

# Labour shortages: the role of eSg in attracting and retaining your workforce

**Catriona Aldridge, Partner**

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# Your speaker today



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## Today's agenda

Why does ESG matter in a food & drink people context

Breaking down the E, S and G

Making the S tangible: elements for building a sustainable workforce

Making the S tangible: How to measure progress

# The context

**Unprecedented staff shortages – 500,000 vacancies?**

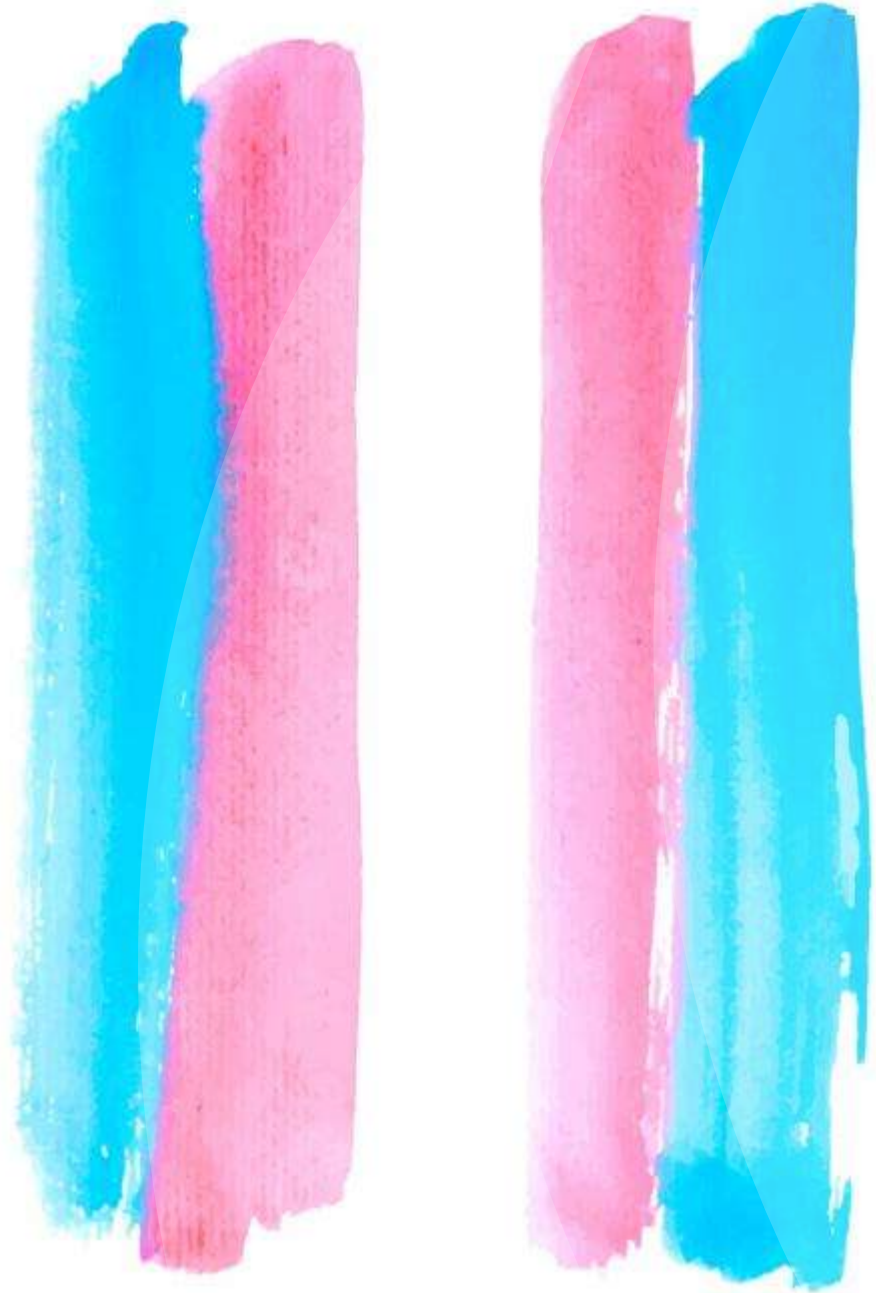
Covid & Brexit

Perceptions and misconceptions around working in the sector - seen as low paid and low skilled

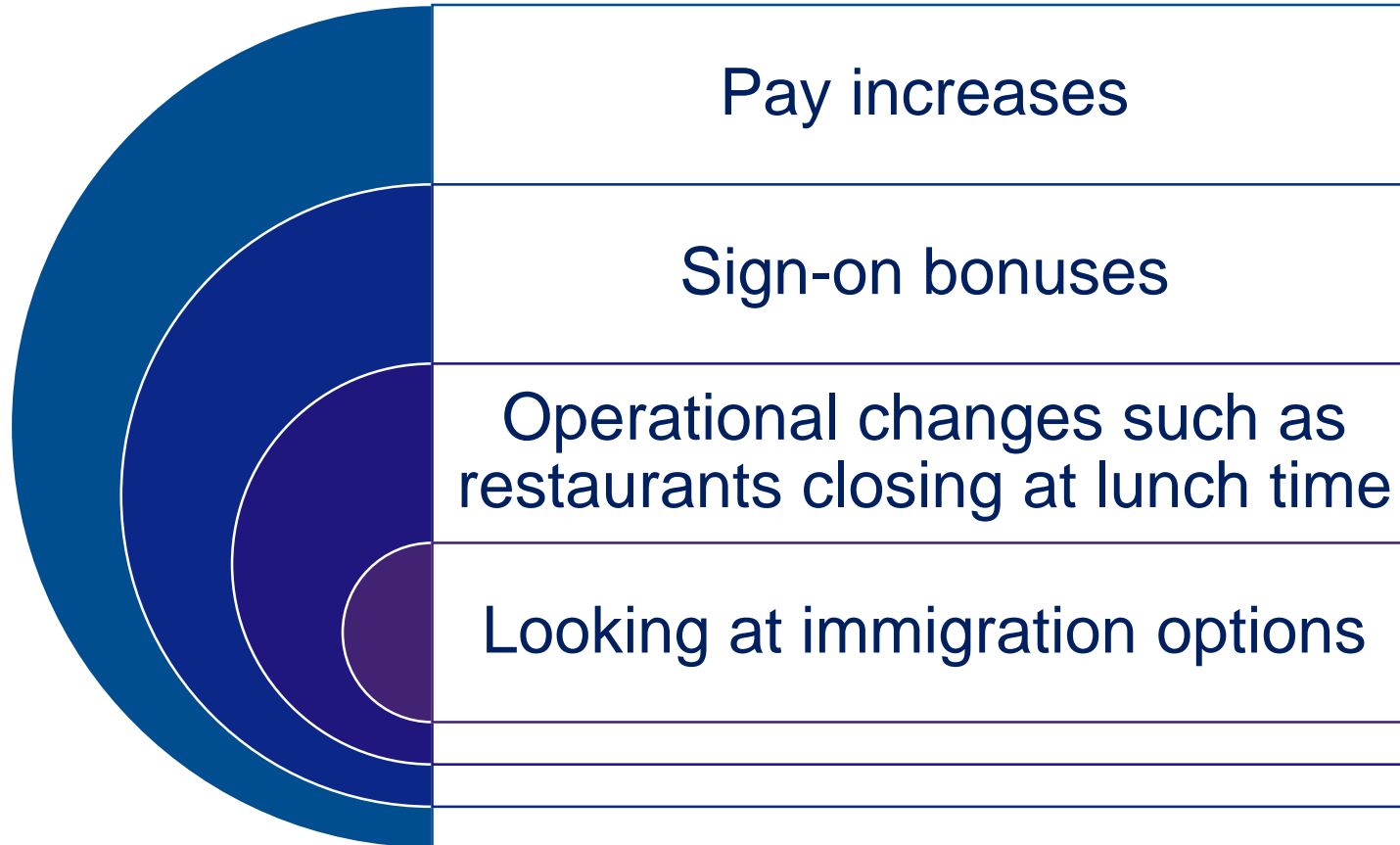
Skills shortage

IR35

Geographic location



# Shorter term solutions



# Looking for and expecting more

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71% of employees and candidates surveyed by IBM said that environmentally sustainable companies are more attractive employers

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EHRC 2018: 61% of women take an organisation's gender pay gap into consideration when applying for jobs

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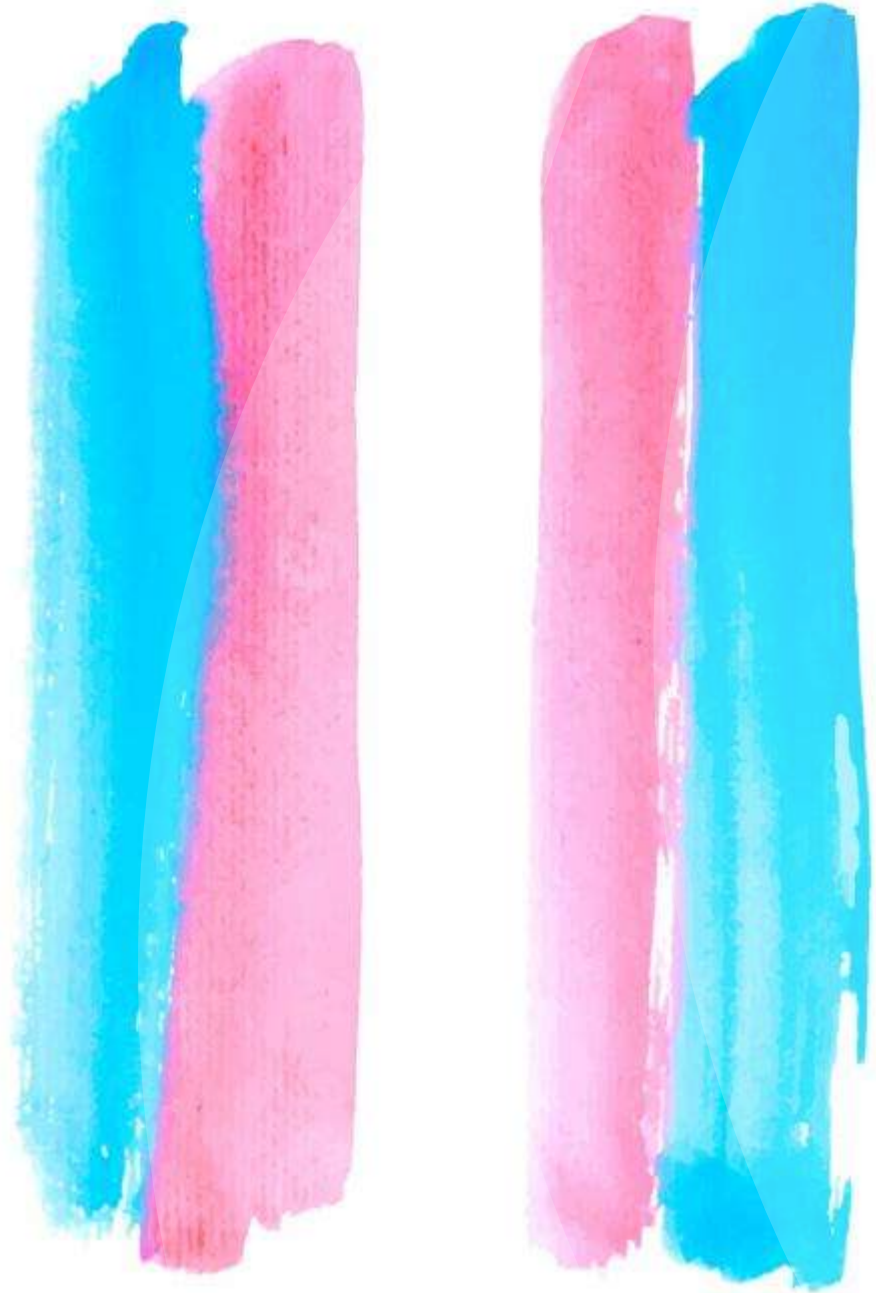
EY 2021: A poll of 1,000 UK workers found that 47 per cent said they would consider changing their jobs if flexible working wasn't an option

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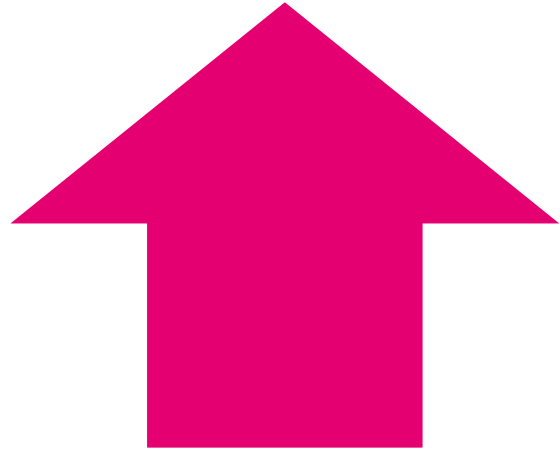
The majority of sustainable working practices do not involve greater operating costs – it is about behaviour and approach as much as it is about standards

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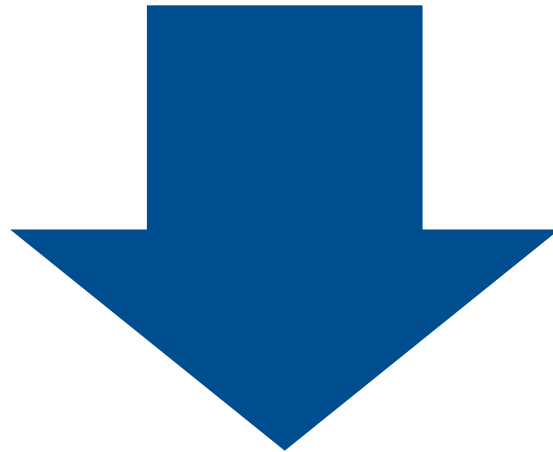
**This is about saying to future staff – we treat people well so come and work for us**



# The reputational impact of getting workplace culture wrong



Press stories of a toxic work culture - a consultancy firm was appointed to conduct an investigation



Chef faced similar anonymous allegations from former staff accusing the restaurant of a toxic work culture – an independent investigation was launched

# What is ESG?

There are three pillars

## Environment

- energy use,
- pollution,
- commitment to net zero,
- waste

## Social

- how a business treats its customers, employees and stakeholders

## Governance

- accounting methods, board appointments, bribery, corporate reporting

Today we are going to focus on the S

ESG is a set of standards aimed at showing stakeholders how sustainable a company is



# Stakeholders in ESG

- **Future recruits** want to know that they work in a culture where people are treated well
- **Existing employees** want to work in a culture where they are treated with respect and have opportunities to develop over their careers – so staff retention will improve
- **Consumers** are interested in the sustainable practices of a business –CGA's BrandTrack survey shows that 97% of consumers think it is important that companies treat their workers fairly
- **Investors** are interested in ESG compliant food manufacturers and businesses



# ESG in action in the food and drink sector

- Sustainable food has been a trend for some years
- Producing sustainable food isn't just about the produce – its about the workers involved in the supply chain: the “**farm to fork**” chain
- A lot of positive work to build on e.g.
  - Unilever's **FairKitchens** movement
  - **Burnt Chef** Project
  - **Pig Industry Professional Register**





## eSg: What areas to focus on?

- Diversity & inclusion
- Workforce treatment & engagement
- Preventing modern slavery
- Executive remuneration
- Community & social value



# How can employers measure D&I?

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Progress with gender pay gap reporting

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The number of women on their board

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There are also targets set by the Parker Review relating to ethnicity at board level, there should be one ethnic minority board member by 2021

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Employee networks, any awards that an organisation has gained - Stonewall's Workplace Equality Index, the Race at Work Charter, the 30% Club

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Voluntarily reporting on their ethnicity pay gap and taking steps to address racial inequality within their organisation

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Social mobility - collecting data in their diversity monitoring forms about employee background and schooling

# How can employers measure workforce engagement?

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Feedback through an established employee forum or through trade unions

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Employee satisfaction surveys

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How a company manages organisational change

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Statement to explain whether they use zero hours contracts or how they hire casual or atypical staff

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External standards e.g. the Mindful Business Charter and the Scottish Responsible Business Charter and workplace awards e.g. The Best Company to Work For





## How can employers demonstrate steps they have taken to prevent modern slavery?

The contents of an organisation's modern slavery statement and staffing policies, codes of conduct and terms of business

The central Modern Slavery Statement Register – currently voluntary but will become mandatory

Plans in place to strengthen the law

Organisations that are exposed as being involved in modern slavery face significant reputational damage, with repercussions on brand, share value and investment potential

# Executive remuneration – measurements?

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In annual reports, all premium listed companies in the UK must ‘comply or explain’ with the principles of the UK Corporate Governance Code

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One of the Code’s principles is that “*Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company’s long-term strategy.*”

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Quoted companies are required to publish an annual remuneration report setting out actual payments to directors and details on the link between company performance and CEO pay

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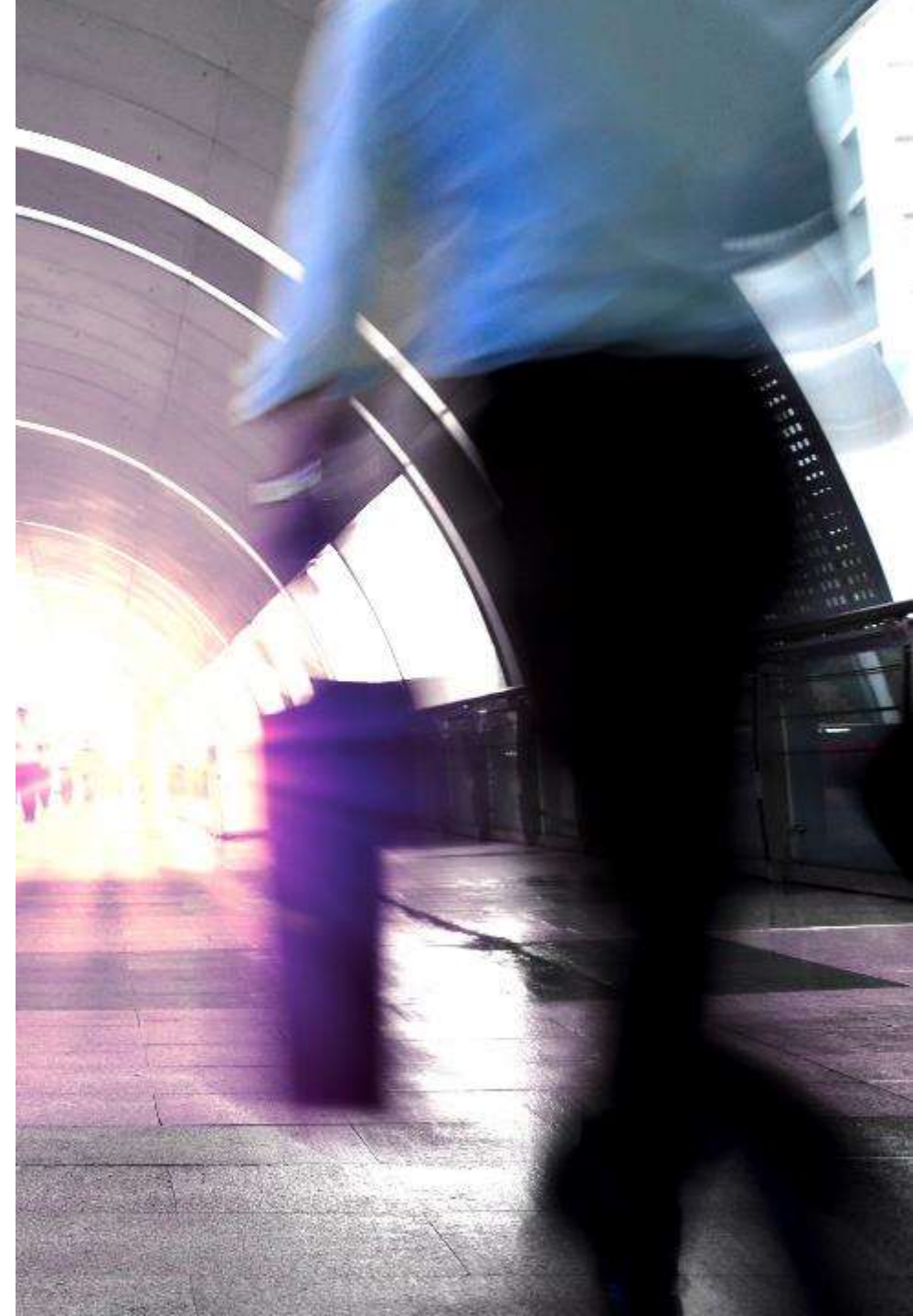
Many companies are required to issue a statement relating to section 172 of the Companies Act 2006

# Community social value – measurement methods

**What is it?** E.g. Employee volunteering in the local community, supporting charitable organisations, supporting young people to develop skills essential for the world of work, advancing social mobility and engagement in sustainability activities that lessen impacts on the environment.

United Nations Sustainable Development Goals - 17 different goals across all areas of ESG and are a framework for doing good

There are various sustainability organisations – the Sustainable Restaurant Association





## Enhanced recruitment and retention methods

Over the past few months many of the businesses that responded to the information request have invested a considerable amount of time and effort into enhancing their recruitment programme to try to tackle the labour crisis head on. In some cases this has resulted in a complete overhaul of existing recruitment plans, employing a dedicated resource to focus purely on operational recruitment and the launch of new recruitment campaigns. Individual recruitment actions taken have included:

- Increased wages
- Social media campaigns
- Engaging with local schools and colleges to attract new joiners
- Attending local job and career fairs
- Engaging with local job centres
- Sponsorship of local sports clubs and events
- Running apprenticeship recruitment campaigns
- Friends and family referral scheme (e.g. bonus if your friend/family member stays for a whole year).
- Lowering the minimum age for workers
- Increased use of the UK Governments kick start scheme
- Promoting the business amongst local communities
- Increased student intake
- Rewriting job descriptions

Alongside these actions, many of the businesses are implementing a combination of **retention methods** in order to retain their existing staff, these include (but are not limited to):

- Offering more flexible shift patterns and working hours
- Extra days holiday
- Investing in on-site accommodation and on-site facilities
- Extensive worker welfare services
- Retention bonus scheme
- Subsidising food and transport
- Cycle to work schemes
- In-house training and upskilling, investing in CPD and professional qualifications
- Offering new apprenticeships
- Increased temporary to permanent transition

# What steps are being taken by employers to attract and retain employees?

Source:  
Establishing the labour availability issues of  
UK Food and Drink Sector  
Food and Drink Federation  
August 2021

# How do employers get started with improving their sustainable business practices and promoting this to candidates?

Carry out a staff survey and understand from staff what works and areas for change

Identify priority areas where you can improve working conditions/ benefits for staff and develop an action plan

Communicate both internally and externally the importance that you place around people and purpose alongside profit – this is about fostering a long term culture of trust



# Contact us



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