

ESG & Sustainability

Unleashing the power of your organization to deliver on your ESG and sustainability strategy.

Organizations are increasingly going public with inspiring, well-intentioned commitments to sustainability. What we don't often hear is how they plan to deliver them. While ESG priorities and actions are unique for every company, it's people who are fundamental to success in every case.

Why act?

ESG & sustainability are firmly on the boardroom agenda. Investors, shareholders, activists, lenders, regulators, customers, and employees are asking questions and expecting answers. And activist investors are taking action when there is an inadequate response.

The reality is that, unless organizations embrace the need to build ESG and sustainability into their strategy, they will struggle to attract funding from investors. They will lose customers. They will find it difficult to attract and retain employees. And ultimately risk the long-term sustainability of their business.

On the flip side the same steps that cut carbon emissions and build inclusive organizations and societies will also help spur growth, reduce costs, and promote stability. Organizations that deliver on their ESG promises will:



Access larger pools of capital

Global sustainable investment now tops \$30 trillion¹.



Attract and retain the best talent

71% of professionals said they would consider taking a pay cut to work at a company that aligns more with their values².



Build credibility and trust and enhance their brand and market reputation

Consumers are 7 times more likely to buy from a brand they trust³.



Grow their customer base

Nearly six in 10 consumers are willing to change their shopping habits to reduce environmental impact⁴.



Reduce costs

Sustainability initiatives can lay a foundation for more efficient operations, and thereby lower the overall cost of operations.



Grow their business

Companies driven by purpose post compound annual growth rates of 9.85% compared to 2.4% for the S&P 500 overall⁵.

To get there, leaders will need to transform the way their organization operates. And no one can do that without their people.

1. Five ways that ESG creates value, McKinsey, 2019
2. Workplace Culture Trends: The Key to Hiring (and Keeping)
3. Top Talent in 2018, Nina McQueen
4. Edelman 2021 Trust Barometer Special Report
5. Korn Ferry





Five people-related questions you need to answer

To become ESG-enabled organizations need to ask and answer five critical questions.

- 1 Purpose:** How important is ESG to us – why are we doing this, who are we trying to satisfy, what is our time horizon and how do we measure success?
- 2 Governance:** How does our board need to evolve to oversee, enable and support the delivery of our ESG strategy?
- 3 Leadership & talent:** How do we attract, develop and retain the leadership, talent and skills needed to drive our ESG strategy and outcomes?
- 4 Operating model:** How do we organize to deliver our ESG and sustainability strategy, including structure, work and platforms?
- 5 Culture & mindset:** How do we create the right culture and mindsets, engage our people and reinforce the right behaviors?

How Korn Ferry can help

At Korn Ferry we're helping our clients realize their ambitions by taking a people focused approach to ESG and sustainability.

Drawing on data, insights, and expertise across the full breadth of our people solutions we're working with leaders to:



Build board capability around ESG and put in place ESG governance mechanisms



Set ESG goals and reinforce them through executive compensation



Find and develop leaders who can drive their ESG strategy forward



Embed ESG commitments into the operating model and organization structure



Find, assess and develop the talent to deliver on ESG commitments at scale



Champion inclusive talent management practices and rewards programs



Create a sustainable culture that will reinforce the right behaviors and mindsets.



Here are just a few examples of the projects we are working on right now:

We're helping a global food retail company to increase the weight of ESG in their incentive programs for the Management Board creating more focus in the short-term incentive and reshaping priorities for the long-term incentive.

We're helping a global packaging and paper company develop and deploy an innovative and measurable purpose and well-being framework that connects to the company's sustainability goals and broader business strategy.

We're helping an electric and gas holding company build a pipeline of enterprise leaders that will deliver on their goal is to achieve net zero carbon emissions by 2050.

We're helping a global investment company recruit their Chief Sustainability Officer and other senior appointments.

Why partner with us?

Korn Ferry has an unmatched set of integrated, fit-for-purpose capabilities to help organizations embed their commitment to ESG and sustainability into all aspects of how they do business.

Partner with us for:

- **Access to our unique breadth and depth of people expertise and solutions.** For decades Korn Ferry has been working with leaders across the globe and in every industry to transform their organizations through their people. Drawing on our deep expertise in organizational strategy, leadership development, assessment and succession, total rewards and talent acquisition we put the right people in the right roles with the right skills and support to deliver. Our 7,000 experts work from more than 50 countries and partner with 99% of the FTSE 100 and 94% of Fortune's Most Admired Companies.
- **Confidence that the decisions you make are grounded in data.** The Korn Ferry Intelligence Cloud™ is our AI platform powered by billions of proprietary, internal talent and external market data including 70 million assessments, rewards data for 20 million people and engagement data for 7 million employees. We use it to benchmark where you are now against your industry, peers, and best practice, predict how you should align talent with your ESG strategy and help you make better, faster decisions about your organization, leadership and people.
- **Insights from our research-based and proven profile of an effective sustainable leader.** Our leadership experts have drawn on research, analysis of our assessment database and their ongoing work with senior leaders to define the mindsets and skills of an enterprise leader capable of delivering an ESG transformation.



Our own ESG journey

As a global firm, we take seriously our role and responsibility as a corporate citizen. We see corporate responsibility and ESG as an important opportunity to change people's lives and to accelerate the overarching goals of our clients. We approach everything through this lens as we support our people and community, live our values, and promote global sustainability.



Here are a few examples of the actions that make us proud:

- Being in the top 2% of companies in the world based on Sustainalytics ratings (one of the top ESG rating agencies).
- Maintaining a strong track record against our target to reduce greenhouse gas emissions by 30%.
- Achieving ISO certifications in data privacy and informational security.
- Launching Leadership U for Humanity through our Foundation with the aim of developing one million new leaders from underrepresented backgrounds at no cost to participants.
- Applying our own DE&I services to ourselves. Inclusion is intentionally the first of our four core values and a pillar of our firm. We believe in building strong teams of people with diverse experiences, backgrounds, and perspectives.
- Leveraging our leadership development capabilities for our Mosaic Program - a global talent development program for an inclusive group of entry- and mid-level colleagues from across Korn Ferry's business.
- Creating our own career architecture, to fuel colleague careers - leveraging our own IP and collaborating with colleagues and business leaders to make it our own.
- Earning a perfect score of 100 on the 2020 Human Rights Campaign Corporate Equality Index, being named 'Best Place to Work' for LGBTQ+ equality, earning spots on Working Mother's 2020 100 Best Companies, Working Mother's 2020 Best Companies for Dads, and Working Mother's 2020+ Top 75 Companies for Executive Women.





Get in touch

If you are interested to find out more about how we can help you turn your ESG intent into reality, please do get in touch.

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Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers. Our 7,000 experts in more than 50 countries deliver on five core areas: Organization Strategy, Assessment and Succession, Talent Acquisition, Leadership Development, and Total Rewards.