

# THE BUSINESS CASE FOR EQUITY, DIVERSITY AND INCLUSION

Incorporating EDI into business practices is more than just a social responsibility. **Authentic inclusion is a key driver of fairness and equity, better decision-making, innovation and adaptability, talent attraction and retention, as well as profitability.**



## Why authentic EDI matters - key benefits

### Employee wellbeing, attraction & retention

Inclusive workplaces that incorporate values of fairness, equity and integrity authentically, create a sense of belonging, boost confidence, morale, and teamwork, help attract top talent, fostering higher job satisfaction and loyalty.



### Better decision-making

Diverse groups process facts more carefully, leading to more effective decision-making.



### Adaptability

Small businesses, in particular, benefit from rapid results due to their flexibility and diverse perspectives.



### Innovation & creativity

Diverse teams bring varied perspectives, boosting creativity and innovative problem-solving.



### Brand image & market reach

A positive, inclusive brand can better respond to customer needs and access new markets.



### Legal & social compliance

Embracing diversity also helps businesses stay compliant with regulations and demographic shifts.



### Profitability

Companies with diverse leadership are 39% more likely to outperform their peers in profitability, driving stronger financial results and long-term sustainability.



## Tackling diversity fatigue

Despite increased global efforts to advance equity, diversity, and inclusion (EDI) and a growing acceptance of the EDI business case, the World Economic Forum highlights a troubling rise in "diversity fatigue", particularly among those championing these initiatives. The emotional toll of dismantling barriers and implementing fair processes, especially in the face of slow progress, can be draining.

The World Economic Forum has identified waning support from leadership for EDI initiatives as a key factor contributing to this fatigue. The pandemic has exacerbated this decline, creating setbacks that have demotivated many advocates for change. Addressing EDI is not a quick fix; it demands sustained commitment, resources, and regular evaluation.

### REVAMPING OUR VIEW OF WHAT "BUSINESS CASE" SHOULD MEAN

*IMPALA has reworked the benefits and reprioritised them to underline that taking action should be authentic.*

*Recent research questions whether continuing to make the business case is a good idea. We believe it remains important for businesses to be aware of the benefits and that to be authentic, action should be based on fairness, integrity and equity.*

# BEST PRACTICE INDICATORS

Many organisations have made significant progress in the area of EDI. Below we highlight successful projects that provide both inspiration and valuable insight. By sharing these achievements, we want to promote a more inclusive industry. Here's how:



**Informed decision making**  
Leaders gain insights from initiatives with measurable, sustainable impact.



**Targeted efforts**  
Leaders can focus EDI strategies for scalable results.

While there's no one-size-fits-all solution, considering five key elements can enhance success according to this [study](#).

## Five key success factor for effective EDI initiatives

1. Nuanced understanding of root causes
2. Meaningful definition of success
3. Accountable & invested business leaders
4. Solution designed for context
5. Rigorous tracking & course correction



## MEMBERS' JOURNEYS

### !K7's achieves B Corp Certification



This year, !K7 Music achieved a significant milestone by receiving B Corp certification, a testament to their dedication to the highest standards of social and environmental responsibility. This prestigious certification measures a company's overall impact on its employees, community, environment and customers, ensuring that profit goes hand in hand with purpose.

The journey began in 2019 when the label committed to reducing their carbon footprint and aiming for net-zero emissions. They have implemented key initiatives, including the adoption of green energy sources and sustainable vinyl pressing, to reduce their environmental impact and contribute to a healthier planet.

At the heart of the company is a strong emphasis on diversity and inclusion, which are essential to building a workplace where every individual is valued, respected and empowered. !K7's culture thrives on these principles, fostering innovation and driving their business forward.

Beyond their internal efforts, !K7 is deeply committed to supporting their local community. They have partnered with local schools and climate-focused organisations to inspire and drive meaningful change.

**HORST WEIDENMUELLER**  
CEO & Owner  
!K7 Music



*"Through this certification, we aim to inspire within the music industry and beyond, continuously improving and holding ourselves accountable to these standards."*



# MEMBERS' JOURNEYS

## Advancing gender equality and diversity:

## ZEBRALUTION's commitment to the Keychange Initiative



This year, ZEBRALUTION proudly joined the [Keychange](#) initiative and signed the pledge to promote gender equality and diversity within the company and the music industry.

As part of this commitment, ZEBRALUTION aims to:

- Achieve a 50% representation of women and gender-diverse employees within the ZEBRALUTION Group.
- Enhance recruitment efforts to increase diversity across gender, socio-economic, disability, racial, and cultural backgrounds.
- Promote female and diverse artists, publishers, authors, and podcasters through targeted campaigns, including DSP promotions, social media ads, and networking opportunities.
- For more information about Keychange, visit [Keychange Project](#).

## Epitaph's commitment to social responsibility



On September 20th 2024, Epitaph Records hosted a [special label showcase](#) at the Molotow Club in Hamburg as part of the Reeperbahn Festival. The event featured performances by Sam Akpro, RAT BOY, and Late Night Drive Home.



Proceeds from the showcase supported Sea-Watch, an organisation dedicated to rescuing refugees at sea, aligning with Epitaph's commitment to social responsibility.

For details or to donate, visit [Sea-Watch](#).



ROGER DORRESTEIJN  
Managing Director,  
Epitaph

*“As our label's guideline, I always rely on Joe Strummer's Law “no input, no output. It applies to the talent and energy of the bands we are proudly staging on this Reeperbahn night, and it aligns directly with our fundraising efforts to support an organisation like Sea-Watch who are at the frontline of saving lives of refugees at sea.”*

# IN THE WIDER SECTOR



## Driving change through diversity: How Friend of IMPALA SonoSuite has built a more inclusive company culture

When Sebastián Mañana became CEO, Sonosuite faced the industry's common challenge: the underrepresentation of women. In March 2023, with the hiring of Chief People Officer Francisca Carreno, the proportion of women in the workforce was only 29%.



SEBASTIAN MAÑANA  
CEO SONOSUITE

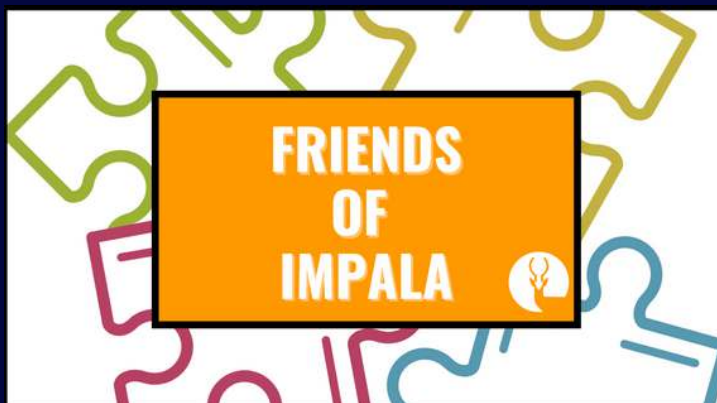
*“Our goal was clear: build a culture that reflects the diversity needed to push our company forward.”*

Transforming the culture became a priority, focusing on diversity hiring to broaden perspectives and improve business, especially in male-dominated teams like Sales and Tech. Today, 47% of employees are women, contributing across Development, Product, Data, Sales, and IT. The female workforce is highly engaged, with a yearly churn below 7%, and they formed the Employee Resource Group (ERG) Women in Sonosuite to share knowledge, champion each other and create an equitable future for all.

Since EDI is a key concern to Sonosuite, all employees actively participated in the 2023-24 workshops on unconscious bias, allyship, and inclusive leadership. A new ERG was also established for LGBTQIA+ employees, representing 15% of the team.

## Friends of IMPALA

IMPALA's Friend of IMPALA scheme is aimed at companies interested in collaborating with the independent sector in Europe. If you are interested in joining, please contact the IMPALA office [info@impalamusic.org](mailto:info@impalamusic.org)



Women in Sonosuite kick-off



**29% to 47%**  
increase in women proportion among staff within just one year

Sonosuite Employee Resource Groups (ERG's):

- ▶ Women
- ▶ LGBTQIA+

# THE QUESTION OF AUTHENTICITY AND TRUE INCLUSION - IMPACT ON THE EDI BUSINESS CASE

In recent years, companies have increasingly embraced EDI initiatives. Organisations take action for multiple reasons, sometimes linking this to financial performance through a “business case.”

For IMPALA, “business case” has a broad meaning, so we wanted to flag recent research which shows that there can be tensions between the authenticity of EDI efforts and fostering a truly inclusive culture. This also led us to review how we pitch our business case.

## Tensions between business case and authenticity

The business case for diversity often ties EDI efforts to profit, which sometimes undermines the genuine intent of these initiatives. Focusing primarily on financial outcomes may suggest that underrepresented groups are valued only for their impact on business metrics, which detracts from fostering an inclusive, respectful environment.\*

Treating EDI as a tick-box exercise is also not advisable. If initiatives are implemented superficially to meet diversity quotas or legal requirements, that also further undermines long-term change. It risks reputational damage and prevents companies from fully realising the broader benefits of a truly diverse and inclusive culture.

Authentic EDI efforts require a balance between pursuing business success and fostering genuine inclusion, where people are valued for who they are, not just their contribution to the bottom line.

*\*Harvard Business Review : [Stop making the business case](#)*

## Embracing EDI and celebrating successes in an authentic way

Despite these tensions, organisations should not shy away from sharing and celebrating their EDI efforts and successes. Highlighting progress and showcasing achievements can inspire further change and motivate employees to embrace diversity and inclusion. However, it is essential to strike a balance between celebrating progress and maintaining authenticity.

Organisations should emphasise the positive social and cultural impact of EDI initiatives. Celebrating efforts that promote fairness, equity, and mutual respect can create a more sustainable and authentic culture of inclusion, one that values all employees for who they are, not just what they contribute to business outcomes.

## Conclusion

Over-reliance on the business case can lead to tensions with authenticity and true inclusion. Focusing on the economic benefits of diversity may undermine its moral and ethical importance.

Reviewing how we talk about the business case is an opportunity to underline the need for authenticity.

Organisations can foster a more inclusive and genuine culture, shifting the conversation toward fairness, integrity, and equity.

Celebrating EDI successes is crucial, as long as the focus remains on building a workplace where every employee feels valued, respected, and truly included.