

Spring 2023

A large iceberg floats on the surface of the ocean, with a smaller, jagged peak visible above the water. The rest of the iceberg is submerged, appearing as a large, crumpled plastic bag. The water is a deep blue, and the sky is a lighter blue with some clouds. The text is overlaid on the image.

**IGNITING**  
**IMPACT,**  
ACCELERATING  
**SUSTAIN-**  
**ABILITY**

A QUARTERLY VIEWPOINT ON THE  
MOBILITY AND FRAGILITY OF ESG TODAY

PORTER  
NOVELLI 

# WEL CO ME



Reflecting on the IPCC's "final warning" on climate change this March, amidst growing resistance from the political right against regulating or assessing businesses on ESG lines, it feels like an incredibly anxious time for those concerned by these issues and hoping to see society step up to the needs of the moment. And looking beyond climate change, to issues of the appropriation of the term "wokeness" as a political campaigning tool brings a sense of heaviness and noisiness that can easily overshadow rational conversation.

At times like these, it is imperative for organisations to keep connected to how internal audiences and external stakeholders are feeling and lead with compassion. For our team, inspired by the latest wellbeing trend, we've been boosting our reserves by looking for "glimmers" – pockets of positive progress which remind us that regardless of what we read in the news, there are countless citizens, investors, companies and policy-makers rising to the needs of the moment.

While it is impossible to ignore the intensity of the current cultural climate and the urgency of the work required, we hope you will find this report restorative, as well as informative.

**Your Porter Novelli Team**

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# BIG PICTURE



# WOMEN'S RIGHTS

in the Spotlight

Despite the ongoing fight for women's rights over centuries, recent events such as the overturning of *Roe v. Wade* in the US have shown that gains can be reversed.

As working patterns re-adjust post-pandemic and the cost of living continues to bite, campaigners are shining a light on the disproportionate burden caring responsibilities place on women's career progression and financial security. A British Chamber of Commerce survey conducted in conjunction with International Women's Day revealed that two-thirds of women feel that childcare responsibilities negatively impact their career advancement. The burden of childcare has also hindered pay raises, promotions, and career development for 67% of women in the past decade.





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## WHAT THIS MEANS FOR ME

At a time when families face difficult economic decisions and jobs are hard to fill, robust policies supporting menstruation, menopause and childcare needs are not only the right thing to do, but vital to ensure women – and by extension, all those with caring responsibilities – are able to reconcile the demands of work and life. From a reputational standpoint, employers can expect greater scrutiny of how they support their people through challenging times in their lives, whether that's related to fertility, miscarriage, emergency childcare or carers leave.





# Examples in ACTION

In France, Emmanuel Macron's pension reforms will force women to work longer for 40% lower pensions than their male counterparts. In response, women have formed protest groups called "The Rosies," in reference to the "Rosie the Riveter" campaign in the US during WWII. Although 74% of women have opposed the new law, the government has proceeded with the proposals.

In the UK, following campaigning from a number of organisations, including 'Pregnant then Screwed', the UK government has agreed to provide 30-funded childcare hours to preschool children in England during term time starting in 2025. Additionally, the European Union has introduced new transparency rules, which will take effect in 2024, requiring companies with over 250 employees to disclose salary ranges in their job advertisements, with the aim of reducing the gender pay gap and increasing transparency in the hiring process.



**Spain's new menstrual leave policy allows people who menstruate three to five days of leave and free hygiene products in public facilities.**



Meanwhile Spain's new menstrual leave policy allows people who menstruate three to five days of leave and free hygiene products in public facilities. Similarly, in countries without protected leave, some companies are developing their own policies, such as Ikea-owned design lab Space10, which introduced its menstrual/menopause policy in January 2023.



# Combatting **CLIMATE ANXIETY**

**56% surge in  
Google searches  
related to  
“climate anxiety”**

The mental health impact of climate change, is a growing concern among young people, leading to sleep problems, depression, and other psychological issues.



According to a 2021 study by the University of Bath, 75% of 10,000 children surveyed from ten countries said the future was frightening, 56% said humanity was doomed, and 58% felt betrayed by their government's response to climate change. Experts and Yale University are even reporting an increase in “eco-grief” and “pre-traumatic stress disorder”, citing a 56% surge in Google searches related to “climate anxiety”. Media coverage of environmental disasters and perceived inaction from governments and corporations are among the main causes identified by clinicians. Those who experience eco-anxiety may feel constant burden and guilt about their food choices, transportation, energy usage, and other aspects of their lives. The Yale University experts suggest coping strategies such as seeking social support and engaging in collective action.





**Focus on small actions:** Inaction is a large source and symptom of climate anxiety. **By taking small actions such as using refillables, buying second hand, eating less meat can help in smaller ways to address climate change and help to ease your anxiety.**



**CONNECT WITH NATURE:** Bring some plants into your workspace or look out the window to appreciate the natural world. Even a small connection to nature can help reduce stress and anxiety.

**SEEK OUT CHANGEMAKERS:** Citizen assemblies like The People's Plan for Nature (UK) are cultivating hope and optimism and empowering people to take collective action. The assembly, made up of people with differing views and further supported by input from 30,000 members of the public, takes an inclusive approach which helps people feel that their voices are heard, and they are part of a larger movement toward positive change.

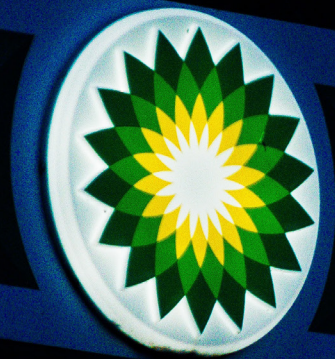
**LEARN SOMETHING NEW:** Take the opportunity to learn more about climate change and the small actions you can take to reduce your impact. TikTok has become a great source for learning with creators like Earthopia, and Pique Action.

**Power down electronics:** When you're not using your computer, monitor, or other electronic devices, turn them off or put them to sleep mode to help conserve energy and reduce your carbon footprint.



# POWER OF SHAREHOLDERS

to enforce climate commitments



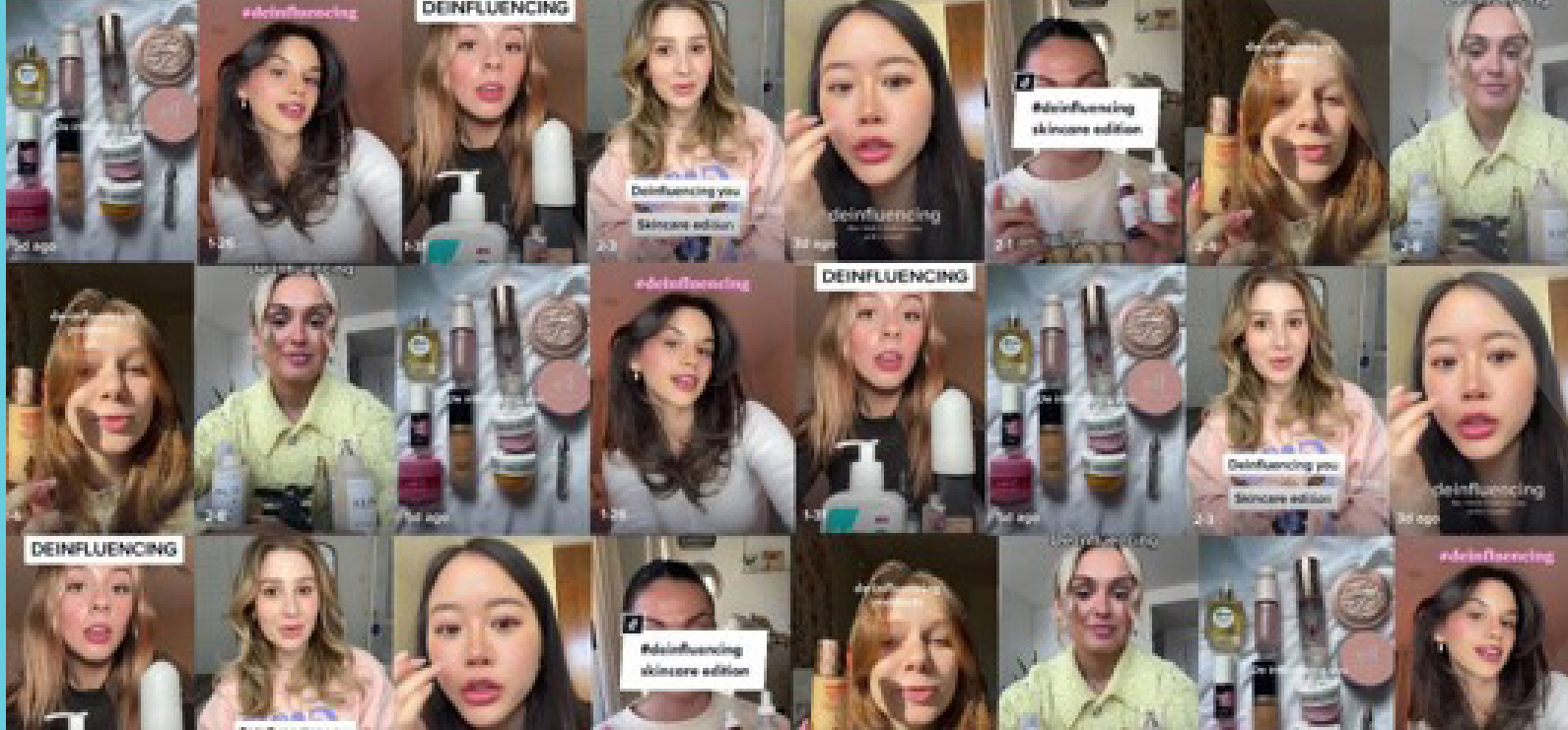
BP faced-down a green rebellion at its annual shareholder meeting as shareholders voted on whether to re-elect Helge Lund as Chair. Campaigners from Fossil Free London, repeatedly interrupted Lund's speech and were removed by the police.

While just 10% of attendees voted against Lund's re-appointment, that group included at least four large UK pension funds, who also backed a proposal by shareholder group 'Follow This' to pressure BP to align emissions to the 2015 Paris Agreement. In March, BP announced that it had scaled back its climate ambitions as it announced that annual profits more than doubled to £23bn (\$28bn) in 2022 after increased gas prices linked to the Ukraine war boosted its earnings. As expected, this move angered environmental campaigners and escalated calls for energy reform as BP pivots towards greater production of oil and gas over the next seven years than previously indicated.



## WHAT THIS MEANS FOR ME

The green rebellion at BP's annual shareholder meeting highlights the increasing pressure that investors are putting on businesses to uphold their climate commitments and take action on climate change. Shareholders are using their voting power to push companies to set more specific targets and increase accountability for reducing greenhouse gas emissions and transitioning to cleaner energy sources. According to Proxy Preview's global data, resolutions focused on climate change accounted for about a quarter of this year's total, with the number increasing by about 12% from the same point in 2022. This indicates that businesses can no longer ignore the impacts of their operations on the environment if they wish to maintain the support of their stakeholders and remain competitive in the market.



# INFLUENCERS:

## The key to sustainable behaviour change?

Unilever, in partnership with the London Behavioural Insight Team (BIT), recently released a study validating social media as one of the most influential sources of sustainability information for consumers.

The study found that 75% of people are more likely to adopt sustainable behaviours after watching social media content focused on sustainability topics. This percentage was even higher among participants aged 18-34, with 86% likely to engage with sustainable behaviours. Additionally, eight in ten people think TikTok and Instagram are good places to get advice on sustainable living.





# 75%

of people are more likely to adopt sustainable behaviours after watching social media content

This desire to see practical advice on how to live in accordance with one's values co-indices with the "de-influencing" trend, whereby influences are responding to backlash against 'digital perfectionism' and consumer culture, by creating content that gives ethics greater weighting, advises against certain products and encourages more sustainable behaviours, such as buying second-hand.



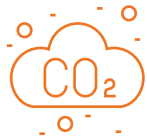
## WHAT THIS MEANS FOR ME

Consumers, when provided with practical inspiration and information, are willing and able to make changes to their consumption in favour of the planet. The rise of de-influencing, in particular, highlights an opportunity for brands and creators to work in a more meaningful and strategic way to help drive sustainable living.



# CLIMATE OFFSETTING TO CARBON PIRATES

## Criticism and concern continues



Carbon offsetting programmes promise to “cancel out” our carbon emissions by investing in nature-based solutions such as protecting rainforests. Many companies use carbon offsetting claims in their advertising so consumers can fly, eat or buy “carbon neutral”.

However, the lack of regulation in this area means that there is growing scrutiny of the carbon credit market and certifiers like Verra. A Guardian investigation into Verra’s certified rainforest credits, which led to the resignation of the CEO, found that many of them were worthless, did not prevent deforestation and were subject to significant conflicts of interest. There are big questions about the minor role the carbon credit market can play in tackling climate change and biodiversity loss mitigation, and regulators in the EU, US and UK are starting to take note. In fact, the Advertising Standards Authority (ASA) in the UK is to begin stricter enforcement of terms such as “carbon neutral”, “net zero” and “nature positive”, when used in relation to offsets, as part of a greenwashing crackdown later this year.







# A Guardian investigation into Verra's certified rainforest credits found that many of them were worthless



## WHAT THIS MEANS FOR ME

Remember offsetting is not the silver bullet it's often touted to be and any carbon emissions strategy should focus on scope 1-3 reductions as a priority. Better data on reforestation and deforestation will be crucial to the success of carbon credit markets. Meanwhile businesses should ensure their rainforest protection programmes respect human rights, with Indigenous leaders across the Amazon warning of "carbon pirates" who are exploiting offsetting schemes.



# WATER:

## The next frontier in environmental protection

Following the UN biodiversity summit (COP15) last year, we have seen increased activism and policy changes to safeguard nature, with a particular focus on our planet's water sources.

In France, eco-demonstrators in the Deux-Sèvres region clashed with police over calls for a halt to the construction of reservoirs for farmers, a project aimed to reduce the impact of climate change in agriculture. In the UK, there is growing concern for the country's waterways following a report by the Wildlife Trust which revealed that the UK's waterways are heavily polluted, containing pharmaceutical waste and microplastics, which can cause harm to both wildlife and humans.

On an international level, the UN passed the first-ever treaty to protect the world's oceans beyond national boundaries, known as the "HIGH SEAS TREATY." The treaty aims to protect marine life by putting the world's international waters into protected areas, limiting fishing and exploration activities. However, the treaty will only enter into force once 60 countries have signed up and legally passed the legislation in their own countries.



### WHAT THIS MEANS FOR ME

Conversation and concern for our water sources are unlikely to die down as global heatwaves heighten awareness of water usage and scarcity. With new legislation now being implemented, and activism on the rise, company supply chains and water stewardship strategies are likely to be placed more even firmly under the microscope.



# The politicisation of “WOKENESS” continues



Recently, Dylan Mulvaney became a household name around the world after the transgender TikTok star’s brand partnerships with Nike and Bud Light swept up a media frenzy, leading to boycotts and increasingly vocal cries of “go woke, go broke”.

While the term “woke” originated in communities of colour as a positive reference to those alert to social injustice, it is increasingly being appropriated and politicised by conservative activists and by those pushing back on a culture of political correctness in general, or social justice movements specifically. Take, for instance, US Republican Governor Ron DeSantis (Florida), who is calling for an Anti-Woke Bill, which he has taken as an abbreviation for “Wrong for Our Kids and Employees”, an act that would “prohibit educational institutions and businesses from teaching students and employees anything that would cause anyone to “feel guilt, anguish or any form of psychological distress” due to their race, colour, sex or national origin” (Source: The Guardian).

Separately to the ‘anti-woke’ movement, we’re also seeing a rise in ‘anti-ESG’ sentiment. The use of ESG as a framework is coming under increased scrutiny by Republicans, some of whom have referred to it as a “woke scam”, with the Financial Times reporting that US investors are showing less enthusiasm for so called ‘green investments’ than their European Counterparts.







## WHAT THIS MEANS FOR ME



First of all, it's important not to conflate 'anti-woke' (the politicisation of conservative activism) with 'anti-ESG' (push back from the oil and gas sector on the pace of decarbonising the economy, which is now becoming increasingly politicised). While both need to be understood separately, the appropriation of 'woke' and 'ESG' for political purposes, and further entrenchment of viewpoints along partisan lines means that organisations must pay close attention to how their people are feeling, whether that's protected groups experiencing discrimination, those doing social justice or climate work who may feel disheartened and fatigued, or those who feel unable to express their identity for fear of reprisals. Ensuring psychological safety and belonging in such a challenging societal context means setting conditions where respect and dialogue can flourish.

# SEC- TOR HIGHLIGHTS

FOOD  
AND  
DRINK /  
RETAIL

# THE EU

## greenwashing directive

A new proposal by the European Commission has just been put forward to tackle greenwashing and misleading environmental claims. The proposal requires companies to substantiate their “green claims” with scientific evidence before communicating them to consumers.

The regulations also include measures to streamline and simplify the eco-labelling system, making it easier for consumers to understand and compare products based on their environmental impact.

This proposal stemmed from a report by the European Consumer Organisation, BEUC, which found that over 50% of examined environmental claims in the EU were vague, misleading, or unfounded.

Should this proposal be approved, companies will have to provide accurate and transparent information



# 50%

Of examined environmental claims in the EU were  
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about the carbon footprint of their products to help consumers make informed decisions. The proposal will also regulate environmental labels and prohibit new public labelling schemes, unless developed at the EU level, and require new private schemes to show higher environmental ambition than existing ones. Failure to comply could result in significant financial penalties as is already the case in Australia, where corporations can be fined up to 10 million (€6.3 million) and individuals up to AUD 2 million (€1.3 million).



Companies will have to provide accurate and transparent information about the carbon footprint of their products to help consumers make informed decisions



#### WHAT THIS MEANS FOR ME

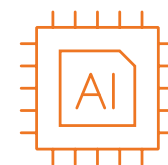
The crackdown on greenwashing continues to gather pace with the EU going in full force against the current eco-labelling system. Changes in regulation will have enormous consequences for multiple sectors, particularly in the food industry, and these are likely to impact supply chains and costs at a time when inflation is already at a double digit high in many countries.



# TECH



# The sustainability implications of **GENERATIVE AI**



While generative AI can have positive energy implications, such as optimising energy usage in various applications, the rise in demand for cloud computing and generative AI is not without an environmental cost. In a recent article in Wired, Alan Woodward, professor of cybersecurity at the University of Surrey in the UK commented:

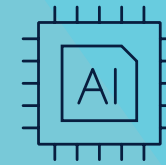
“There are already huge resources involved in indexing and searching internet content, but the incorporation of AI requires a different kind of firepower. It requires processing power as well as storage and efficient search. Every time we see a step change in online processing, we see significant increases in the power and cooling resources required by large processing centres.”

The article, called ‘Generative AI Race Has a Dirty Secret’ cited estimates from Arvix suggesting the training of GPT-3, which ChatGPT is partly based on, consumed 1,287 MWh and led to emissions of more than 550 tons of CO<sub>2</sub>e. This amount is equivalent to a single person taking 550 roundtrips between New York and San Francisco. Furthermore, OpenAI’s electricity consumption in January 2023 alone might be equal to the annual electricity consumption of 175,000 Danish households.





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## WHAT THIS MEANS FOR ME

While businesses assess the costs and benefits of Generative AI across a whole range of issues, it is essential they consider its potential environmental impacts as part of this equation. This will only become more important as mainstream media educates consumers on not just the processing footprint of data itself, but the impacts of building the physical data centres needed to power this new 'industrial revolution'.

# HEALTH





# Commercial determinants OF HEALTH



The leaked and recently published European Commission's Updated Pharmaceutical Strategy Legislation, which amends intellectual property legislation for medicines, has brought to the fore the debate around the commercial determinants for health - i.e. the impact that large transnational corporations can have on the rates of avoidable ill health, planetary damage, social and health inequity.

The Lancet published a Series in March on the central importance to health equity of the commercial determinants of health, and its headline finds were that four industries (tobacco, unhealthy food, fossil fuel, and alcohol) are responsible for at least a third of global deaths per year. Yet research on the impact of commercial



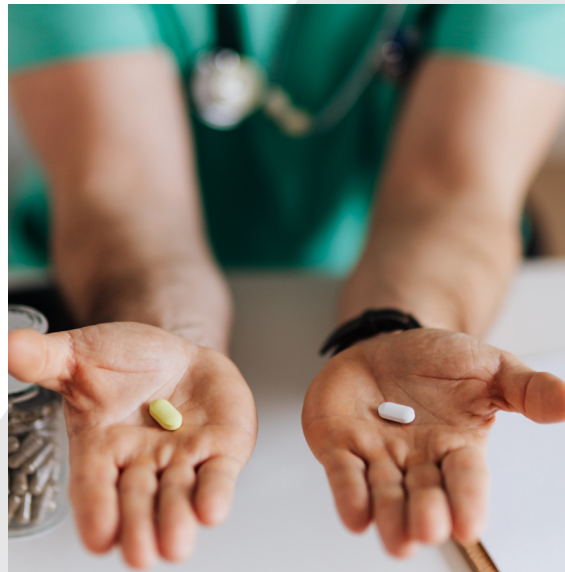


actors, good or bad, has to date been done in health research silos. The series aims to help change this by providing a universal definition, framework for impact assessment and commitment.

Of course, the pharmaceutical sector, while improving the lives of many, has overlooked the failing health of others, and there is much expected of the sector to do to more to improve the equitable provision of healthcare. Data shows that over three quarters (76%) of HCPs and 89% of payers agree that pharmaceutical companies have a responsibility to overcome health equity challenges among the critical patient populations (relevant to unmet community needs at a disease level).\*

The EC's steps to overhaul the rules around medicines' intellectual property aim to expand access to high-cost medicines in the poorest areas of the bloc. However, detractors of the proposal, including EFPIA, the trade body representing pharmaceutical companies in Europe, argue that it is going to make the European market less competitive, potentially threatening investments and jobs, as well as access to new clinical trials and treatment availability.

In the words of Nathalie Moll, EFPIA Director General: "The approach set out in the pharmaceutical legislation, penalising innovation if a medicine is not available in all Member States within two years is fundamentally flawed [...] Fixing the tenfold variation in access to new medicines across the EU requires all partners to urgently get round the table and address the real issues rather than unworkable EU-level legislation that is destined to fail."



## WHAT THIS MEANS FOR ME

Growing economic inequality, whether at societal or country level has a knock-on effect on health outcomes, exacerbating the impact that an ageing population was already having on healthcare systems.

As the upcoming OPRG / Atlantic research shows, calls for greater health equity are growing in number, scale and ambition, meaning that changes are a matter of what not when. The pharmaceutical industry is seen by its top stakeholders (HCPs and Payers) as having a responsibility to solve equity challenges and to prioritise partnerships and system collaboration (Porter Novelli / Hall and Partners UK US Survey, 2022). This means that businesses that are already delivering positive outcomes have an opportunity to engage even more with political stakeholders to shape the new regulations. And such stakeholders want to engage.

A Porter Novelli / Hall & Partner survey from last year found that

# 63%

of payers strongly believe that the pharma sector has a responsibility to tackle health equity.

European countries face

# HEALTHCARE WORKFORCE BANKRUPTCY

It was only a few years ago that people across the world, politicians included, were stepping out of their front doors or windows during lockdown to clap for frontline healthcare staff risking their lives to treat patients. And yet, a couple of years later, we find healthcare staff having to strike to make their voices heard for better pay and working conditions.

The impact of these strikes is huge – in the UK alone, the junior doctors' strike is likely to mean 350,000 appointments and operations being cancelled. But this is just the tip of the iceberg. The next page shows just some of the challenges being faced by health providers across Europe as the impact of austerity, COVID burnout and the cost-of-living crisis have left hospitals and care homes depleted and demoralised.



In **France**, a new purpose built medical centre in the rural community of Le Vigan may need to close after not a single General Practitioner applied for a post in five years of searching. In an article called “Too far, too old, too few: Europe is running out of doctors”, Politico reports struggling to replace retiring Doctors is a challenge across the continent.



In **Belgium**, the struggle to fill vacancies means that some 5,000 hospital jobs are currently unfilled, representing 4.5% of the workforce.



### WHAT THIS MEANS FOR ME

Lack of healthcare workers is a ticking time bomb. While demand grows, thousands are leaving the profession or moving into private healthcare, driving national health services into workforce bankruptcy. It is in everyone’s interest to do something about it. Governments have to make these professions attractive by showing real appreciation for the work that people do. The pharmaceutical sector is well placed to act as a catalyst, partnering with NGOs and governments to understand the health needs of the future and how to build systems to align, while championing the vital role of health professionals in looking after the health of this generation and those to come.



**Italy’s** healthcare staff numbers have dropped by 46,000 within a decade (2010-2019), leading the southern Calabria region to recruit nearly 500 Cuban doctors in August to try and fill vacancies.



In **Romania**, trade unions are calling for a 20% increase in healthcare workers - equivalent to about 13,000 more doctors and 35,000 more nurses - as the low wages are driving an exodus of healthcare workers abroad.





FINALLY:

**FOUR  
THINGS  
WE LOVE**



# HELLMANN'S SMART JAR

to eliminate food waste

Hellmann's has introduced a temperature-sensitive smart jar that aims to tackle food waste.

Positioned as one way to help reduce food waste, the cunning label gives ample warning when your fridge is feeling the heat. The jar changes colour from blue to clear when it senses a temperature change, indicating that the product inside may no longer be fresh. The technology is being piloted in select grocery stores in the UK and aims to help consumers reduce food waste by indicating when it's time to use up the product.

Part of the brand's positioning since 2021, Hellmann's has been encouraging consumers to make use of leftovers, and the latest evolution of its purpose has been conceived with climate action NGO WRAP, which estimates that 4.5m metric tons of edible food are wasted every year – the equivalent of £700 per family.



**“Cities account for more than 70% of global CO2 emissions. They are clearly critical to climate action, but they are also complex and highly interconnected systems – and they really lack the tools to plan and manage their transition. If we don’t connect climate action to financing, we’re simply not going to solve the problem.”**

Tomer Shalit, creator of ClimateOS

## The Swedish tech start up helping cities **‘GO GREEN’**

Imagimind, a tech startup from Sweden, is utilising satellite images and artificial intelligence to assist cities in becoming more environmentally friendly. By analysing high-resolution satellite images, their technology identifies areas such as rooftops, empty lots, and roadsides that have the potential for green infrastructure, like urban agriculture or green roofs.

This information is compiled into a detailed map, which helps city planners and policymakers make well-informed decisions about where to invest in green initiatives. Imagimind’s technology has the added benefit of being able to monitor changes over time, allowing cities to track the effectiveness of their green initiatives and modify their strategies as needed. The company has already partnered with various European cities, and its technology has identified over 10,000 hectares of potential green space in the Stockholm area alone.



IMAGE CREDIT: [HTTPS://WWW.INDEPENDENT.CO.UK/INDEPENDENT-PREMIUM/BUSINESS/CLIMATEVIEW-CITIES-CLIMATE-PLANNING-PLATFORM-BUSINESS-B2090427.HTML](https://www.independent.co.uk/independent-premium/business/climateview-cities-climate-planning-platform-business-B2090427.html)





# UBISOFT TACKLES TOXIC GAMING WITH NEW POLICE ALERT SYSTEM

Online gaming is a joyful experience for millions of people every day. It's a space where friendships are forged, and enjoyable experiences are shared. However, these spaces are not immune to abusive behaviour, death threats and grooming and many franchise makers have been under intense pressures to regulate their platforms.

Ubisoft, the makers of popular video game franchises like Assassin's Creed and Rainbow Six, has signed a unique deal with British law enforcement to address issues of online toxicity, bullying, racism, and other forms of harmful online interactions among players. The deal allows specialist officers to share their knowledge and expertise of harmful online interactions with Ubisoft's 200-strong team in Newcastle. The training will allow teams to respond to requests for help and actively support communities who have evolved around their games.

In extreme cases where there is a threat to life or potential serious harm spotted, staff can fast-track the information to police. Currently less than 0.01% of cases Ubisoft deals with end up requiring police intervention, with most accounts being temporarily banned or permanently closed if players have breached a code of conduct. The hope is this new agreement will start a conversation within the industry and lead others to follow suit.

# AND FINALLY...

Porter Novelli's Global Purpose and Impact Lead, Sandy Skees, has just launched a new book, **Purposeful Brands**.

As well as offering a blueprint for defining, communicating and operationalising a brand's purpose, **Purposeful Brands** explores how acting on an authentic and crystallised purpose can help companies drive innovation, brand loyalty and customer engagement. Though we say it ourselves, it's a must-read for marketing and communications professionals who are looking to unlock the value of brand purpose to achieve a competitive edge and contribute to a regenerative and equitable world.

## PURPOSEFUL BRANDS

How purpose and  
sustainability drive  
brand value and  
positive change

SANDY SKEES



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