



AGE PIONEERS ACTION PANEL

ESG & AGE INCLUSION

Full Report

August 2022

WORK/REDEFINED




THE RECAP

Link between ESG and Age Inclusion

On average, a child born today in the western world will live to 103. In the last century, we have added 30 healthy years to life and, looking forward, within the UK and US economies, our working age population is shrinking by 25% as we have the lowest birth records in history, and our over-60s population is growing by 40%.

In July, our Panel looked at the topic of ESG (Environmental, Social & Governance) board considerations in relation to an ageing population. The press and Board reports on ESG, tend to focus on the 'Environmental' aspects; however, 'Social' is relevant to age in 2 formats:



1. How businesses respond to an ageing population: do they have an ageing customer base that they have to mirror; do they need to adapt their products and services to accommodate the rate of ageing?

2. A sustainable workforce: how do businesses create a sustainable workforce when the working age population continues to shrink, and how do they ensure the nature, flexibility and types of work available accommodate the needs/wants of an employee into their 70s and 80s and beyond.

SPEAKER CONCLUSIONS

Our first speaker was David Whitson-Black, a senior leader active in DE&I and employee wellbeing, from Azets, one of Europe's largest accountancy professional services firms. Azets is leading the way in creating a sustainable workforce and demonstrates best practices for attracting, engaging and retaining an older workforce.

Julia Varesko was our second speaker; Julia is a senior analyst on the Pacific Asset Management Longevity and Social Change fund. She recently

co-authored this article which demonstrates the value to companies that investing in older populations is creating: [Time to invest in healthy ageing populations - ESG Clarity](#).



The Top Recommendations From the Speakers

- **Check Your Measures of Success.** ESG initiatives are strategic aims, not transactional silver bullets to solve “today’s” issues. A strong ESG performance for Azets equates to a better company valuation and a long-term sustainable workforce with an older associate pool. An example of a short-term goal is to increase the number of older worker hires, as part of a recruitment strategy. However, this tactical goal should not be the main measure of success as this is one factor in driving a sustainable workforce where the major measure of success is leading the industry on this account and thus achieving a better company valuation.
- **Purpose and Vision.** Organisations should lead their industry in Social ESG initiatives and bring to life for their employees what this means in relation to an ageing population and an ageing workforce. Few organisations focus on the Social aspect of ESG as it is difficult to measure and because the regulation is still evolving. Employees are a key resource, critical for sustainability strategies and thus every organisation should have a vision of how they will ensure a sustainable workforce in light of a shrinking working age population.

See below two examples of how organisations are looking to lead their industry and be the first to announce their Age Inclusive Status on their own websites:

[Boots becomes official Age Inclusive retailer with accreditation from 55/Redefined \(boots-uk.com\)](#).


[Dentsu UK joins forces with 55/Redefined to tackle ageism in advertising](#).

- ▶ • **Communication:** It is becoming the norm to receive direct questions from new clients and candidates about our ESG strategies. Recruitment teams need our support to articulate their organisation's ESG strategy, focus and purpose, to ensure everyone feels aligned and that the organisation is moving in the right direction for all involved.

▶ HOW CAN WE HELP?

Speak to us about our Age Diversity Diagnostic Solution whereby we support you and your teams to identify what Age Inclusive means to your organisation and provide the toolkit for how to Attract, Engage, Retain & Retrain over 50s Talent. [Enquire Here.](#)

- ▶ • **Attracting Investment:** Knowing that ESG has a positive impact on investment in businesses that do it right, is important. Having a strong ESG proposition can create that value. Julia Varesko recently wrote an article titled, [Time to invest in healthy ageing populations - ESG Clarity](#). The article states: "The challenge for investors now, is to identify those companies whose products and services are well placed to create a meaningful connection with ageing customers and capture the changing behaviour of generations which will increasingly live to celebrate their centennial birthdays." If companies exhibit ageism to consumers in a negative sense, they are unlikely to attract investment as they are deemed to be ageist. Data shows that diversity leads to positive business outcomes, and lower risk premiums and cost of capital for companies who embrace this. This may not be a factor under consideration within HR or Talent teams, but it is absolutely a discussion topic around the Board table and one that will flow downwards through the people strategy.
- **Comparisons between Companies.** Quantitative comparisons between companies is currently challenging. There is a lot of data available for




gender equality, but patchy data on age with few organisations publishing any useful insight when it comes to the age of their workforce. When social taxonomy is finalised, it might become mandatory to have certain ESG disclosures in place to enable a comparison and reward of those organisations with better disclosure where it shows progress and targets in place.



HOW CAN WE HELP?


Work/Redefined are the exclusive Age Partner for UK Data Hub and the D&I Index. We can provide you with discounted access to UK Data Hub and then importantly analyse your data and provide peer-group and industry analysis with a series of recommendations about your specific company data in relation to Age. [Enquire Here.](#)

The Age Pioneers Action Panel on 7th September at 1pm focuses on Age Data Best Practice. To register your interest in joining this panel. [Click Here.](#)

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- **Inequality Increases by Age** and by gender even more so. Women's pension pots are 30-40% lower than men's. If companies address gender equality, close the pay gap and reduce ageism, employees can stay in the workforce longer, contributing to a happier and more stable working environment. Lower savings gaps means resources are diverted to investments other than social security schemes; we also know that people are happier when they are productive and keeping them in the workforce for longer contributes towards this.

ACTION PANEL

TOP RECOMMENDATIONS



Our Action Panel is made up of HR and Diversity Leaders from across all industries from pharma to banking, consultancy to retail and advertising. They are united in their collective desire to stamp out ageism at work and lead the way on how to create a sustainable workforce and embrace older workers given the rate of ageing in our population. As a cohort, they meet to discuss and debate what is happening and working in their organisations.

To enquire to join as a Age Pioneers Action Panel member, [please register here.](#)

1. Get Modelling!

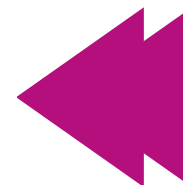
Our panel concluded that modelling is essential to see what the distribution of age is today within your organisation. How it is moving and what are the challenges for the future? If you did nothing, how is that population aging or changing, and what do you foresee that impact to be? Secondly, from a more proactive stance, how can you make changes to adjust the model e.g. proactively hire older workers to up their average age and change the demographics in areas facing ageing customer-bases.

2. Add Age into your E,D&I Dashboards

Insight is a key starting point, we can't understand how big an issue we have and where to tackle it, without first having accurate data. If you aren't already, start reporting on age, not just what is in your distribution, but what is your leaver data. Using this data to report back to the business, puts it at the forefront of people's minds. It was also noted that some Board members interpret data by looking at metrics for quick wins; therefore it was suggested that data should be accompanied by research to support education and awareness of these important issues.

3. Put ESG at the Forefront of the Talent Strategy

Members of our panel from larger organisations said that investors are very interested in the ESG agenda which drives focus and



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TOP RECOMMENDATIONS

4. Mirroring Your Customer Base

Major talent issues and a competitive recruitment market has led many of our panel to review their routes to market, and the importance of having the right voice for their customers. There has never been a concerted effort to mirror customers. So it would be usual for customers with pension and mortgage queries, to speak to operatives who have never held a mortgage and were far from pension age. This is changing as organisations look to align older worker talent pools with customers who appreciate or need the extra life experience.

5. Set 'S' Targets

Setting targets that relate to the 'Social' element of ESG, and for the purposes of the Panel, around Age, are essential. Activities to deliver on the targets should be approved from Board all the way down, with communication across the business. The whole organisation needs to know what they are looking to achieve and why. Identified actions ensure things 'get done', and need to be driven from a commercial perspective too.

FINAL THOUGHT

...Integrating your ESG agenda is vital...

The power of ESG is only achieved when it is rooted in every aspect of your business. ESG strategy brings alive your purpose and has to define the areas you want to impact and in doing so it has to be specific, ownable, applicable, measurable. A powerful way of embedding ESG within an organisation is the ability of every individual to tell stories about what happened, its outcomes, its lessons, its success. Allowing it to become part of your culture.

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