# Key ESG themes to watch and advice from the experts?

Marjella Lecourt-Alma (Datamaran, CEO) hosted a fireside chat where a number of key themes were discussed with some of the most progressive and experienced ESG professionals we know. The panel included Amanda Gardiner, Head of Sustainability Innovation & Engagement for Meta; Robert Metzke, Global Head of Sustainability for Philips; and Katherine Neebe, VP of National engagement and strategy, and Chief Sustainability Officer for Duke Energy.

The discussion, which took place just after Davos raised so many important topics that are at the forefront of the minds of ESG professionals today. Some of the most interesting points included:

- Are the right topics being discussed amongst the C-suite?
- How do you operationalise the sustainability issues we raise as ESG professionals?
- How do you get your leadership to focus on the right set of issues?
- How have your roles as ESG professionals shifted over time?

Click the links to go straight to the key points, or watch the entire discussion <u>here</u>.

#### Are the right ESG topics being discussed by the C-suite?

One of the topics discussed extensively amongst all levels of the business is metrics, but our panelists were keen for a different focus. As Robert Metzke commented:

"I think the discussion around metrics is often driven by the reporting industry. And it's a smokescreen that keeps us from focusing on getting stuff done. Of course, it is really important to harmonize these metrics and to agree on something that is implementable and material.

"But that's not where the discussion should stop. **That's where the discussion should start**. Right?"

#### How do you operationalize ESG

Katherine Neebe provided some insight on how companies can operationalize the high level conversation. She highlighted how her current role is unique compared to previous roles because operationalizing ESG is so ingrained into business culture:

"For us, there's no daylight between the core business priority and our ESG priorities. So we've got a goal towards Net Zero, with a number of interim targets and, for our 30,000 or so workforce, every single person has a role to play in helping us. From a planning perspective, from a build perspective etc.

"If you look at it from the board down, ESG is woven throughout. So that hasn't been a challenge for me at this company, which having worked in this field for 20 plus years, is such a welcome surprise.

Typically I've worked at companies trying to understand what are the issues that are really relevant? How are they creating risk or potentially creating value? And then how do I partner with the business and really figure out how to embed the work so the business really owns this? So that we're really core to it?

#### Getting leadership to focus on the right issues

Making sure leaders and the business is focusing on the right things amongst the myriad of issues they face was a topic that came up frequently in the conversation. Amanda Gardiner summed up what many sustainability and ESG professionals are navigating when she said:

"It starts with getting everyone on the same page about priorities. And honestly, **in my 20 years in this field, I've never said materiality more often than I have in the last three to six months**. But we have to know what's most material for our company. So that materiality analysis, which has been such a foundational part of our work, for the last decade at least, is becoming increasingly important.

"It is understanding what our stakeholders think, understanding our impacts on society, understanding society's impacts on us, and then **working with the right leaders inside the business**, getting them around the table to figure out the strategy for addressing those issues.

"I think boards are feeling the pressure to understand what this means for their companies and to ask executives how they are approaching ESG. And of course, yes, there's a groundswell from employees who, especially young employees, who are empowered to use their voices to advocate more inside their companies to ask for changes that they want to see, so that they can feel proud to work for a sustainable business."

## The shifting role of an ESG professional

All panelists highlighted how their roles have shifted considerably in recent years. Katherine Neebe summed it up:

"I feel like this field has evolved, **you had compliance and then beyond compliance, and then it really hit its stride**. And that was an era I refer to as the Corporate Social Responsibility era, the nice to do. You're doing the glossy reports, the 'here's what I did last summer'. It was the 'nice to do', and then we shifted.

"And it's really now all about how a company is leading strategy on navigating risks and creating value. The strategy for Duke Energy with respect to ESG would fundamentally be different than Philips or for Meta. And so I think the role of head of sustainability, or head of ESG, is to make sure that we're surfacing the right voices and perspectives to really inform our peers, the leaders."

### About the panelists

Robert Metzke, Philips, is a member of the innovation and strategy management team. He has a double role, both as head of sustainability, and as Chief of Staff, Innovation and Strategy.

Amanda Gardiner, Meta, leads Sustainability, Innovation and Engagement, and is in charge of driving the evolution of the company's ESG strategy and reporting.

Katherine Neebe, Duke Energy, is Vice President of National Engagement and Strategy, and Chief Sustainability Officer. Katherine is also President of the Duke Energy Foundation.