



Part II: Methodology document

JOURNEY THROUGH OUR STUDY

The research question for our study was: what is the relationship between companies' environmental, social, and governance (ESG) performance and their workforce sentiment?

7KH ZRUNIRUFH LV GH% QHG DV FRPSULVLQJ ERWK H[LVWLQJ DQG SURVSHFW workforce is generally aware of their current or prospective employer's ESG performance, either due WR H[SOLFLW FRUSRUDWH FRPPXQLFDWLRQV RU WKURXJK DDLQGLYLGXDO V

WORKFORCE SENTIMENT

,Q WKLV VWXG\ ZH FRPSDUHG WKH (6* SHUIRUPDQFH RI HPSOR\HUV ZLWK VHQWLPHQW &RPSDQLHV ZHUH FDWHJRUL]HG LQWR WKUHH JURXS

- Global average employers
- Top employers by employee satisfaction
- Top employers by attractiveness to students and young professionals

\$V LOOXVWUDWHG LQ ([KLELW \$ DYDLODEOH GDWD SUR[LHV ZHUH XVHG DFFRUGLQJO\

Exhibit A.1: Selection criteria for each employer group

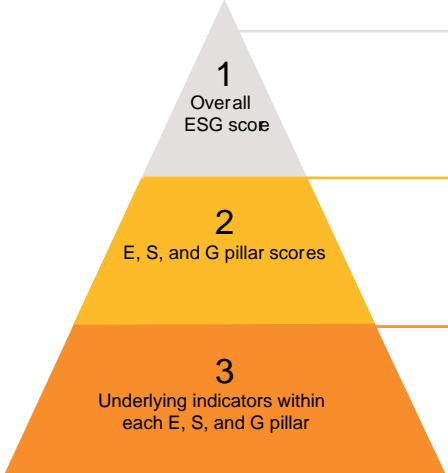
Employer group	Data proxy
Global average employers	&RPSDQLHV LQFOXGHG LQ WKH 06&, \$&:, ,QGH[
Top employers by employee satisfaction	&RPSDQLHV LQFOXGHG LQ ERWK • 06&, \$&:, ,QGH[• Fortune's %HVW &RPSDQLHV WR :RUN)RU
Top employers by attractiveness to students and young professionals	&RPSDQLHV LQFOXGHG LQ ERWK • 06&, \$&:, ,QGH[• Universum's :RUOG V ORVW \$WWUDFWLYH (PSOR\HUV

ESG PERFORMANCE

7KHUHH W\SHV RI GDWD IURP WKH 06&, (6* GDWDEDVH ([KLELW \$ ZHUH X
 ESG performance of companies across the three employer groups and evaluate their ESG
 SHUIRUPDQFH DW GL†HUHQW OHYHOV RI JUDQXODULW\

7KH GDWD SRLQWV IURP OHYHOV DQG LQ ([KLELW \$ ZHUH DYHUDJH
 DQG WKHQ FRPSDUHG DFURVV HPSOR\HU JURXSV ,Q WKLV ZD\ ZH HYDOX
 HPSOR\HUV ZLWK GL†HULQJ ZRUNIRUFH VHQWLPHQWV

Exhibit A.2: Types of MSCI ESG data points used for sample of employers

COMPANY-LEVEL DATA POINT	DESCRIPTION	EXAMPLE
 <p>1 Overall ESG score</p>	Represents a company's overall aggregate ESG performance	An overall ESG score of 5.6
<p>2 E, S, and G pillar scores</p>	Represents a company's performance in the respective dimensions of Environmental, Social, and Governance criteria	A Governance score of 4.8
<p>3 Underlying indicators within each E, S, and G pillar</p>	Represents a company's performance on a specific issue in the Environmental, Social, or Governance dimension	The proportion of female board members is 20 per cent

Source: MSCI, Marsh & McLennan Advantage Insights analysis

SELECTING OUR ESG AND WORKFORCE DATASETS

In our analysis, datasets were taken from four sources:

1. The MSCI ESG database: ESG scores and related data

7KH 06&, (6* GDWDEDVH FRQWDLQV (6* VFRUHV DQG UHODWHG GDWD IRU
around the ZRUOG

06&, PHDVXUHV D FRPSDQ\ V (6* SHUIRUPDQFH LQ WKH IRUP RI (6* VFRUHV
on the 06&, (6* 5DWLQJV PHWKRG RORJ\ This methodology is designed to identify the most
VLJQL%FDQW HQYLURQPHQWDO VRFLDO DQG JRYHUQQDQFH ULVNV DQG R
SURYLGHV DQ RYHUDOO UDWLQJ EDVHG RQ FRPSDQLHV H[SRVXUH WR DQ
RSSRUWXQLWLHV

06&, V RYHUDOO (6* VFRUHV IRU HDFK FRPSDQ\ VKRZQ DV OHYHO LQ ([K
LQG XVWU\ DGMXVWHG ZHLJKWHG DYHUDJH RI D FRPSDQ\ V (6 DQG * SLO
adjustment ensures that a company is evaluated against the standards and performance of its
LQG XVWU\ SHHUV 7KH UHVXOWLQJ VFRUH UDQJHV IURP WR ZLWK EH
EHVW WKLW FRUHVSRQGV WR DQ (6* UDWLQJ EHWZHHQ &&& ZRUVW DQ

06&, V (6 DQG * SLOODU VFRUHV IRU HDFK FRPSDQ\ UHSUHVHQWHG DV
derived from the weighted average of issue scores, which are calculated based on the results of
the underlying ESG LQGLFDWRUV

'DWD IRU WKH XQGHUOLQJ LQGLFDWRUV ZLWKLQ HDFK SLOODU VKRZQ DV
FRPSULVHG RI UDZ GDWD FROOHFWHG E\ 06&, :H XVHG WKHVH XQGHUOLQJ
HYDOXDWH D FRPSDQ\ V SHUIRUPDQFH RQ VSHFL%F LVVXHV ZLWKLQ HDFK
WKH PRUH JUDQXODU UHODWLRQV KLS EHWZHHQ VSHFL%F (6* LVVXHV DQG
ESG indicators were selected for analysis based on the following criteria:

- Transparency: An issue for which information is available to current and prospective employees
- Universality: An issue that is applicable across all industries
- Measurability: An issue that is measurable and, therefore, comparable between companies

\$V D UHVXOW WKH IROORZLQJ LQGLFDWRUV IRU DQDO\VLV ZHUH FKRVHQ

4. Universum's "World's Most Attractive Employers": Top employers by attractiveness to young talent

7KH :RUOG V 0RVW \$WWUDFWLYH (PSOR\HUV LV DQ DQQXDO VWXG\ FRQG
8QLYHUVXP EDVHG RQ WKH VXUYH\ UHVSQRVHV RI KXQGUHGV RI WKRXVD
WKH ZRUOG V ODUJHVW HFRQRPLHV %DVHG RQ WKH VXUYH\ UHVXOWV 8C
OpWpPpYI WKU @`¥Ç À`Pp¥WÄV € pP€p`00p`0€P`€p¥• RWKXU DGV @\$@HFFFPV

RECOGNIZING OUR LIMITATIONS

\$V ZLWK RWKHU UHVHDFK VWXGLHV OLPLWDWLRQV H[LVW GXH WR FRQV PHWKRGRORJ\ RU GDWD DYDLODELOLW\ DW WKH SRLQW RI VWXG\ +HUV Z our research with the hope that future researchers can consider these when undertaking similar studies:

- 2XU VWXG\ DVVHVHVG FRPSDQLHV (6* SHUIRUPDQFH XVLQJ (6* VFRUHV GDWDEDVH :H UHFRJQLJH KRZHYHU WKDW (6* GDWD SURYLGHUV HDFK for calculating company ESG scores – and a company’s score from one data provider often GL†HUV IURP WKDW RI RWKHU SURYLGHUV 7KHUHIRUH IRU PRUH UREX future researchers to include ESG data from multiple data providers when conducting the VDPH DQDO\VLV
- 7R TXDQWLI\ ZRUNIRUFH VHQWLPHQW RXU VWXG\ FDWHJRULJHG FRPSDQ – either by employee satisfaction or attractiveness to young talent – and average HPSORIHUV \$V VXFK WKH ZRUNIRUFH VHQWLPHQW YDULDEOH LQ RXUV WKDQ FRQWLQRRXV SRWHQWLDQ\ REVFXULQJ DQ\ PRUH JUDQXODU WU future researchers to quantify a company’s workforce sentiment on a continuous scale, thus assessing if the relationship we observed between ESG performance and workforce VHQWLPHQW LV FRQWLQRRXV
- 2XU VWXG\ GLG QRW FRQWURO IRU RWKHU YDULDEOHV WKDW PD\ D†HFV FRXQWU\ *'3 FRPSDQ\ VLJH DQG FRPSDQ\ UHYHQXH DPRQJ RWKHUV ,V future researchers to control such variables and thus further evaluate the relationship we REVHUYHG EHWZHHQ (6* SHUIRUPDQFH DQG ZRUNIRUFH VHQWLPHQW

7R H[SORUH WKH LQWHUDFWLYH UHVXOWV RI WKH ESG as a Workforce Strategy please visit our [website](#)

\$87+256

Lingjun Jiang

5HVHDUFK \$QDO\VW,
0DUVK 0F/HQQDQ \$GYDQWDJH ,QVLJKWV
OLQJMXQ MLDQJ#ROLYHUZ\PDQ FRP

Angela Ferguson

5HVHDUFK \$QDO\VW,
0DUVK 0F/HQQDQ \$GYDQWDJH ,QVLJKWV
DQJHOD IHUJXVRQ#ROLYHUZ\PDQ FRP

Jaclyn Yeo

5HVHDUFK 0DQDJHU,
0DUVK 0F/HQQDQ \$GYDQWDJH ,QVLJKWV
MDFO\Q \HR#ROLYHUZ\PDQ FRP

Rob Bailey

'LUHFWRU &OLPDWH 5HVLLOLHQFH,
0DUVK 0F/HQQDQ \$GYDQWDJH ,QVLJKWV
URE EDLOH\#ROLYHUZ\PDQ FRP

,1'8675< &2175,%87256

MSCI Inc.: Jackie Daitchman

:H ZRXOG OLNH WR WKDQN 06&, IRU SURYLGLQJ WKH (6* GDWD XVHG LQ RXU DQDO\VLV

0\$56+ 0&/(11\$1 &203\$1,(6 &2175,%87256

Mercer:

\$GDP 3UHVVPDQ &KULV /DEUHFTXH 'DQLHO ,PEHDXOW +DLJ 1DOEDQWLDQ 3HWHU 5XW

Marsh & McLennan Advantage:

\$OH[%HUQKDUGW +LODU\ 3HUHLUD /LO\ 3KDQ 5LFKDUG 6PLWK %LQJKDP 6KDP 0DMLG

The design work for this report and the accompanying interactive website was led by

\$JDWD *XPRND .DUROLQD .RW DQG \$JQLHV]ND /DVLQNLHZLF]

ABOUT MARSH & MCLENNAN COMPANIES

[Marsh & McLennan](#) 1<6(00& LV WKH ZRUOG V OHDGLQJ SURIHVVLRQDO VHU\LFHV %UP LQ WKH DUHDV RI ULV