) show above global average levels of support while Colombia (54%) and Peru (53%) are in line with the global average.

Furthermore, nearly half (47%) of global respondents think companies and brands should actively support equality for the LGBT+ community. This support is much greater in Mexico (61%), Argentina (59%), Brazil (58%) and Chile (56%). Colombia's respondents (47%) are level with the global average while Peruvians (40%) are more reserved about this support.

Even so, we see that a majority of Latin American respondents expect companies and brands to take a stand and define an action plan for greater inclusion of the LGBTQ+ community.



And what was not lacking during the month of June this year were companies publicly supporting LGBT+ pride. We saw employees raising awareness, rainbow flags framing company logos, LGBT+ advocates featuring in brand advertising campaigns.

OPPORTUNISTIC COMMUNICATION OR REAL ENGAGEMENT FOR DIVERSITY AND INCLUSION?

There are people who are more skeptical about Diversity and Inclusion, seeing it as more a “marketing” stance for brands than anything else (which takes a pejorative view of marketing).

Ipsos research, as shown in this article, goes against these arguments. There is an awareness, both in Latin America and in the rest of the world, about the inequalities that exist and exclusionary patterns that remain. There is a clearly expressed willingness to see companies engage in a positive transformation of society, and in this way embrace Diversity and Inclusion.

In this area, we see several interesting initiatives in all Latam countries ranging from recruitment processes, e.g. trainee vacancies exclusively reserved for black people by Brazilian retail giant Magalu to advertising campaigns that are increasingly representative of society across the country, with the likes of Avon, Coca-Cola and Nike capturing a range of ethnicities, colour, gender, sexual orientation and so on.

Also deserving a mention are Brazilian companies such as Bradesco bank or Sodexo that have worked to combat violence against women, which increased dramatically during the pandemic and its periods of confinement.

SCENARIO

POINT OF VIEW

The Diversity and Inclusion discourse needs to be accompanied by actions. It is a starting point, with the recognition of those “different” to us. And it cannot coexist with contradictory actions by companies. Consumers can easily identify these contradictions, as social media allows them to be exposed and shared to a wide audience.

For fear of public scrutiny or lack of knowledge of Diversity and Inclusion practices, some brands and companies prefer not to choose a position or stay on the fence. This will be increasingly difficult to maintain for three reasons:

1. In not wanting to get involved in topics that they consider “sensitive”, brands are increasingly coming under fire.
2. The ever-stronger expression of identities and communities means brands run the risk of disconnecting from their audiences and their consumers.
3. Several studies prove that Diversity & Inclusion equates to superior business performance.

This means that companies that do not embrace this cause are likely to be left behind.