

MID-YEAR CHRO SURVEY RESULTS

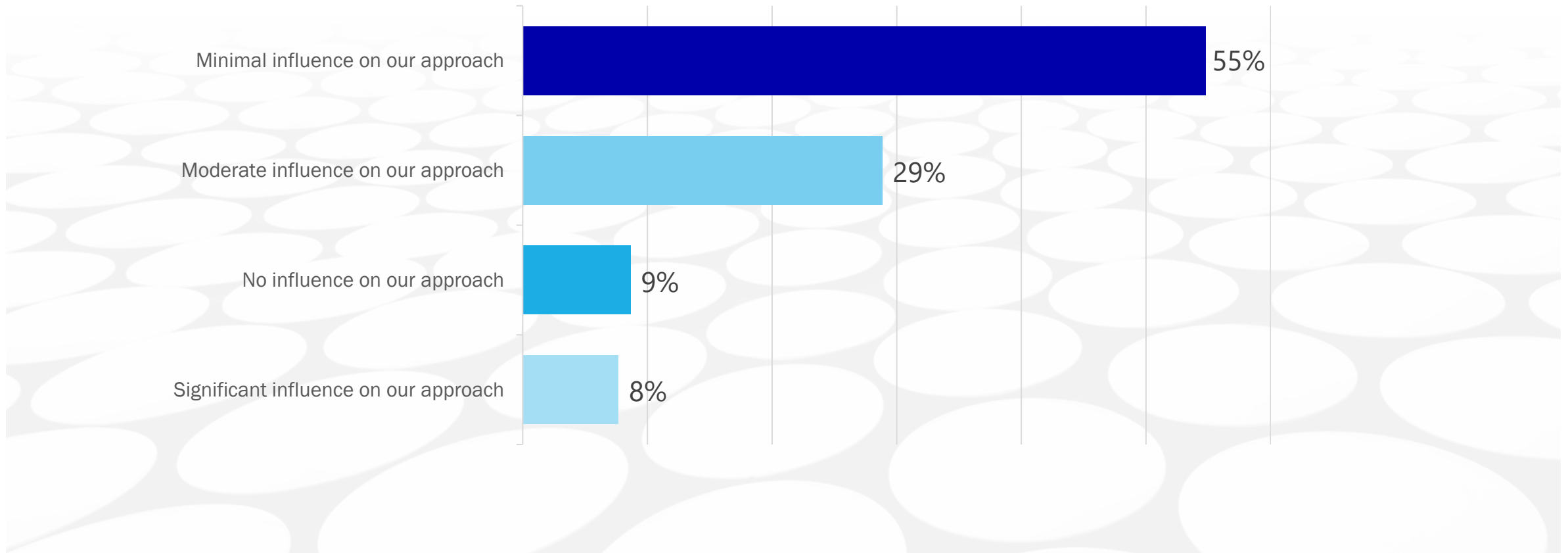
HR POLICY ASSOCIATION SURVEY RESULTS | SEPTEMBER 2023

104 Responses | Survey open July 31– September 5, 2023



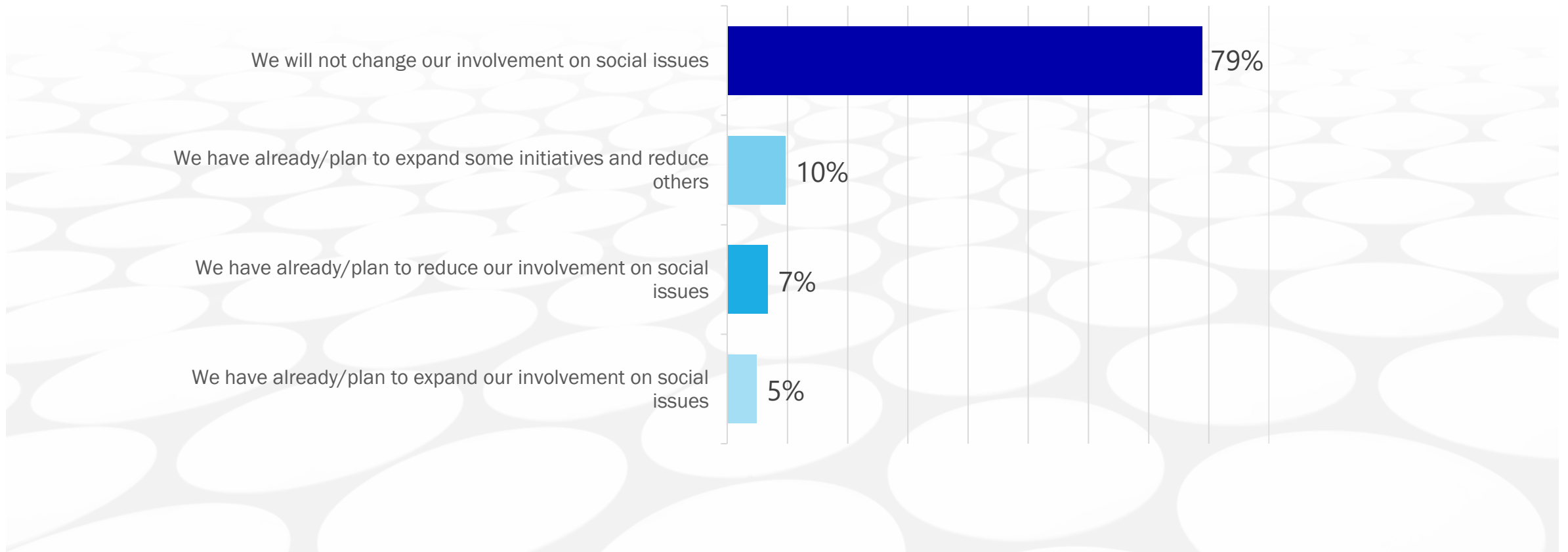
DISRUPTION HAS MINIMAL INFLUENCE ON BUSINESS DECISIONS

Q: To what extent is the increasing political and societal divide influencing your company's business decisions on core initiatives such as employee well-being, DEI, and health care?



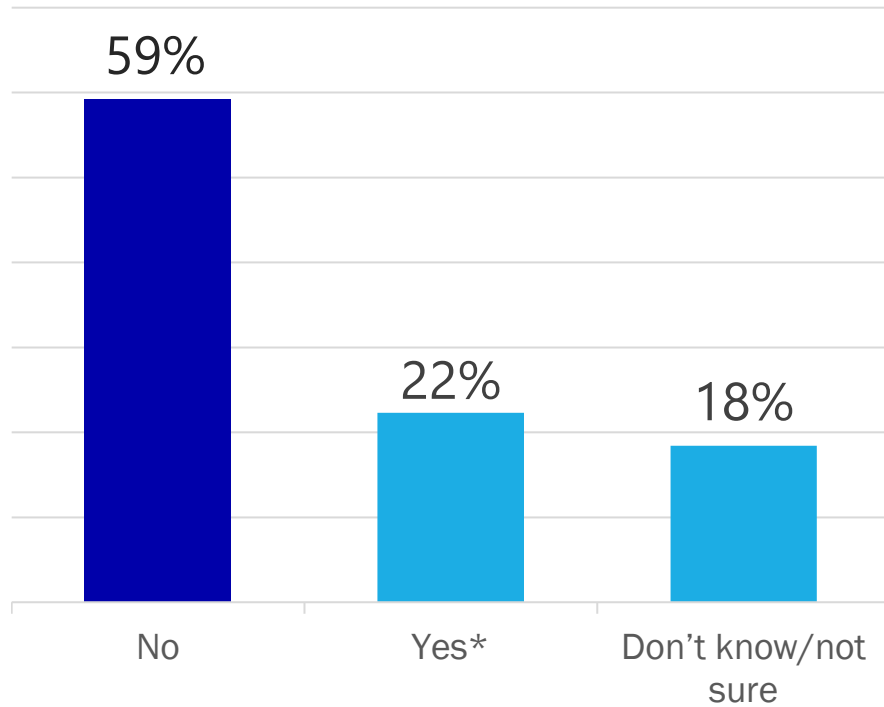
COMPANY APPROACHES TO SOCIAL ISSUES UNLIKELY TO CHANGE

Q: Has the increasing social and political divide caused your company to rethink its approach to issues such as employee well-being, DEI, and health care or other social issues?



ESG PUBLIC RESPONSE AND ENGAGEMENT MORE DELIBERATE

Q: Is this social and political divide influencing your ESG public response and engagement?



***Please indicate how you are changing your public response and engagement:**

REVIEWING/RESTRUCTURING/BEING CAREFUL (15)

- We've become more disciplined/clearer on which topics require our public comment.
- We are revisiting our language and approach and continuing to ensure it is aligned to our business and shareholder needs
- We are now more intentional about how we communicate regarding ESG, including DEI, to be very clear about the business impact and to avoid unintended consequences.
- We are revisiting policies on when staff can/should speak as private citizens vs. representatives of the company.
- We are reviewing the diversity modifier in the compensation plans.
- We are continuing our focused efforts but considering calling it something different than ESG.

TONED IT DOWN (6)

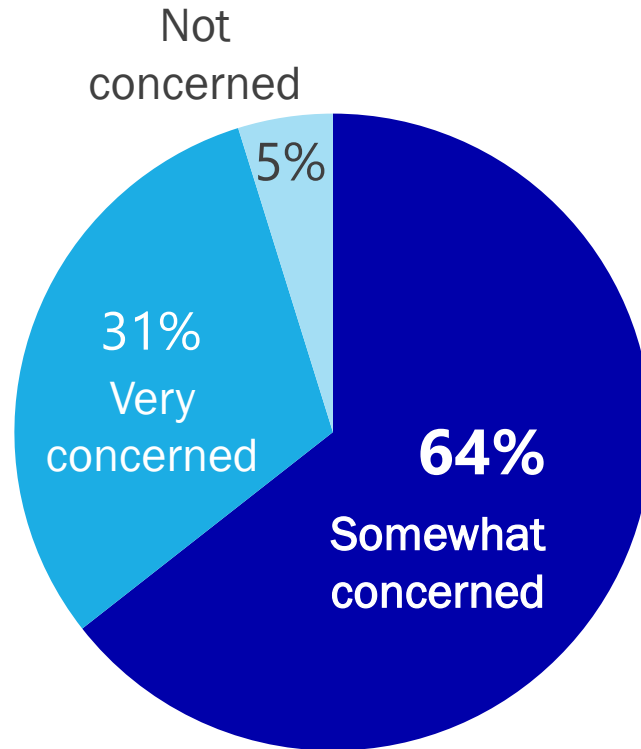
- We have taken a more muted tone with our communications.
- We will prioritize actions over words, avoiding unnecessary talk about social issues outside of the internal conversations we have with our team.
- Not looking to be an outlier but will keep our commitment to our values and employees.

REDUCED (1)

INCREASED (1)

CHROs EXPRESS CONCERN OVER 2024 EMPLOYEE RELATIONS

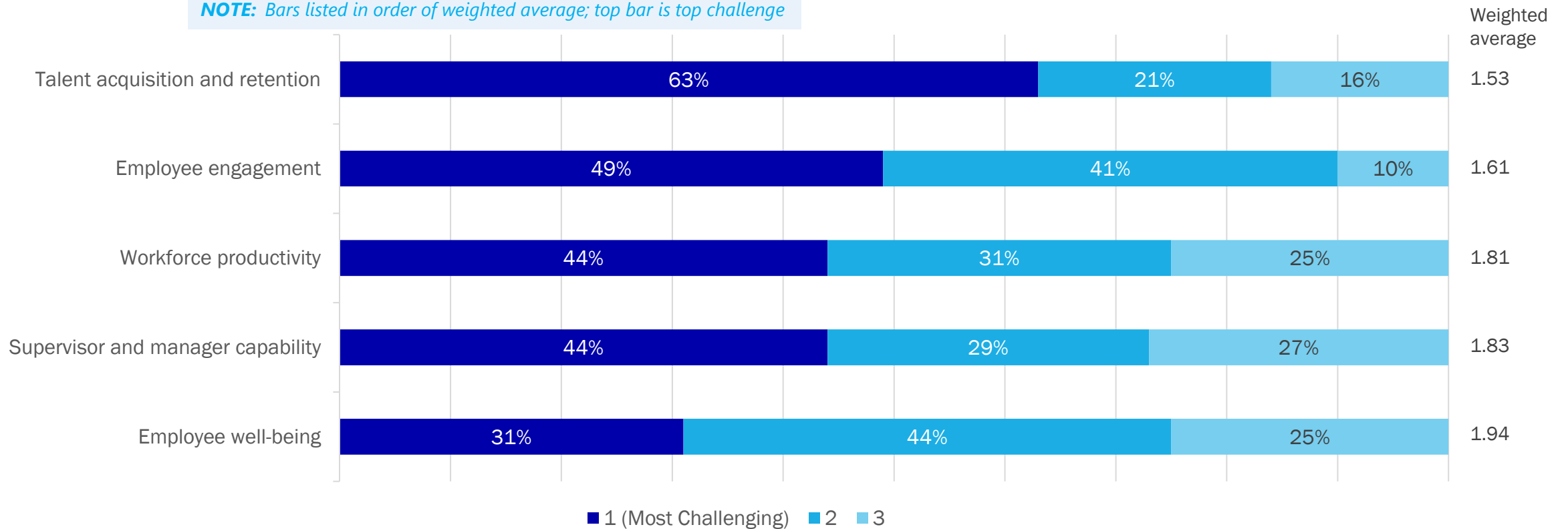
Q: Looking ahead to 2024, how concerned are you about the impact of the combination of tight labor markets, increased employee demands, and inflation/economic conditions on employee relations in your organization?



TALENT, ENGAGEMENT, PRODUCTIVITY ARE TOP CHALLENGES

Q: What are the top three workforce-related challenges your organization is currently facing?

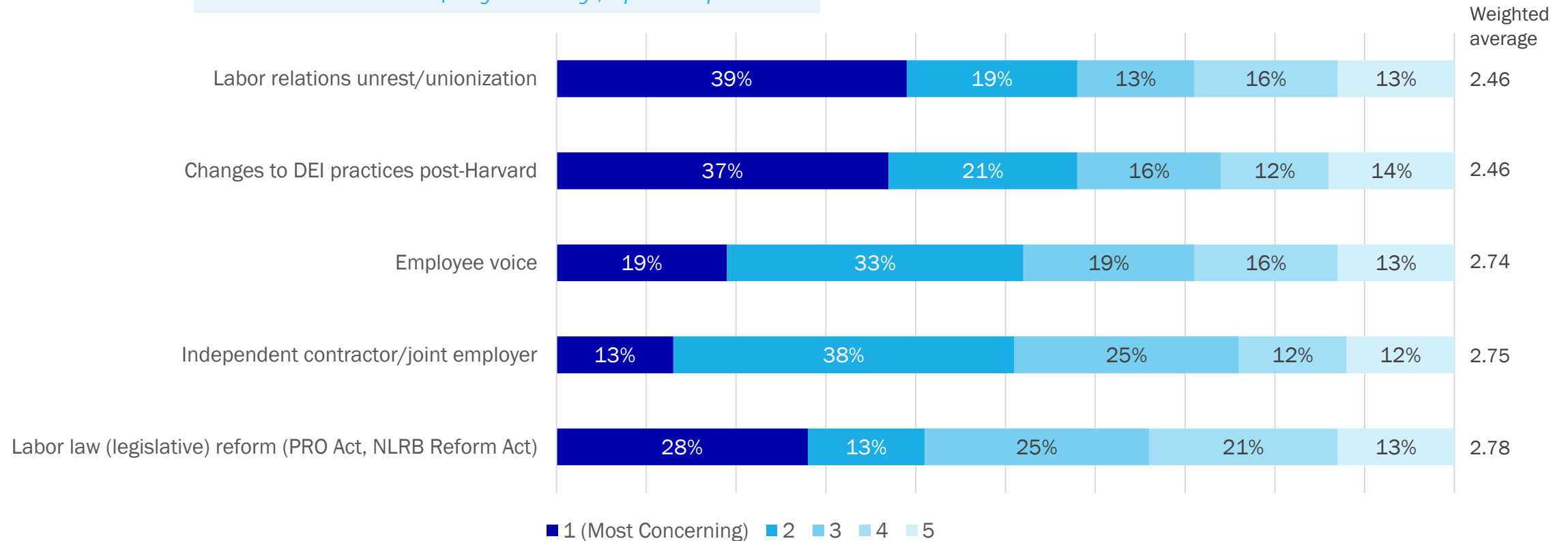
NOTE: Bars listed in order of weighted average; top bar is top challenge



LABOR UNREST, DEI CHANGES, AI/PRIVACY ARE TOP CONCERNS

Q: Please rank your top five issues of most concern.

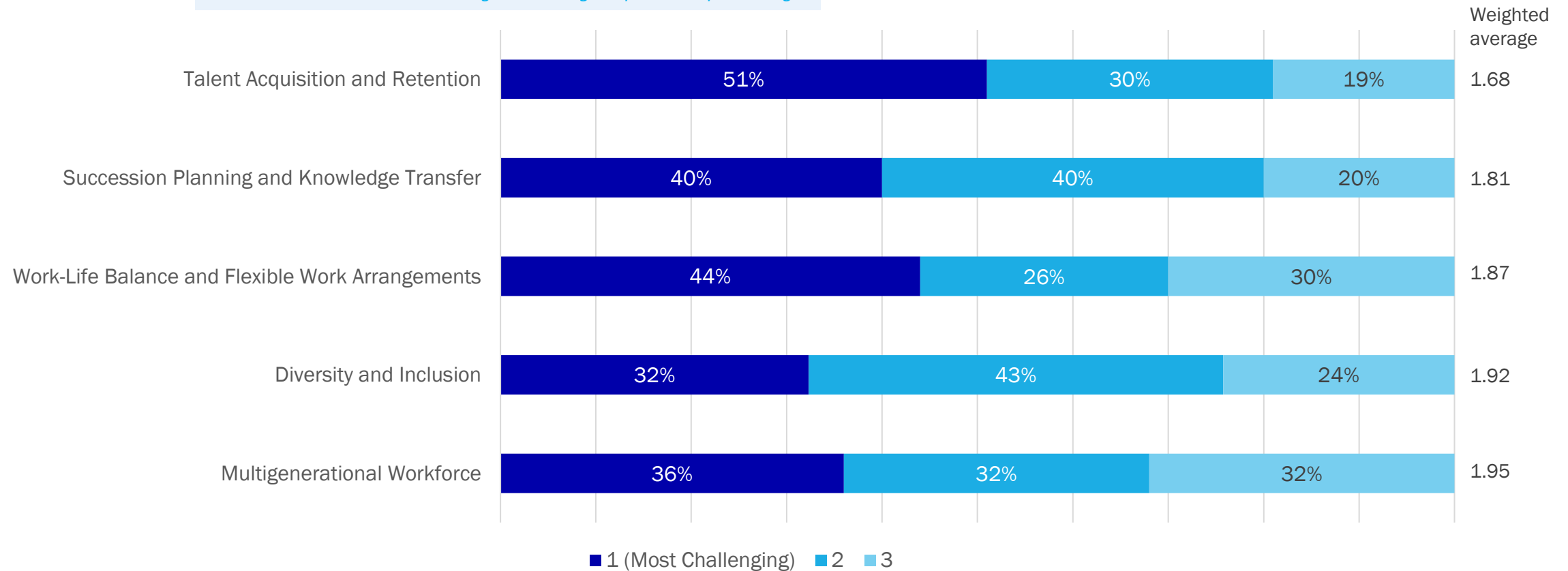
NOTE: Bars listed in order of weighted average; top bar is top concern



TALENT ACQUISITION/RETENTION, SUCCESSION PLANNING, WORK-LIFE BALANCE AMONG TOP DEMOGRAPHIC CHANGE CHALLENGES

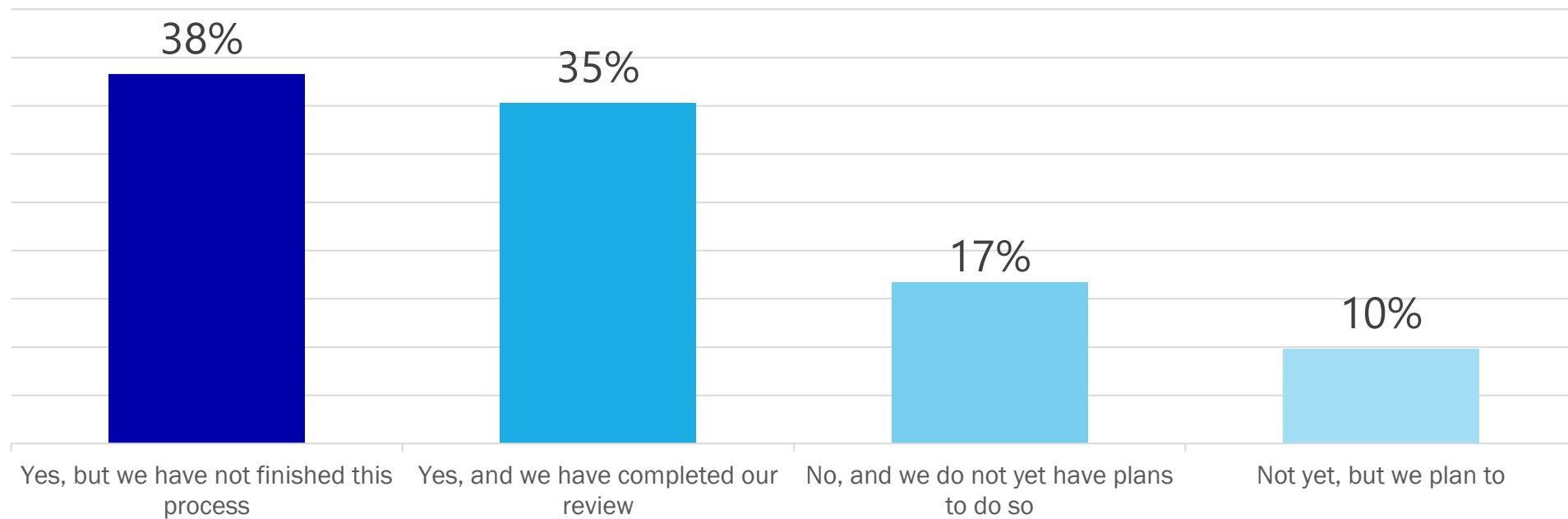
Q: In managing demographic changes in the workforce, what are your top three challenges?

NOTE: Bars listed in order of weighted average; top bar is top challenge



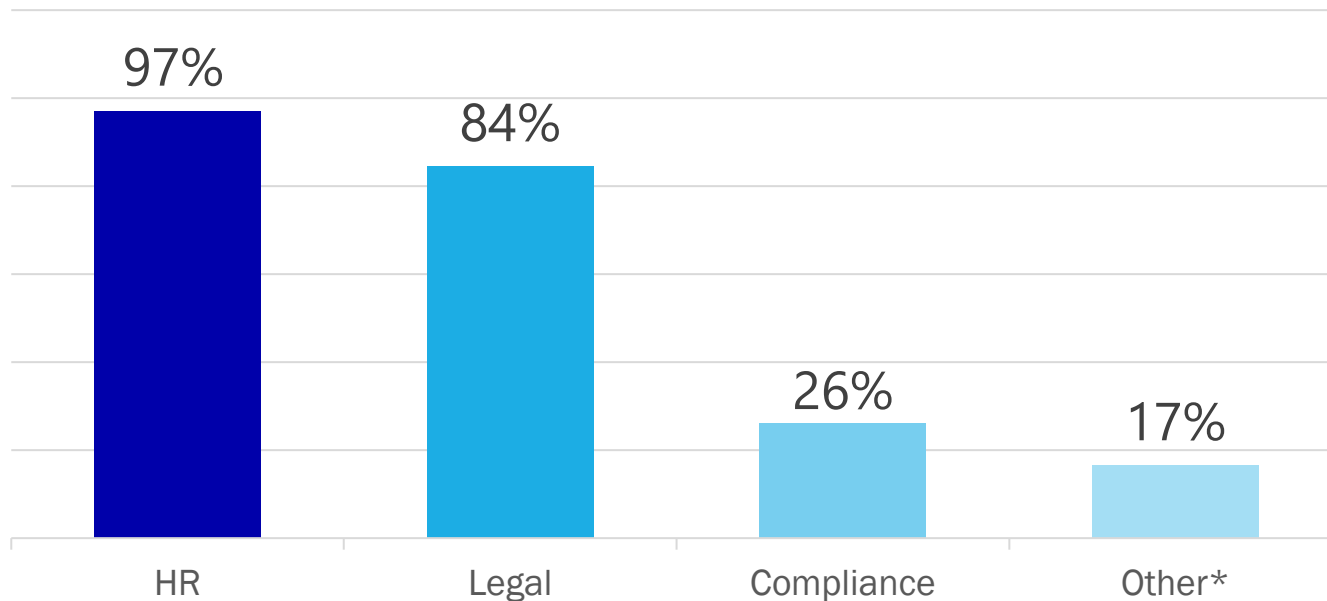
83% HAVE ALREADY OR PLAN TO RE-EVALUATE DEI PROGRAMS

Q: Following the Supreme Court's *Harvard* decision, have you evaluated your DEI programs for compliance with Title VII?



HR AND LEGAL PRIMARILY RESPONSIBLE FOR EVALUATING DEI PROGRAMS

Q: Who in your organization is involved in the evaluation of your DEI programs?

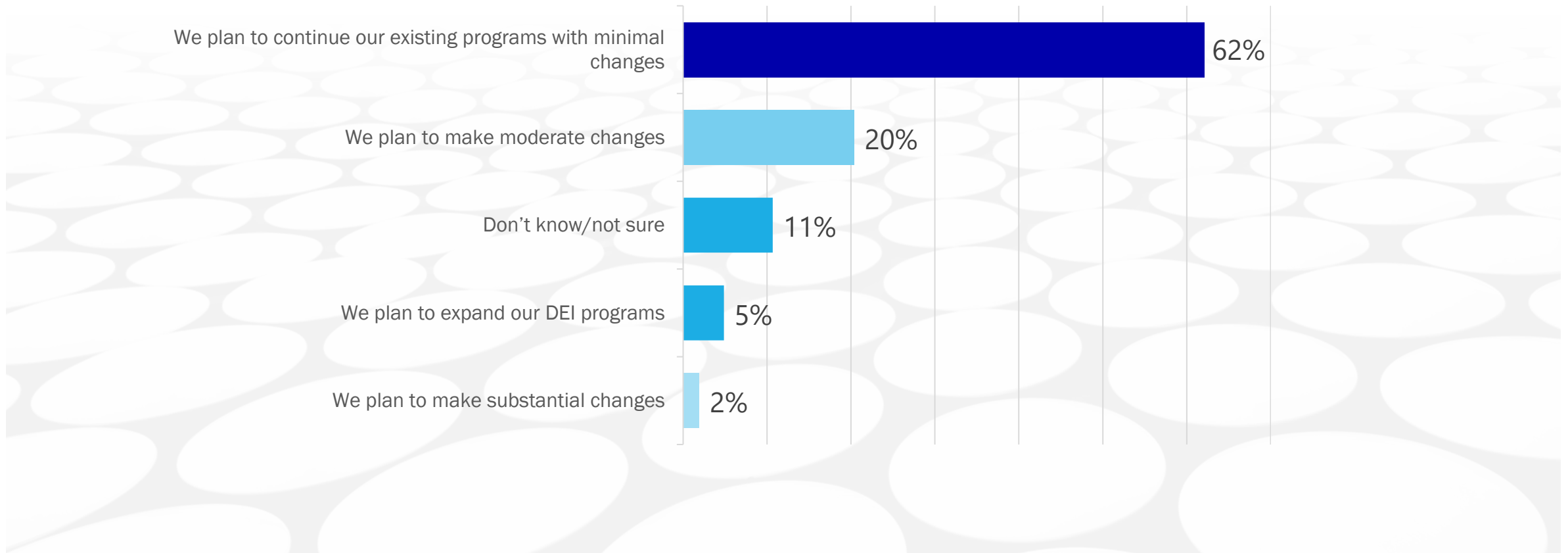


***Other responses:**

- External third party/External counsel (4)
- Chief Diversity Officer/DEI team (3)
- Executive Team/Senior Leadership (3)
- ESG leader/ESG team (2)
- CEO (1)
- Board of Directors (1)
- Labor Relations (1)
- ELT (1)
- External Affairs (1)
- Marketing (1)

MOST DEI PLANS WILL SEE MINIMAL OR MODERATE CHANGES

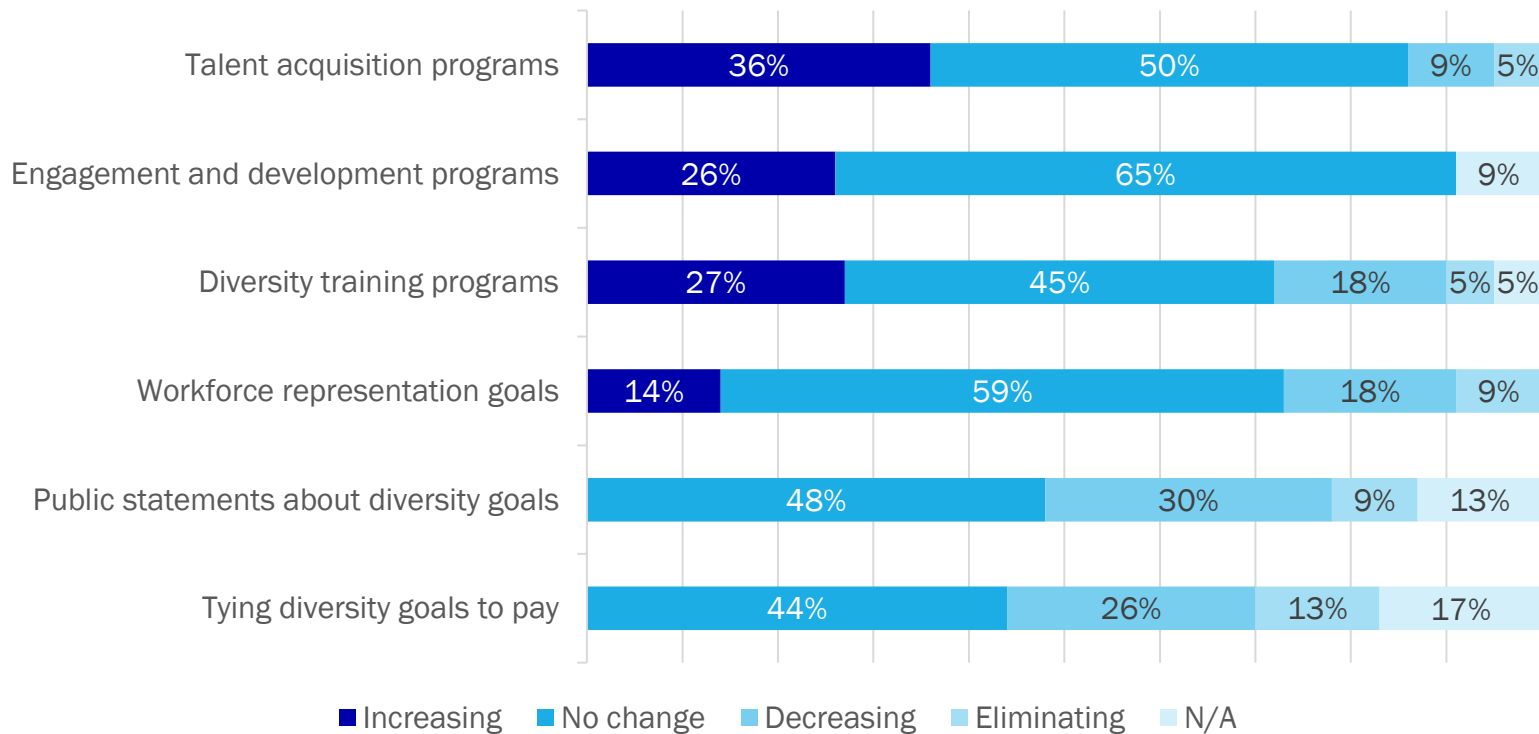
Q: Given the findings of your evaluation so far, do you plan to make changes to your DEI programs and strategic plans?



TALENT ACQUISITION WILL SEE THE MOST INCREASE AMONG DEI PROGRAMS

Q: Which aspect(s) of diversity programs do you plan to change?

NOTE: Bars listed in order of weighted average

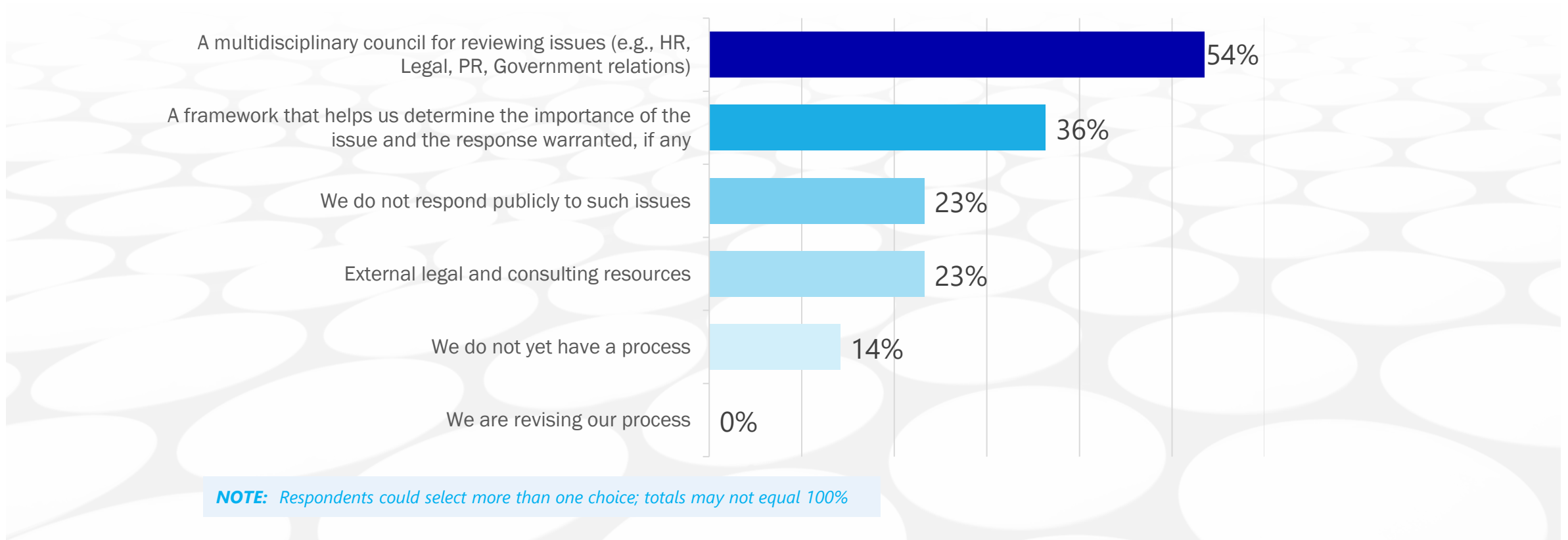


***Other responses:**

- Adding additional review to our approach and communications.
- Probably more change in communications than the substance of the programs.
- Emphasis shift to belonging vs. diversity as the headline vs. social consciousness to align with our organization's mission and brand.
- Expanding target audiences for development program that were exclusive to certain groups, (LOC, Women, etc.).
- DEI strategy

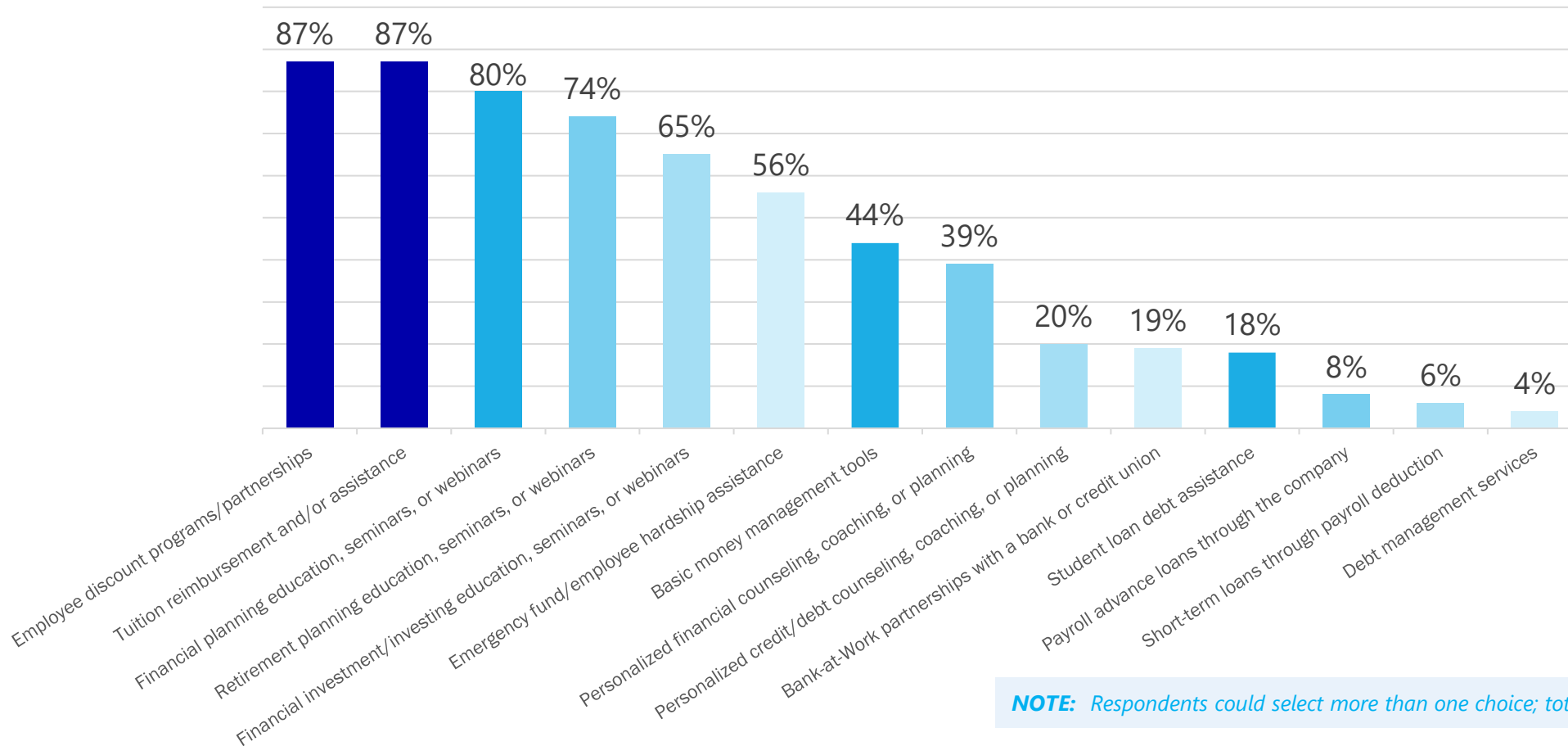
STATE LIMITS TO DEI PROGRAMS TO BE REVIEWED BY INTERNAL COUNCILS

Q: It is anticipated that certain states will attempt to limit corporate DEI programs. What process do you have for determining whether to publicly respond to such attempts?



DISCOUNT, TUITION PROGRAMS AMONG COMMON BENEFITS

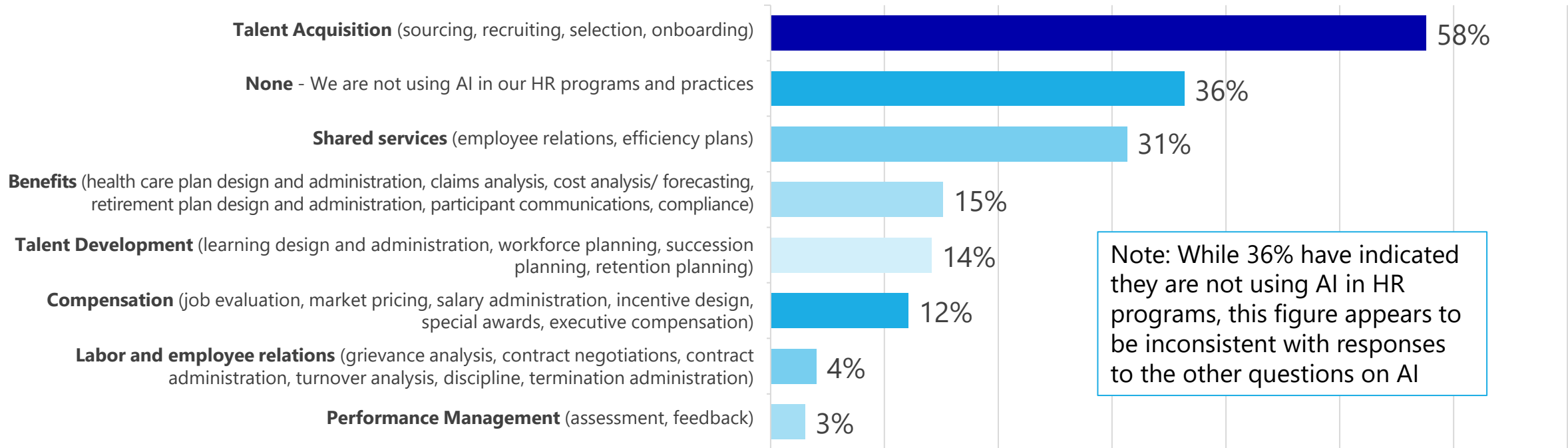
Q: Which of the following financial well-being benefits does your company offer to employees?



NOTE: Respondents could select more than one choice; totals may not equal 100%

AI MOST COMMONLY USED FOR TALENT ACQUISITION, SHARED SERVICES

Q: AI and related technologies are being incorporated into various aspects of the workplace. In which of the following functional areas of HR is your company using AI and related technologies?

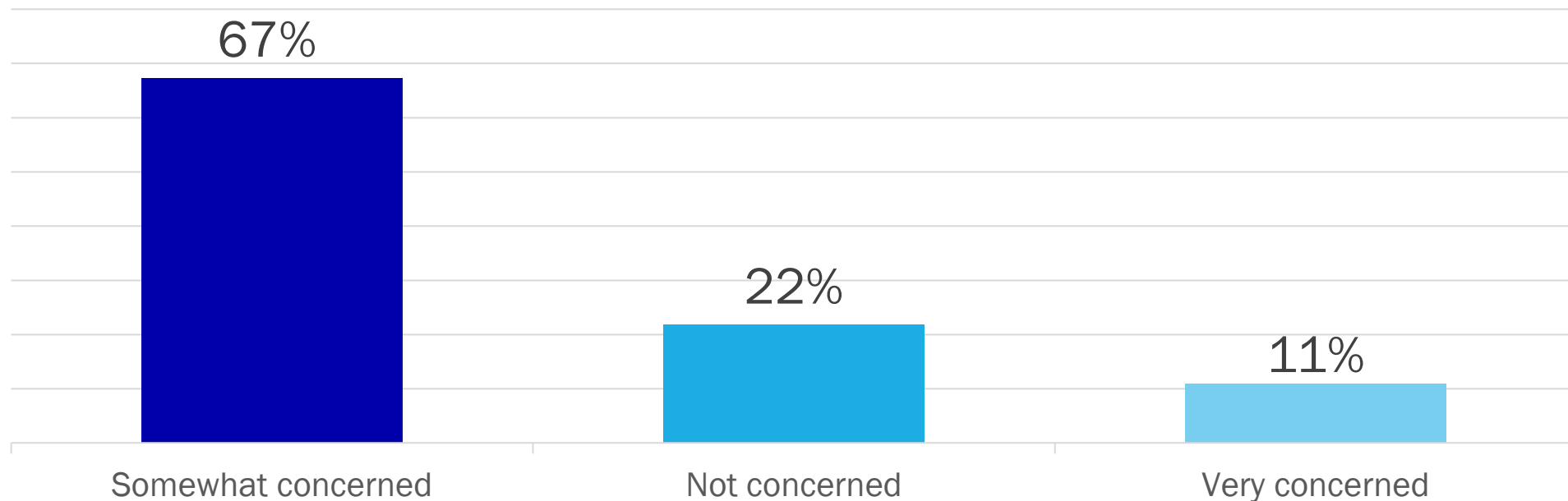


Note: While 36% have indicated they are not using AI in HR programs, this figure appears to be inconsistent with responses to the other questions on AI

NOTE: Respondents could select more than one choice; totals may not equal 100%

CHROs SOMEWHAT CONCERNED WITH FORTHCOMING AI REGULATIONS

Q: AI and related technologies have sparked interest among policymakers in developing regulations to govern the tools. How concerned are you with forthcoming AI regulations and laws?



TOO SOON TO PREDICT HOW MANY JOBS WILL BE REPLACED BY AI

Q: What is the estimated percentage of jobs/functions you expect to replace with AI/automation by 2025?

