



# Sustainability and ESG for Public Affairs Team

An aerial photograph of a lush green landscape. A river with a light brown, silty flow winds through the center of the frame, creating a series of meanders. The surrounding land is divided into large, irregular green fields by thin, dark lines representing fences or roads. The overall tone is a deep, vibrant green.

The corporate  
world is changing:  
ESG is a top priority



# ESG as a top priority

ESG is among global investors' top 5 priorities

**81%** would accept

a 1% reduction in returns  
to advance their ESG agenda

**75%** of C level executives

with well defined and established ESG programs  
say this contributed to increased company revenues

**>50%** managers

seek to implement ESG policy for long term  
benefits and company reputation

**Generation Z** are particularly mindful and look for in  
companies, **transparency and ESG qualities**

Roughly **3 in 4 (76%) executives**  
now view ESG as central to their business strategy  
and

**>7 in 10 (72%)**

approach it as a revenue enabler rather than cost centre

And while most ESG efforts focus on compliance  
and risk management, many now expect to see

**Improved profitability (45%)**  
**and improved innovation (35%)**



# Landscape of regulation

EU Sustainable  
Finance  
Disclosure  
Regulation

EU taxonomy

Green Bond  
Standards

ESG updates  
to MIFID I

Corporate  
Sustainability  
Due Diligence  
Directive (CS3D)

The Green Deal

Fit for 55

Farm to Fork



# Broad E S and G agenda

EUROPEAN CUSTOMERS AND CONSUMERS FAVOUR HOLISTIC APPROACH TO SUSTAINABILITY

## ENVIRONMENT

- Just Transition to low carbon society
- Carbon neutral, zero carbon, near zero, historically negative
- Science-Based Targets
- Companies as solution providers

## SOCIAL

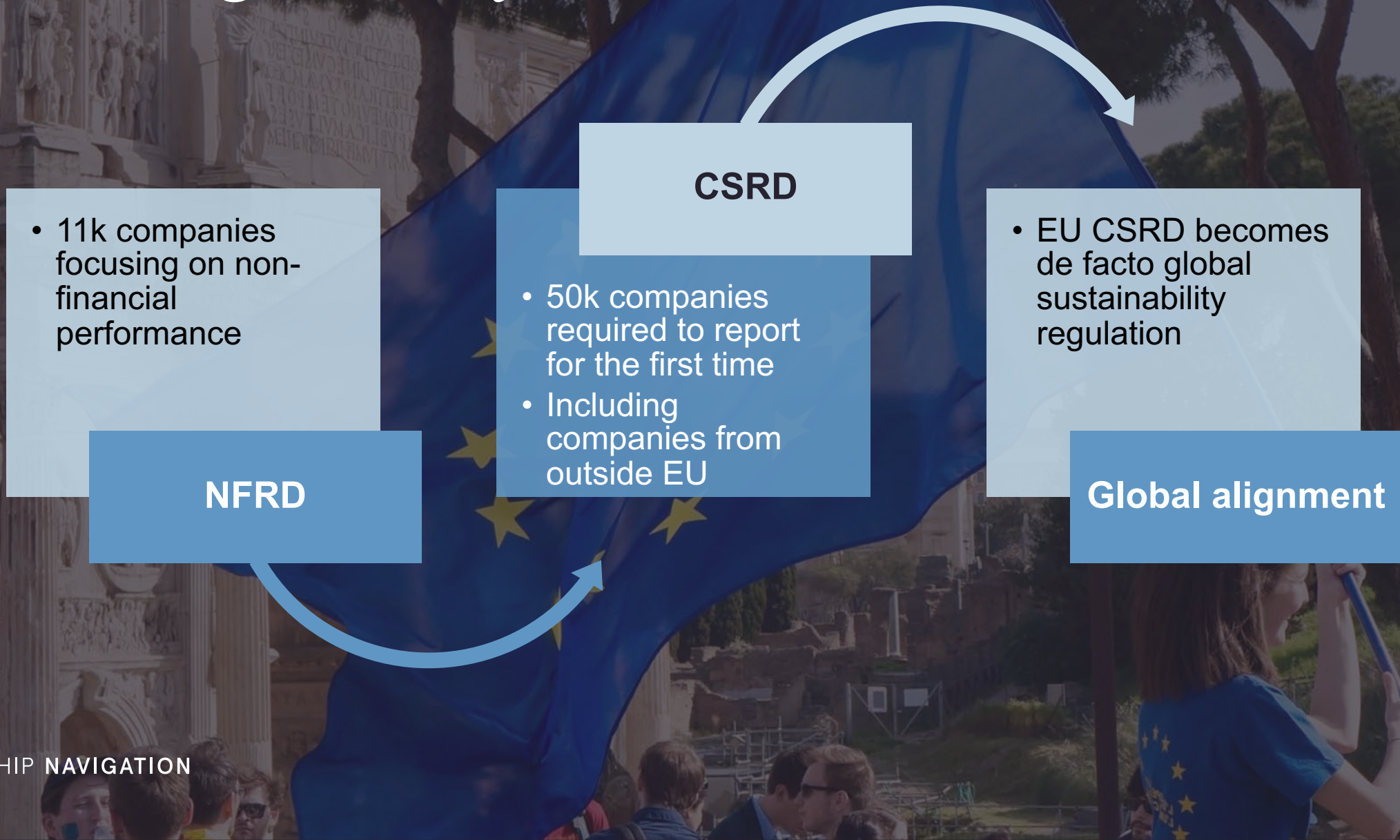
- From internal staff issues to external social engagement: solidarity, equality, Black Lives Matter
- Human rights in the supply chain
- Employee retention and development

## GOVERNANCE

- Authentic transparency crucial
- Increasing demand for common reporting standards, and focus on materiality
- Boards / leadership teams to show real engagement



# EU leading the way





# In essence

The CSRD will require nearly **50'000** companies to enhance their sustainability reporting

The CSRD is becoming the *de facto* sustainability disclosure standard for large companies globally



# Addressing the transparency mismatch

## Most important ESG information for consumers

Health and safety	73%
Child labor and forced compulsory labor	70%
Human rights	69%
Air pollution	68%
Water consumption and treatment	66%

1

2

3

4

5

## Most reported metrics by organisations

50%	Percent of women in workforce
46%	Scope 1 GHG emissions, absolute
45%	Percent of women in leadership (C suite)
41%	Scope 2 GHG emissions, absolute
38%	Scope 1 GHG emissions intensity

**Source:** Consumer survey Q19: Importance of the following sustainability information to you when making decisions to engage with and organization (1-5, 4&5=very important); Executive survey Q15: ESG metrics organization is currently using.



# What does it mean for the public affairs function?

More and more of the  
EU ESG framework now  
shaped by **hard legislation**

The role of the corporate  
practitioners around  
**ESG will change**

**Less focus** on external  
influencing to engage external  
stakeholders on the right  
interpretation of soft legislation  
and voluntary initiatives

**More focus** internal advocacy  
and influencing



The background of the slide features five light bulbs hanging from above by black cords. The bulbs are arranged in a slightly staggered horizontal line. The bulb on the far right is illuminated, casting a warm glow, while the other four bulbs are unlit. The text is overlaid on this background.

Trade associations can have  
tremendous impact on the  
organisations they represent



Examining Trade Associations

# Increased pressure on members and from members

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Examining Trade Associations

# Re-inventing trade associations

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Examining Trade Associations

# Supporting transition and smart regulatory landscape

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Examining Trade Associations

# ESG is where Pan-European meets global

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The background of the slide is a dense field of smooth, rounded stones in various shades of grey, blue, and brown. In the lower right quadrant, a single, light-colored, triangular stone stands out, featuring a dark blue question mark painted on its surface.

Question on the role of trade  
associations: documenting,  
lobbying, leading?





# Leadership Navigation: Brussels 2023

LEADERSHIP NAVIGATION





Aim: Assess degree of  
alignment within  
trade associations

# Methodology

- Purposive sampling of trade associations in brussels
- 77 Trade associations chosen, 73 analysed
- Analysed against 'Fit for ESG (maturity index)'
- Websites researched thoroughly (annual reports, sustainability reports, sustainable practices,...)
- Each association was given a rating for 10 key areas from the fit for ESG maturity model
- Each category rated from 1-5

## FIT FOR ESG MATURITY MODEL

### North Star – organizational vision and purpose

BEGINNING	CONSERVATIVE	MODERATE	PROGRESSIVE	LEADING
Lack of articulated company vision. Values might be mentioned but not aligned with the strategic framework.	Vision and mission developed in top-down manner. Focus on financial performance and companies' inward view.	Vision and mission integrating ESG aspects implicitly. Vision includes societal aspects and contributions.	Explicit integration of ESG aspects in company North Star. North Star integrated throughout the corporate business strategy.	Purpose-driven company. North Star and vision as the drivers of business decisions, structures and operational processes.

### Strategic prioritization and goal setting

BEGINNING	CONSERVATIVE	MODERATE	PROGRESSIVE	LEADING
Lack of explicit sustainability aspects, priority areas and goals. Some sustainability messaging might be included in overall financial performance goals.	Sustainability goals prioritized based on regulatory compliance. Articulation of goals in line with CSR compliance standards.	Clearly articulated long term ESG strategy with set goals and contributions. Integrated sustainability strategy.	Short and mid-term sustainability goals defined and developed. ESG aspects as one of the key drivers for business development, new ventures and overall activities.	Business strategy driven by ESG considerations. Permanent evaluation of ESG priorities and needs.

### Organizational structure

BEGINNING	CONSERVATIVE	MODERATE	PROGRESSIVE	LEADING
No formal sustainability structure.	Sustainability as part of departmental responsibility: HR/HESQ/procurement... No reporting lines and lack of empowerment to set the company agenda.	Sustainability function established. Might be represented by mid-senior level executive or limited team. Function focused on coordination and alignment.	Formal sustainability structure (sustainability unit/department). Sustainability lead/or appointed representative as part of management team.	Matrix organization including functional and geographical integration of ESG. Management board level function for sustainability lead.

### Materiality analysis

BEGINNING	CONSERVATIVE	MODERATE	PROGRESSIVE	LEADING
Limited knowledge of ESG issues impact on business and bottom line.	Materiality analysis performed from a regulatory risk and public affairs perspective.	Knowledge and prioritization of material issues from a sustainability perspective.	Regular update and monitoring of the material issues and broader landscape developments.	Dynamic approach to materiality with on-going re-evaluation of the materiality and importance of the issues. Competitive and landscape tracking.





# Key observations

# Key observations

01

Everybody does  
« something »  
nobody does  
everything  
really well

02

Lack of  
alignment with  
SDGs and  
global  
frameworks.  
Surprising as  
EU pushes  
global SDG  
agenda

03

External  
partnerships  
were limited –  
more inner  
view and inner  
industry.  
Broadening of  
the vision and  
scope is  
needed

04

Lack of internal  
initiatives and  
alignment at  
a cultural level

05

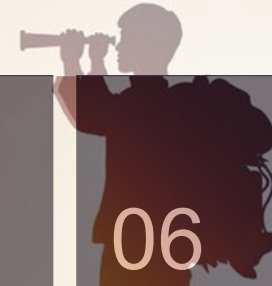
Poor thought  
leadership with  
unclear north  
star : natural  
as trade  
associations  
are risk averse  
and don't want  
to “steal the  
glory” from  
their members

06

Many  
associations  
did not have a  
sustainability  
function -  
need for a  
functional  
alignment

07

Manufacturing,  
construction  
industry had  
the highest  
ESG overall  
scores –  
probably due  
to stringent  
regulatory  
landscape at  
all levels of  
ESG





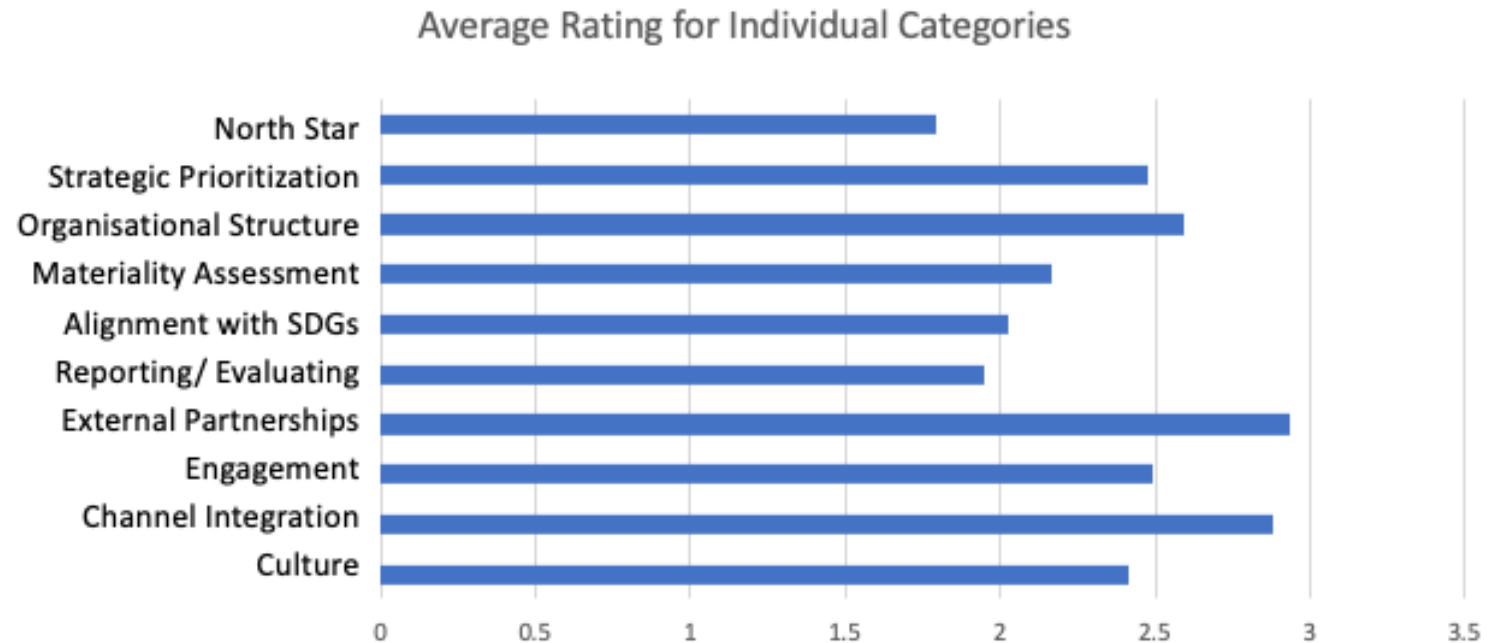


# Expectations gap

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# Lack of global alignment and North Star gap

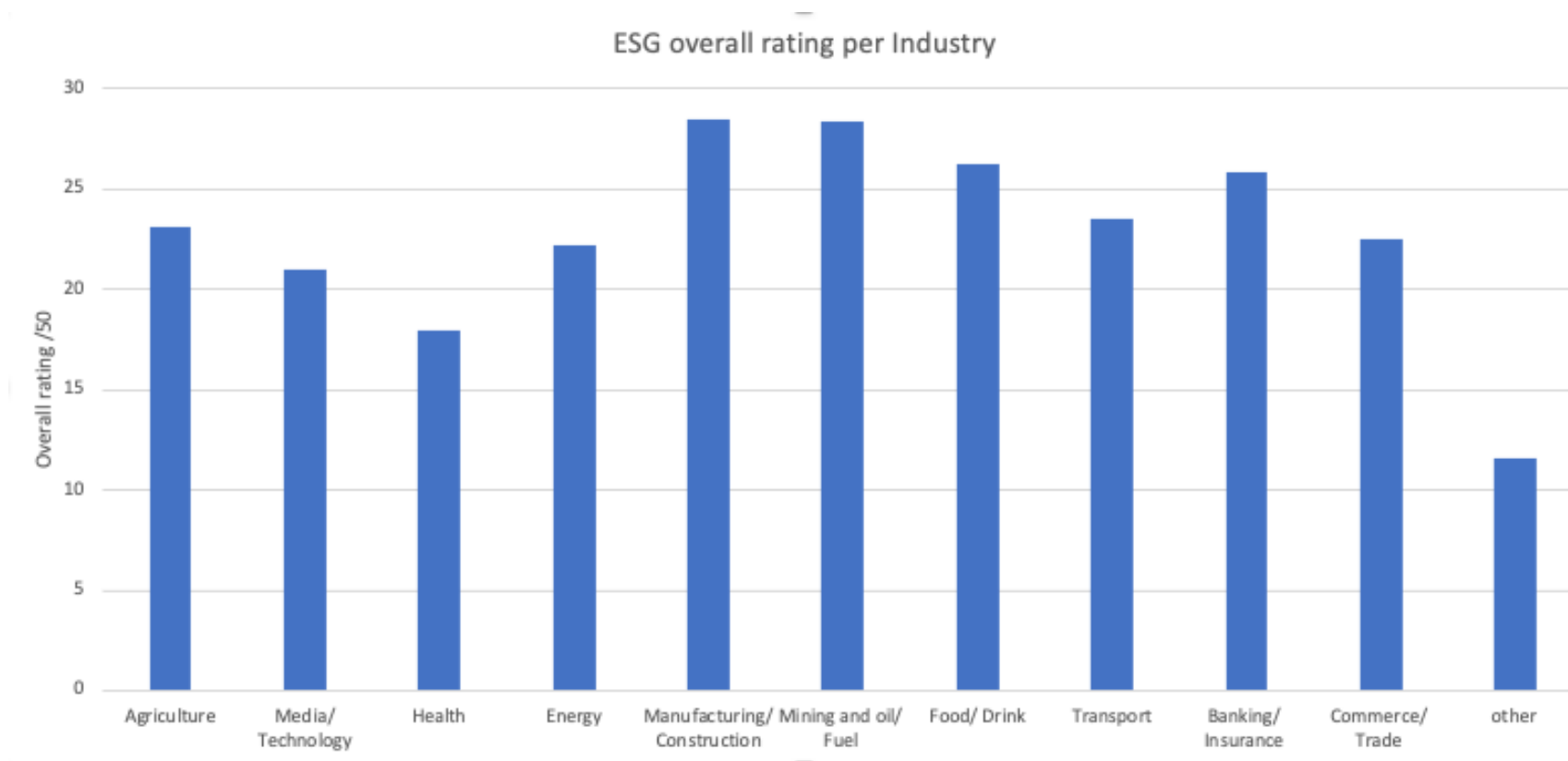
- External partnerships and Cross channel integration had the highest average
- No category scored above 3/5
- North Star and reporting and evaluating were the worst categories







# Key observations per industry



- Manufacturing/ construction was the largest industry with 11
- Energy included 8 associations of which 7 were green/ renewable energy companies
- Other included the tobacco, fishery and gaming industry



# Three best practice examples

GSMA

European  
Aluminium  
Association

European  
Chemical  
Industry Council  
(CEFIC)

**GSMA Europe**





# Examples of good practices for each of the categories



# North Star: EURELECTRIC

Clear concise mission statement with green objectives and aligned values

Creates a clear narrative throughout their website and resources

A purpose driven company: sustainability and clean energy are key themes for EURELECTRIC

Mission statement:

***“Our mission is to lead Europe’s energy transition with clean electricity”***

The logo for Eurelectric, featuring the word "eurelectric" in a blue, lowercase, sans-serif font. A small green square is positioned to the left of the 'e'.

Just Transition Fund

€17.5 billion

Recovery and Resilience Facility

€673.5 billion

for green and digital transition

Sustainable and Smart Mobility Strategy

30 billion

Zero-emission vehicles by 2030

Energy System Integration Strategy

Direct electrification

at the core

# Strategic prioritization: European Aluminium Association

“Aluminium, the clear base for the green transition”

They have short and long term goals laid out in their ‘Sustainability Roadmap to 2025’ and their ‘2050 vision’



## A CLEAR VISION FOR 2025



**Responsible  
Production**  
For environmental  
protection



**Innovative  
applications**  
For sustainable  
lifestyles



**Socio-economic  
contribution**  
For sustainable  
society





# Organisational structure: EURELECTRIC

Energy Policy, climate and sustainability unit comprising of 7 people

- Having a team for sustainability with a manager/ lead who is a member of the board allows for sustainability to come from the bottom and the top
- Helps to integrate sustainability into the company
- A team allows for many different areas of sustainability to be targeted
- EURELECTRIC targets: Thermal & Nuclear, Hydropower & Social Sustainability, Climate Change, Energy Policy, Climate & Electrification



# Materiality assessment: European Sea Ports

- Regularly monitoring and checking the effects the port system has on the environment
- Have many tools and awards to encourage their members to become more sustainable: EcoPorts tools
- Have an annual report, environmental report and a yearly top 10 environment priorities





# Alignment with SDGs:

**GSMA Europe**



MTN & FENIX INTERNATIONAL, UGANDA

## #CaseForChange MTN and Fenix International: Connecting solar energy brings a new dawn to Uganda

Discover how lives are being changed in Uganda thanks to the innovative ReadyPay Power System, a clean, affordable, sustainable method of generating solar energy to power lights and a large variety of devices in a country where, until now, energy access has been extremely problematic. See how 1.5 million Ugandans are already benefitting from ReadyPay Solar.

**Using the power of mobile to improve access to energy**

**Airtel WEZA: A Mobile Money Solution for Savings Groups**

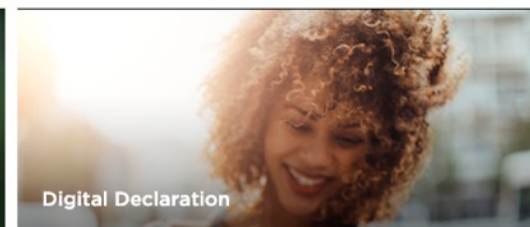
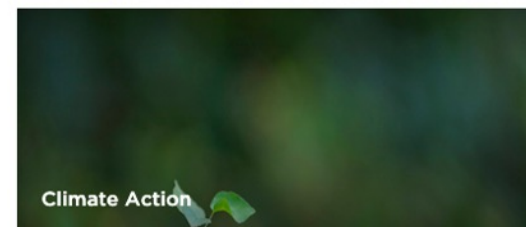
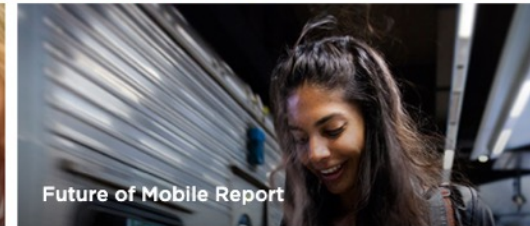
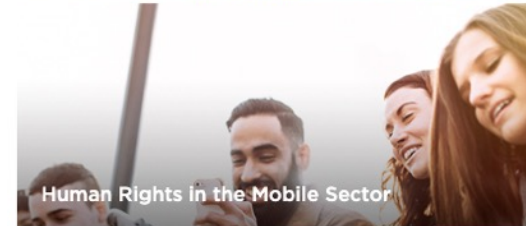
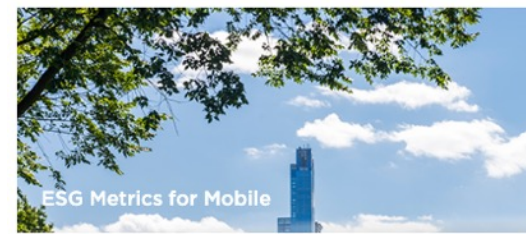
**Improving energy management in Brazil: Eletrobras partners with Telefonica Vivo**



# Reporting/ Evaluating: GSMA

## Reports on ESG topics

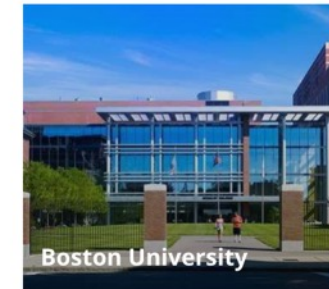
- The GSMA Sustainability Assessment Framework
- The Mobile Gender Gap Report 2022
- 2022 Mobile Industry Impact Report: Sustainable Development Goals
- ESG Metrics for Mobile Overview
- Mobile Net Zero: State of the Industry on Climate Action 2022





# External partnerships: European Seeds Association

- They have both typical partnerships and ad-hoc ones that address many areas of ESG
- Projects are either EU or CPVO funded
  - Projects include focus on research, innovation and sustainability
- 7 partnerships with various organisations
- 8 “Statutory Partnerships”
  - UNECE, FAO, CBD, EFSA, OCED, UPOV, European Commission and CPVO
- 5 partnerships within the seed industry



# Engagement: Community of European Railway and Infrastructure Companies

- Sustainability is driven from C-level
- Executive Director is the climate pact ambassador advocating for decarbonisation
  - Railways to be decarbonised by 2050
  - Reduce energy consumption by 50% by 2030
  - Reduce emissions by 30% by 2030





# Channel Integration: European Chemical Industry Council

- Sustainability messaging is integrated across communications materials with a continuing theme to reduce waste and become more sustainable
- The EU transition pathway is their first focus with an extensive EU Chemical Industry Transition Pathway Campaign



# Culture: GSMA

- WeCare initiative to find solutions to issues related to ESG, particularly the 'S'
- Multistakeholder initiatives worldwide
- Mobile operators partner with governments and NGOs to campaign for a "better future for all" with specific initiatives
- Most recent 'WeCare' initiative: 'Closing the usage gap in Brazil' with the aim to create access to mobile internet



**#betterfuture**

GSMA

## **Closing the usage gap in Brazil**

Key barriers to mobile internet adoption and use

February 2023








# Conclusions


Getting it  
right, getting  
it on purpose





A close-up, low-angle shot of a hand reaching out towards a window with horizontal blinds. The hand is positioned in the foreground, with fingers slightly spread. The background shows the slats of the blinds and a glimpse of the sky through the window. The lighting is soft and natural, creating a sense of hope and aspiration.

There is a  
great gap  
but equally  
great potential


An hourglass with blue sand is positioned in the center of the image. It is resting on a surface of dark, rounded stones. The background is a blurred, dark landscape. The text is overlaid on the left side of the image.

Time to act is now as  
the regulatory landscape  
evolves faster than it  
is possible to respond

A background image showing several wind turbines on a dark, silhouetted hill against a twilight sky. The text is overlaid in a large, white, serif font.

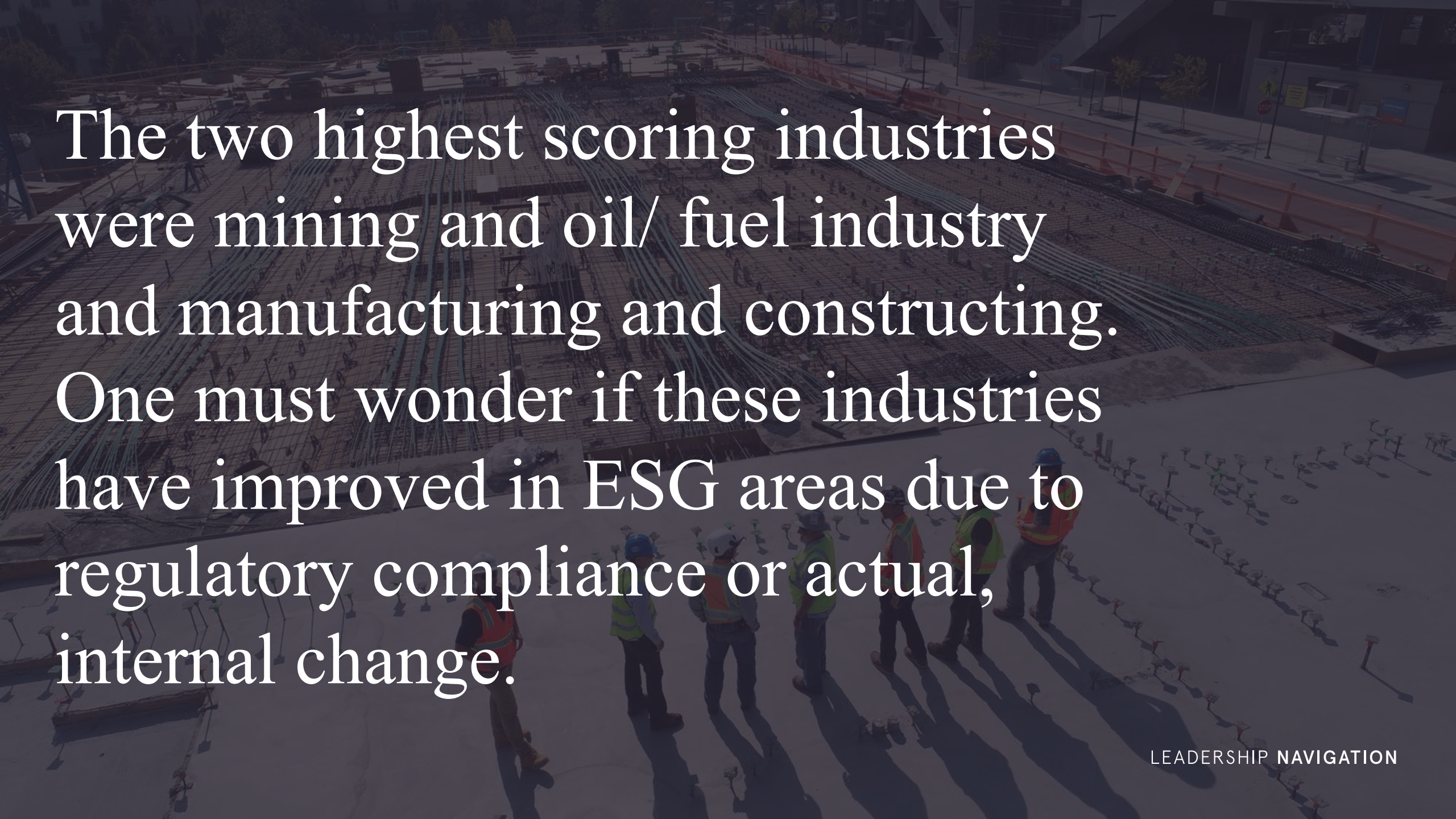
Associations reported on ESG practices for themselves but rather the industry, even the best examples often lacked this



The background of the slide features a close-up, slightly blurred image of two hands working together to assemble dark-colored puzzle pieces. The hands are positioned on the right side of the frame, with fingers carefully fitting the pieces together. The puzzle pieces are interlocking, and the overall scene suggests a process of building, solving, or creating something from individual parts. The lighting is soft, and the colors are muted, giving the image a professional and focused appearance.

The biggest areas for  
improvement are external  
partnerships and culture  
ratings where not one  
association scored 5/5



An aerial photograph of a large-scale construction project, likely a bridge or a large building foundation. The image shows a dense network of steel rebar laid out on a prepared surface. In the foreground, a line of construction workers wearing hard hats and safety vests stands on a concrete path, looking towards the work area. The background shows more construction materials and some urban infrastructure. The entire image is overlaid with a semi-transparent dark blue filter.

The two highest scoring industries were mining and oil/ fuel industry and manufacturing and constructing. One must wonder if these industries have improved in ESG areas due to regulatory compliance or actual, internal change.



Associations especially struggled in having a clear North Star, well defined stakeholder relations and internal initiatives. ESG needs to be embedded from the start in the mission and vision of the company so that it becomes a core value.





# How to navigate ESG requirements

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# *Recommendations*

**Understand: materiality analysis and assessment plus reputation audit**

**Design organization for success: sustainability function**

**Connect with global framework such as SDGs**

**Report on activities and outcomes**

**Engage beyond usual suspects...**



A photograph of the Aurora Borealis (Northern Lights) in shades of green and blue, dancing over a dark, snow-covered mountain range. The lights are reflected in a calm body of water in the foreground.

*In summary: changing landscape*

WHAT DOES IT MEAN FOR PUBLIC AFFAIRS

Go beyond “E”

Engage continuously

From reporting to advocating

Self-perception: leading versus following





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