

AR & C ENNA

SUMMARY

Environmental, social, and governance (ESG) issues are no longer treated as an afterthought by
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set of internal stakeholders: its HPSOR\HHV

CONTENTS



OVERVIEW: THE ESG LANDSCAPE

CHARACTERISTICS OF ESG

Environmental, social, and governance (ESG) is a framework for identifying and managing risks and opportunities that can affect a company's financial performance. It encompasses a wide range of factors, including climate change, human rights, labor practices, and community relations.

ESG is becoming an increasingly important part of a company's overall strategy. Investors and other stakeholders are increasingly looking for companies that are not only profitable but also socially and environmentally responsible. This is leading to a shift in the way companies are valued and the way they operate.

ESG is also becoming a key factor in a company's ability to attract and retain talent. Employees are increasingly looking for companies that have a strong commitment to social and environmental issues. This is leading to a shift in the way companies are recruiting and retaining talent.

ESG is also becoming a key factor in a company's ability to manage risk. Companies that are not addressing ESG issues are increasingly likely to face reputational damage, legal challenges, and other risks that can affect their financial performance.

THE RISE OF ESG

ESG has become a major focus for investors and other stakeholders in recent years. This is due to a number of factors, including the growing awareness of climate change and other environmental issues, and the increasing demand for socially responsible investing.

- ESG is becoming a key factor in a company's overall strategy. Investors and other stakeholders are increasingly looking for companies that are not only profitable but also socially and environmentally responsible.
- ESG is also becoming a key factor in a company's ability to attract and retain talent. Employees are increasingly looking for companies that have a strong commitment to social and environmental issues.
- ESG is also becoming a key factor in a company's ability to manage risk. Companies that are not addressing ESG issues are increasingly likely to face reputational damage, legal challenges, and other risks that can affect their financial performance.
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RESULTS: ESG PERFORMANCE AND WORKFORCE SENTIMENT

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to produce better results for the R U J D Q L J D W L R Q

Exhibit 1: Average ESG and pillar scores of top employers by employee satisfaction and average employers
0-10 scale, 2019



Source: MSCI, Marsh & McLennan Advantage Insights analysis

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suggests that higher ESG scores are driven to a great degree by superior environmental VFRUHV

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

0-10 scale, 2019

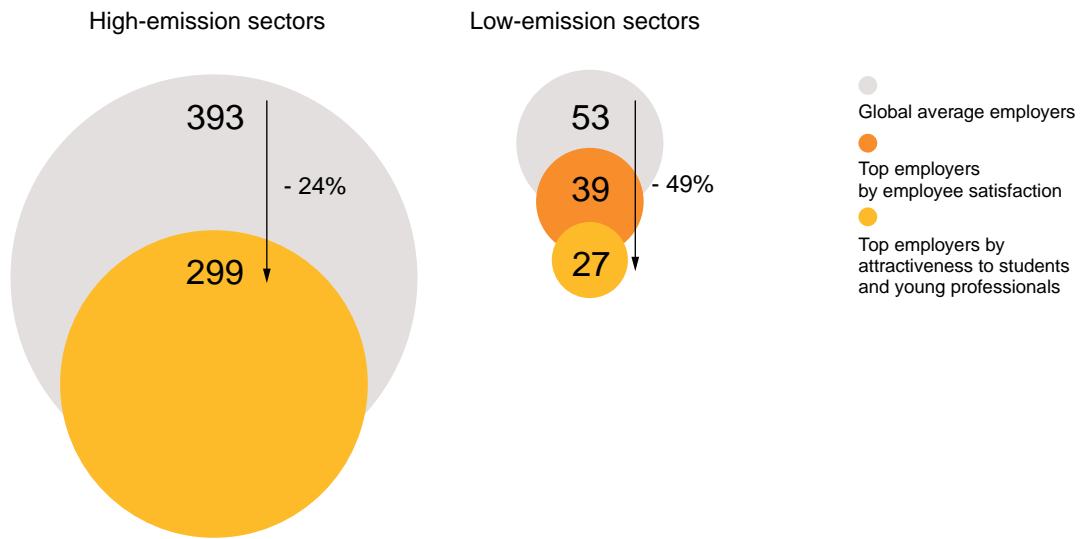


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Exhibit 3: Average employer carbon emission intensity
Metric tons per USD million sales, 2019



Source: MSCI, Marsh & McLennan Advantage Insights analysis

1 The employer groups used in this study can be found in the Part II: Methodology Document of this study
 2 High-emission sectors have a carbon emission intensity above the global average. These include the energy, materials, and utilities sectors.
 3 Low-emission sectors consist of sectors whose carbon emission intensity is below the global average. These include industrials, real estate, consumer staples, information technology, telecommunication services, consumer discretionary, healthcare, and % QDQFLDOV

ESG as a Workforce Strategy please visit our [ZHEVLWH](#)

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