



# HR Conference

Elevating the Employee Experience

## Session 4A: Elevating Employees: Happy Employees Just Don't Leave Their Companies



Presented by:  
Caitlyn Doyle & Laura Malugade, *Husch Blackwell*

1

## Agenda

- What is ESG and why does it matter?
- ESG as a Retention Strategy
- ESG Goals and Initiatives to Increase Efficiency
- Legal Considerations



2

# What Is ESG?



## Environment



# Why Environmental Commitments Matter



Measurable Cost Savings

More Satisfied Employees

Growth From Improved Brand Image

Combatting Supply Chain Insecurities

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5



5

## Social



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6

## Social Commitments



Attract Talent

More Satisfied Employees

Secure Workplace

## Governance



# Governance Best Practices

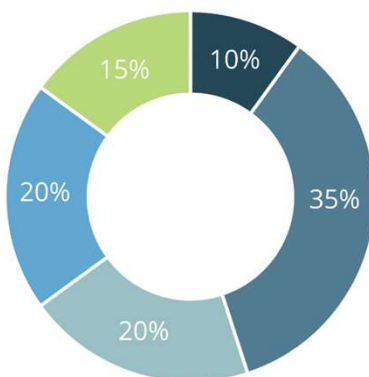


Corporate Compliance

More Satisfied Employees

Risk Management

# ESG Award - Example



## GOVERNANCE

- Oversight
- Governance Principles
- Risk Management

## LEADERSHIP & REPUTATION

- Legal compliance and ethical track record
- Ethical reputation the marketplace
- Awards and accolades garnered
- Examples of leadership locally, nationally, and globally

## CULTURE OF ETHICS

- Efforts to establish ethical tone from top to middle
- Frequency with which culture is elevated
- Methods and outcomes

## ETHICS & COMPLIANCE PROGRAM

- Program structure, responsibility, and resources
- Program oversight and tone at the top
- Written standards, training, and communication
- Detection, monitoring, auditing, and risk assessments
- Enforcement and discipline

## ENVIRONMENTAL & SOCIETAL IMPACT

- Sustainability, citizenship and social responsibility
- Environment stewardship
- Community Involvement
- Corporate Involvement
- Corporate Philanthropy
- Workplace Impact and well-being
- Supply chain engagement and oversight

The Evaluation Framework, Ethisphere, available at [www.worldsmoetheticalcompanies.com/methodology/](http://www.worldsmoetheticalcompanies.com/methodology/)



# ESG as a Retention Strategy

Gen Zs' satisfaction on the following efforts of their organization and its impact on their loyalty

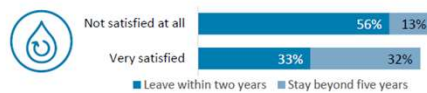
Societal impact



Progress in creating a diverse and inclusive environment



Commitment to sustainability



Striving for Balance, Advocating for Change, Deloitte Global 2022 Gen Z & Millennial Survey (2022).

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11



11

# ESG as a Retention Strategy

Exhibit 1: Average ESG and pillar scores of top employers by employee satisfaction and average employers

0-10 scale, 2019



ESG as a Workforce Strategy: Part 1: Overview and Results, MSCI, Marsh & McLennan Advantage Insights Analysis (2020).

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12

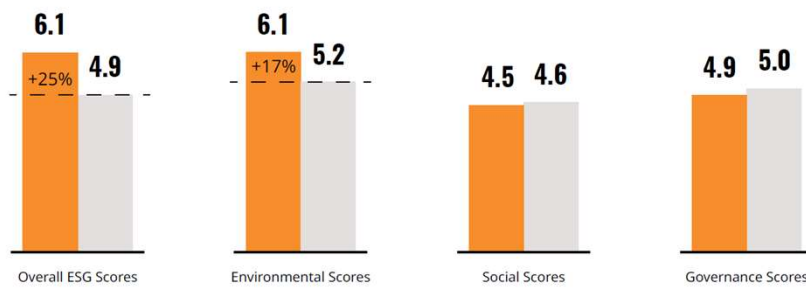


12

# ESG as a Retention Strategy

**Exhibit 2: Average ESG and pillar scores of top employers among young talent and average employers**

0-10 scale, 2019



● Top employers by attractiveness to students and young professionals ● Global average employers

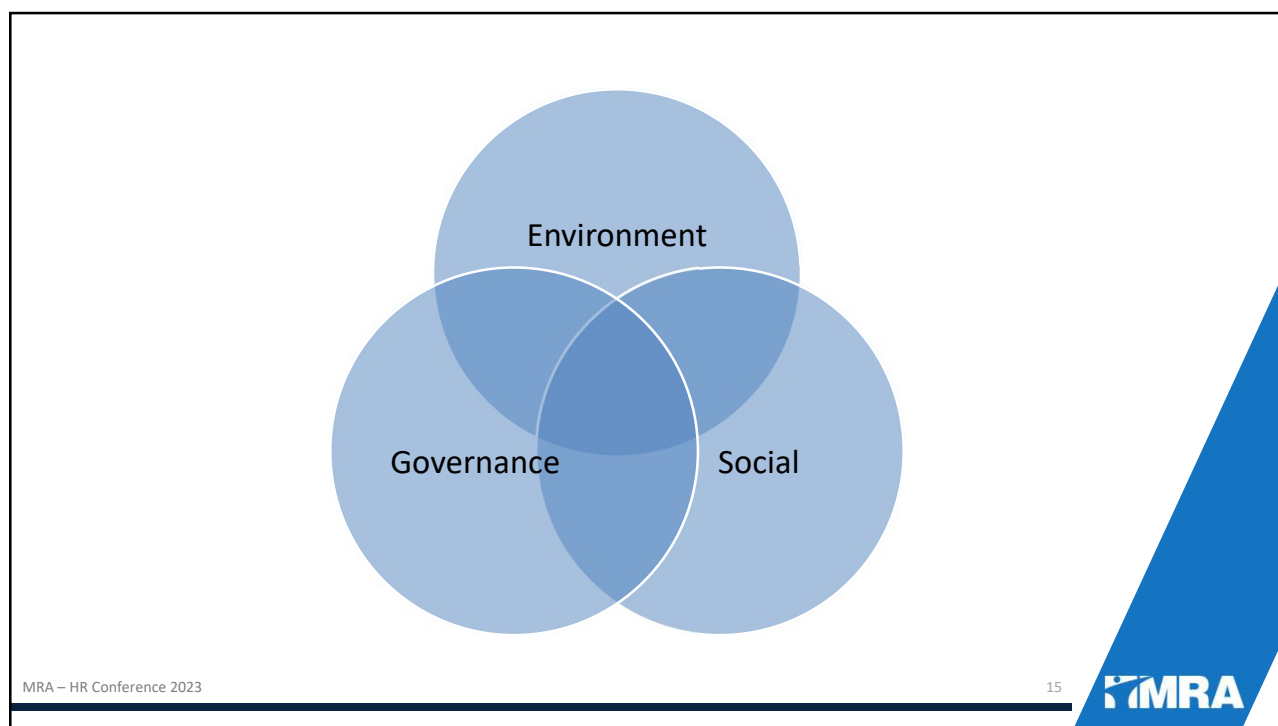
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13

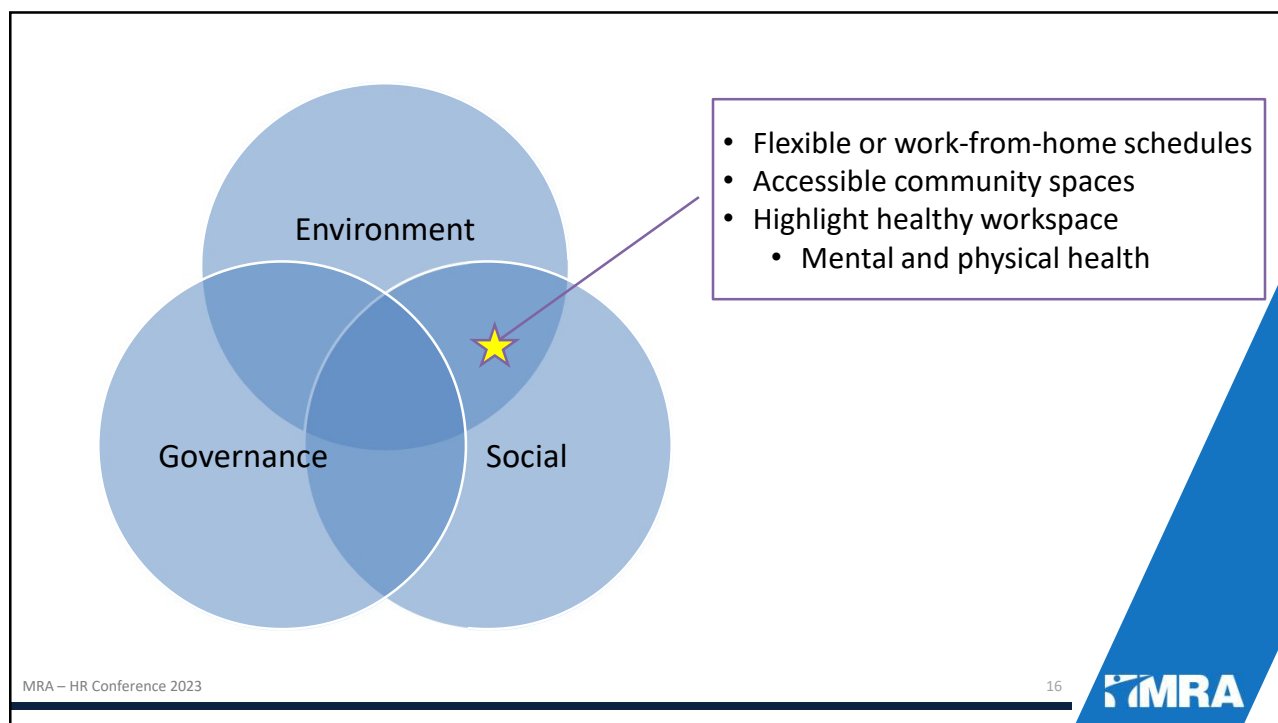
# Setting Efficient ESG Goals and Initiatives



14



15



16



- Strategic sustainability oversight and compliance
- Divest from fossil fuels
- Invest in renewable energies or other environmental-driven initiatives

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17

17

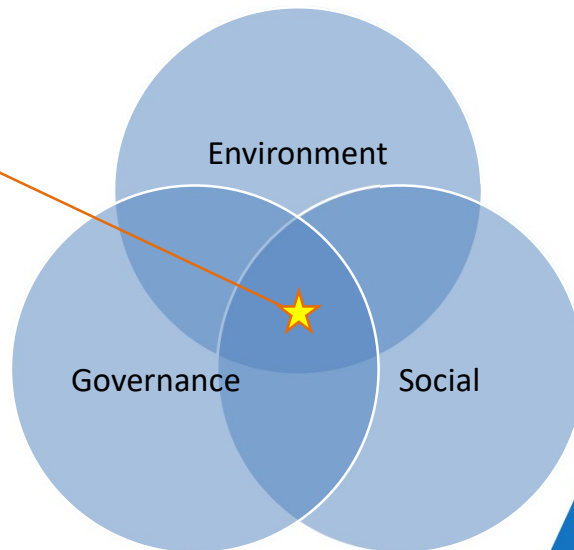
- Diversity, equity, and inclusion initiatives
- Workplace safety
- Pay equity
- Corporate board composition and structure
- Addressing needs of your company's community

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18

18

- Transparency for ESG initiatives
- Community service initiatives
- Awareness of your company's supply chain



## Legal Considerations



Transparency that is done incorrectly could be harmful to the company.



All company policies should be reviewed by legal counsel prior to implementation.



Legal counsel can assist in creating impactful DE&I goals that conform with best practices.



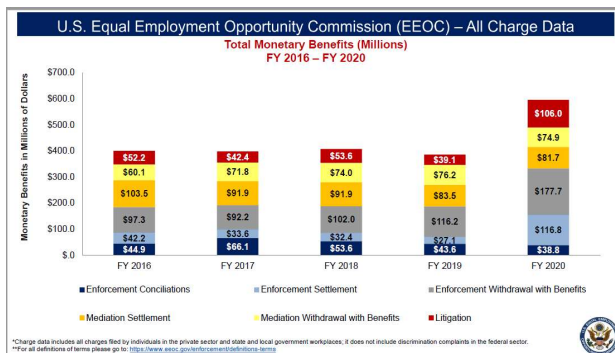
Supply chain changes should only be done after legal counsel assists with risk mitigation.



Before any ESG initiative is implemented,  
it is crucial to engage legal counsel.

## Results of Ineffective Initiatives: DE&I

Legal counsel can assist in creating  
impactful DE&I goals that conform  
with best practices.



### Overview

- \$8 billion spent annually on DEI initiatives
- Over 60% of U.S. companies report having some type of DEI training

### Results?

- 75% of corporate diversity programs struggle to achieve measurable results
- Seven out of 10 employees report feeling that their workplace does not foster an inclusive environment.
- Half of diverse employees report that bias is part of their daily work experience.
- Reduced diversity

### Impact

- **Discrimination is costly**

## ESG Initiatives Are Not One-Size-Fits-All

- Engage the Executive Team, your employees, outside consultants, and even legal counsel to determine what your company's initiatives should be.
- What works for some will not work for all.



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## Takeaways



- Turn your employees into your company's biggest fans—talent knows talent.
- Celebrate the good.
- ESG as a business strategy can increase talent attraction and retention.

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24

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24

## Questions?



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25



25

## More Questions? Contact Us!

**Laura Malugade**

*[Laura.Malugade@HuschBlackwell.com](mailto:Laura.Malugade@HuschBlackwell.com)*



**Caitlyn Doyle**

*[Caitlyn.Doyle@HuschBlackwell.com](mailto:Caitlyn.Doyle@HuschBlackwell.com)*



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26



26