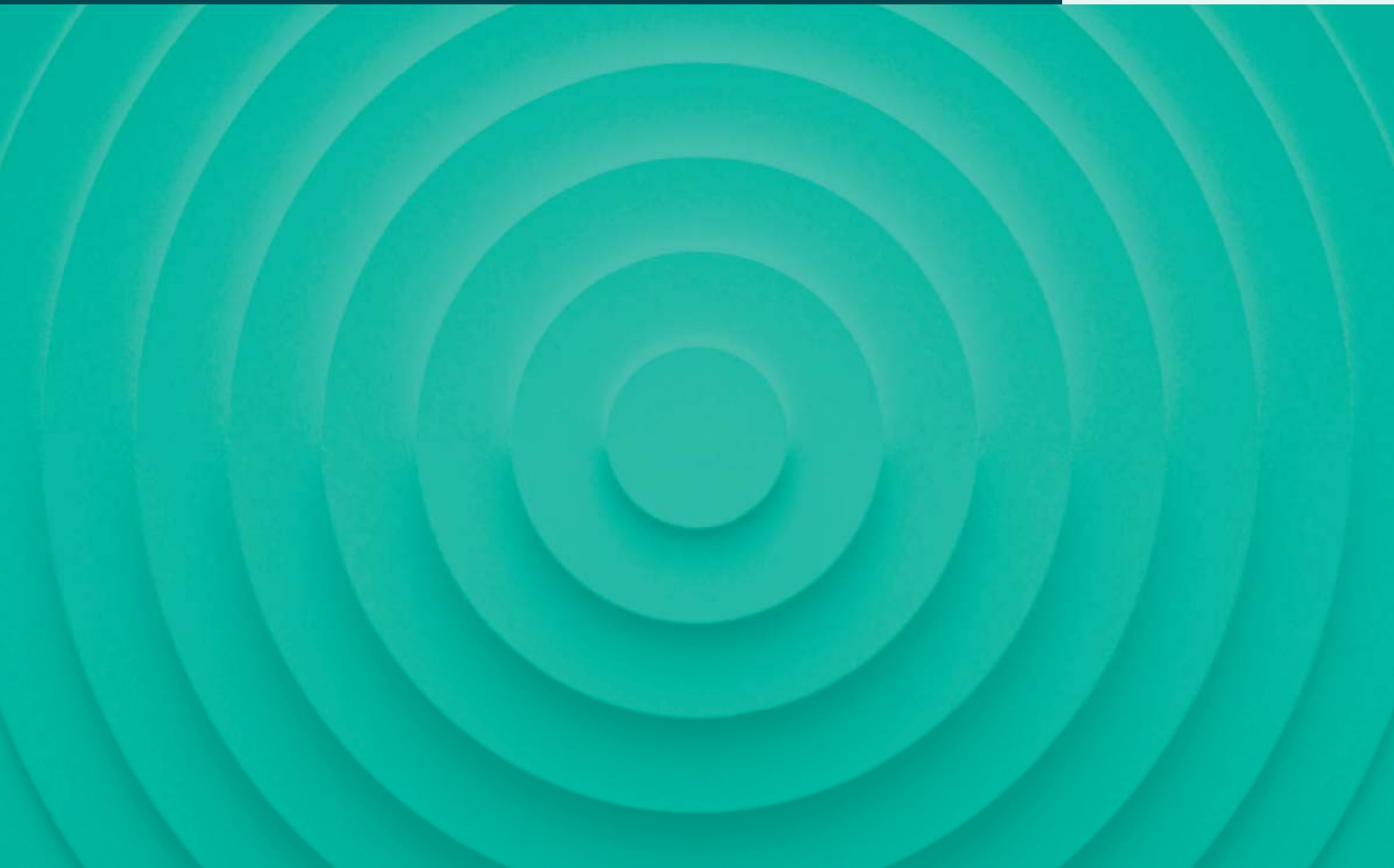


A summary of key discussions from the Senovis ESG Roundtable

# The role of the CHRO in shaping ESG strategy



# Introduction

“We now have the opportunity to eradicate poverty and deal with the issue of climate change. What bigger opportunity do you want to see? Companies make up 60% of the global economy. If they don't play an active part, how can we solve these crises?”



**Paul Polman**  
CEO, Unilever



At Senovis we understand the value of roundtable discussions for CHROs due to the depth of insight that in-person discussion can bring. Our CHRO gathering on 24th May in London was an opportunity for CHROs of some of the largest companies in the UK and Ireland to come together to build new connections and discuss the timely topic of ESG. The fact that the event was over-subscribed reflects the level of focus CHROs are currently placing on this subject and the value that our most senior people leaders place on sharing views and experiences to support progressive strategy development at this time.

The ESG theme was chosen for the event following an increase in interest in the subject, evident in the many dialogues we have had with both CHROs and academics over recent months.

We were delighted at the turnout and quality of the conversation. Read on to understand the context and content of the discussion and if you were unable to make this event, we hope to welcome you in the future.

A handwritten signature in black ink, appearing to read 'Derek McKay'.

**Derek McKay**  
CEO & Founder  
Senovis

# Key take-aways

The key take-aways from the event highlighted the following:

- 01.** **Integration of sustainability into core business strategy:** Attendees emphasized the necessity of embedding sustainability principles into the core strategy of their organizations, moving beyond a compliance-based or event-based approach to one that is more focused and drives long-term business value.

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- 02.** **CHROs as key drivers of ESG:** The discussion reinforced the expanding role of CHROs in leading ESG initiatives, particularly leading on the Social ('S') pillar and ensuring the effective integration of social, environmental, and governance aspects into the company's culture and strategic objectives.

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- 03.** **Employee and stakeholder engagement and communication:** Effective communication of ESG efforts was deemed critical for enhancing employer branding, attracting top talent, retaining existing talent, and building trust with stakeholders, including investors and the wider market.

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- 04.** **Linking ESG to financial performance:** There was a strong focus on demonstrating the financial benefits of ESG activities, using data and evidence to support the business case for sustainability initiatives.

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- 05.** **Incentivizing ESG goals:** Aligning incentive structures with ESG goals was seen as vital for motivating employees and ensuring that sustainability objectives are met.

# Overview

ESG is now widely seen as a key feature of business strategy, and attention on it is growing. The EU's Corporate Sustainability Reporting Directive (CSRD) already requires reporting on ESG for many companies in Europe and UK legislation based on UK Sustainability Reporting Standards is currently expected to affect UK companies from 1 January 2026, although the exact date is yet to be confirmed. At a global level, the UN's Sustainable Development Goals (SDGs) formed in 2015 are a universal call to action to end poverty, protect the planet, fight inequality and injustice, and leave no one behind by 2030.



A report by the HR Policy Association (2019) revealed that the majority of US CHROs are either responsible for leading ESG or are part of a C-suite ESG committee, including taking on a bigger role with investors. In addition to this increasing outward-facing role, savvy CHROs are also acutely aware of the importance of ESG inside their organization, especially the importance to millennial and gen Z employees. Research shows, for example, that ESG activities perceived by employees as authentic and meaningful lead to increased pride and feelings of 'organizational embeddedness' in the workforce, which can decrease turnover (Yam & Aguinis 2019).

With CEOs increasingly expected to take a public stance on social issues and the interests of millennials and gen Z turning the dial on ESG importance in the workforce, the role of the CHRO in influencing ESG strategy and as the CEO's confidant is growing and involves both inward-looking and outward-focused perspectives and activity.

Our CHRO roundtable provided many examples of an evidence-based, outcome-focused approach to ESG strategy, with companies achieving tangible positive outputs from their ESG-related activity rather than merely symbolic gestures. We explored the role that CHROs are currently taking in setting and implementing sustainability strategy, the impact of forthcoming UK legislation, and how the impact of ESG initiatives is being monitored and shared inside and outside of organizations. Our discussion was enriched by the presence of Professor David Collings, chair of sustainable business at Trinity Business School, Dublin, Danielle Harmer, Chief People Officer at Aviva, and Helen Redfern, Chief People Sustainability and Communications Officer at Dowlais Group plc, who all shared their unique experiences and perspectives.

# Key themes from the event

## **The centrality of sustainability to business strategy and the maturity of sustainability strategy**

Companies are striving to integrate sustainability principles into their core operations, recognizing its importance for long-term business effectiveness. Companies with more mature sustainability strategies and programs benefit from having their sustainability principles culturally embedded and understand that sustainability is critical to business effectiveness, rather than merely a compliance requirement or a momentary fad.

The roundtable discussion highlighted that sustainability is increasingly central to business strategy, rather than being a peripheral concern, with many attendees noting that their organizations were still on a journey to achieve this full integration into strategy. Attendees shared that their sustainability strategies often encompass environmental, social, and governance aspects, though the emphasis varies depending on the organization. Some organizations are embedding wellness, DEI, and CSR-focused activities as part of their sustainability strategy, whilst other attendees noted their organizations active role and contribution within wider communities and apprentice and education programs as being very much live within their business, but not necessarily recognized or 'categorized' as falling under sustainability.

“Consumers can have big voices when it comes to ESG. They exert significant force”

Companies are moving towards viewing ESG as a value-creation opportunity, aligning it with their overall strategic goals. There was discussion about the “big voices” and “significant force” that consumers have on ESG topics. The discussion also underscored the importance of balancing all three ESG components to achieve comprehensive and sustainable outcomes. This holistic approach is essential for responding to stakeholder expectations and regulatory demands effectively.

## **The role of the CHRO**

CHROs are increasingly responsible for embedding the principles of sustainability into the corporate culture and ensuring it is reflected with the company’s long-term strategic objectives. CHROs are dedicating an increasing amount of time to ESG-related activities, a commitment which reflects the growing recognition of ESG's importance.

The discussion emphasized that CHROs should not limit their focus to the social aspects of ESG but also play a significant role in environmental and governance initiatives. This comprehensive involvement is crucial for embedding ESG principles throughout the organization.

“Encouraging communication about ESG activity by employees themselves helps build an ESG-focused culture”

Attendees shared examples of how CHROs are influencing ESG strategy, including setting goals, designing roles, and C-suite participation and planning around sustainability. The consensus was that CHROs should continue to take an active role in shaping and implementing ESG strategies, but they should also take this opportunity to leverage their unique position to drive meaningful change. There was discussion about the importance of encouraging communication about ESG activity not just from internal communications teams but from employees themselves, as a way of building and strengthening the ESG culture.

# Key themes from the event

## Linking ESG activity to financial performance

It is common to seek to demonstrate the link between ESG activities and financial performance, not just to reassure investors but also to illustrate to wider stakeholders that a strong ESG strategy makes all-round business sense.

CHROs shared that as with any long-term goal, including those of ESG, there is the requirement to demonstrate clear evidence of their financial benefits. Attendees identified several ESG initiatives that had been introduced that lead to cost savings, improved employee retention, and enhanced brand reputation. These outcomes underscore the financial advantages of integrating ESG into business strategies.

Attendees discussed the need for substantive ESG actions that deliver measurable results, rather than symbolic gestures. This focus on outcomes helps build a business case for ESG, showing that it can contribute to financial performance. CHROs are using data and evidence to demonstrate the impact of ESG initiatives, influencing their colleagues and ensuring that ESG is seen as a value-adding component of the business strategy. This approach helps to secure buy-in from key stakeholders.

## Understanding the impact of ESG activity on current and prospective employees

ESG activities have a significant impact on both current and prospective employees. Integrating ESG into the people strategy helps attract and retain talent, particularly among millennials and gen Z, who place a high value on sustainability. Effective internal communication of ESG efforts enhances employer branding and fosters a culture of responsibility and engagement among employees. This alignment with employee values contributes to higher job satisfaction and retention rates.

The discussion highlighted that prospective employees are increasingly considering a company's ESG commitments when making career decisions. Companies that demonstrate a genuine commitment to sustainability are more likely to attract top talent. CHROs noted that they are showcasing their ESG initiatives in recruitment efforts and emphasizing their organization's dedication to making a positive impact. This strategy not only attracts like-minded individuals but also strengthens the company's overall reputation as a responsible employer.

“HRM has historically been heavily influenced by short-termism. Sustainable approaches to HR strategy change this”

## The impact of current and forthcoming legislation

The EU's Corporate Sustainability Reporting Directive (CSRD) already requires reporting on ESG for many companies in Europe and UK legislation based on UK Sustainability Reporting Standards is currently expected to affect UK companies from 1 January 2026, although the exact date is yet to be confirmed.

“Proactive preparation prior to the introduction of UK legislation will be key”

The discussion pointed to the increasing complexity of governance and the need for integrated communication and reporting mechanisms to meet new regulatory requirements. CHROs noted that the legislation could help create (additional) momentum for ESG initiatives, providing the necessary push to overcome certain internal resistance and drive meaningful change. This proactive approach to legislative changes ensures that companies are well-positioned to meet new requirements and capitalize on the opportunities they present.

# Key themes from the event

## Incentivizing the achievement of ESG goals

Incentives can play a critical role in driving ESG performance. By integrating ESG goals into incentive structures, companies can motivate employees at all levels to contribute to the sustainability objectives of the company, which in some cases are core to the purpose, vision, and values.

The CHROs discussed various approaches to aligning incentive schemes with ESG goals, such as linking bonuses and long-term incentive plans (LTIPs) to sustainability metrics.

“We must avoid symbolic initiatives which can destroy confidence in an organization’s mission”

“Perfection is the enemy of good when it comes to setting ESG goals”

The discussion highlighted the challenges associated with incentivizing ESG goals, particularly due to the long-term nature of their impact. However, CHROs shared successful examples of incentive schemes that have driven positive outcomes, such as increased employee engagement and improved sustainability performance. By addressing these challenges and continuously refining incentive structures, companies can create a strong motivation for employees to support and achieve ESG goals.

# ESG insights and journeys: David Collings

**Professor David Collings facilitated the discussions throughout the roundtable and with our CHRO contributors who shared their respective organization's journeys so far.**

Professor Collings emphasized the critical importance of sustainable work and employment, particularly focusing on the social aspect of ESG which often fails to get the same focus as the economic and governance focus. He highlighted how this aligns directly with several Sustainable Development Goals (SDGs), including decent work, health and wellbeing, and gender equality.

Research on sustainable human resource management (HRM) indicates that what is often considered "best practice" HRM is heavily influenced by short-termism, primarily driven by the US model. Examples such as pay dispersion, contingent employment, and downsizing were cited, demonstrating how these practices might yield short-term positive returns but often result in poor long-term performance outcomes for organizations.

Furthermore, research on HR's role in corporate social responsibility (CSR) and ESG suggests that HR has generally not yet assumed a leading role in advancing these agendas within firms. This presents a significant opportunity for HR leaders to elevate the social dimension of ESG on their strategic agendas.

Collings warned against an overemphasis on event-based initiatives, or what he termed "symbolic" initiatives which he said could ultimately reduce confidence in the organization's ESG mission. He advocated instead for ESG to be deeply ingrained in organizational practice and informed by an organization's culture and values. Such integration provides a guiding foundation for making decisions related to the ESG agenda.

Lastly, he underscored the importance of storytelling in employer branding. Given the high value that many job candidates and stakeholders place on ethical practices, effectively communicating ESG efforts is crucial for attracting and retaining talent and building a positive organizational reputation.



**Professor David Collings**  
Chair of Sustainable Business,  
Trinity College Dublin

David Collings holds the Chair of Sustainable Business at Trinity Business School, Trinity College Dublin. He previously held faculty positions at Dublin City University, University of Sheffield and National University of Ireland, Galway and visiting positions at King's College London, Nanyang Business School in Singapore and Cornell University as a Fulbright Scholar. David is an elected Member of the Royal Irish Academy and Fellow of the Academy of Social Sciences and Chartered Institute of Personnel and Development. He is a former Chair of the HR Division of the Academy of Management.

He is a leading international expert on talent management, global mobility and sustainable work. His work has been published in leading international outlets including Academy of Management Journal, Organization Science, Journal of Management and Personnel Psychology, practitioner outlets such as Harvard Business Review and MIT Sloan Management Review and he has edited 12 books.

A recent Stanford-led study ranked him in the top 2% of scholars globally based on citations impact. David has been named as one of the most influential thinkers in the field of HR years by HR Magazine on five occasions. His work has been cited in media outlets including the BBC, Forbes, Financial Times, and the Wall Street Journal.

He is an Associate Editor at the Journal of Management and Academy of Management Perspectives and former Editor-in-Chief of the Journal of World Business, Human Resource Management Journal, and the Irish Journal of Management. He sits or has sat on the editorial boards of multiple journals including Academy of Management Review, Journal of International Business Studies, Journal of Management and Journal of Management Studies.



# ESG insights and journeys: Aviva



**Aviva plc is a British multinational insurance company. It has approximately 18 million customers. In the UK it is the largest general insurer and a leading life and pensions provider.**

Danielle Harmer, Aviva's Chief People Officer, shared her experiences at Aviva, where sustainability is one of the business's four clear strategic priorities. She emphasized the importance of embedding ESG into the company's culture and highlighted Aviva's approach to building a more sustainable workforce, one based on longer-term skill retention. Apprenticeships have been a particular area of focus at Aviva and, with their broad positive impact on society and applicability for all employees, have been a valuable part of the strategy. Inclusion initiatives including those around part-time work have been another area of focus and have been a positive enabler of career progression.

Harmer stressed that effective people leadership is about creating an environment where everybody is responsible. Her approach focuses on aligning sustainability with business strategy to create a positive impact both internally and externally. Danny highlighted that there are a broad range of interested parties when it comes to ESG: customers, employees and investors all have an interest. She highlighted the reluctance that organizations can have in setting a goal and noted the importance of committing to goals without necessarily yet having firm plans about how to reach them. Requoting Professor Collings she agreed that "perfection is the enemy of good", she said. Risk adverse personalities can become overly concerned with a lack of evidence and data on future, unknown outcomes, and leaders should guard against this stalling progress in Harmer's view.



**Danielle Harmer**  
Chief People Officer, Aviva

Danny was appointed Chief People Officer for Aviva Plc in February 2020. She leads Aviva's global People and Culture strategy – developing all our colleagues to have the skills they need now and for the future. A key part of her role is creating an inclusive culture that enables everyone to perform at their best with the focus on being brilliant for our customers.

Before joining Aviva, Danny was the Chief People Officer at Metro Bank. During her tenure it was consistently recognised as providing market leading service through its unique approach to people and culture. She previously held a variety of roles in HR and business leadership at Halifax, HBOS, Lloyds Banking Group and Barclays.

Danny holds a degree in Economics and Business Economics from the University of Southampton, is a Chartered Fellow of the CIPD and a founding Court Member, and former Master, of the Guild of HR Professionals. She was recognised as one of HR Magazine's 'Most Influential Practitioners' from 2016-2022 and has been named as an FT 'OUTstanding' LGBT+ ally and 'HERoes' female role model.

# ESG insights and journeys: Dowlais

## DOWLAIS

**Dowlais Group plc is a FTSE 250 company founded in 2023. It is focused on high-tech engineering that advances the world's transition to sustainable vehicles.**

Helen Redfern, Chief People, Sustainability and Communications Officer discussed the strategic importance of ESG at Dowlais Group plc. She emphasized the role of leadership in driving ESG initiatives and the need for transparent communication to engage stakeholders. Her approach has included splitting ESG into bite-sized chunks, setting simple milestones and balancing the commercial side with “doing the right thing”.

Helen shared insights on the integration of ESG into governance practices, the development of long-term sustainability goals and the pressure from investors to demonstrate a return on investment. The biggest challenges, in Redfern's view, often centre around not knowing where to focus priorities. Her perspective underscored the necessity of a holistic approach to ESG, involving all aspects of the business to achieve sustainable success.

With the geographical spread of their workforce and the positive impact the Group can have worldwide, Redfern noted how important their ESG approach was within the communities they work within and the skills they develop within their workforce, including via their apprenticeship model.



**Helen Redfern**

Chief People, Sustainability  
and Communications Officer,  
Dowlais Group

Helen joined Dowlais from Kier Group plc where she was Chief People Officer. Helen worked in Kier for over 10 years and was an integral part of the Kier turnaround, as well as developing and leading strategies across its human resources, health, safety & wellbeing, and sustainability functions.

With over 20 years' experience, Helen has a long track record of delivering transformative change within other sectors including Sainsburys Plc and Ferguson Group Plc.

# Conclusion

Despite the many challenges highlighted, the discussion reflected a very positive outlook on the topic of sustainability. The attendees at the roundtable were left with no doubt that the sustainability agenda will continue to be a key and increasing focus for their employees, organizations and stakeholders into the future and that this presented a real opportunity for the CHRO to lead out and have an even greater and meaningful impact.

Senovis plays a crucial role in facilitating peer to peer engagement for CHROs, offering a platform for knowledge sharing, providing access to evidence-based resources, and promoting collaborative research initiatives which can involve leading academics. By leveraging these opportunities, CHROs can drive meaningful change within their organizations and demonstrate an impact aligned to sustainability goals.

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