

# Sustainability **2021**

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## ESG is the next Big Thing

The pandemic has compelled organizations to rethink on what they believe is truly important, and sustainability has come out on top.

With various industries sharpening their focus on **ESG (Environmental, Social, Governance)**, it is expected that this trend will only accelerate in the years to come and offer great opportunity to develop new business models. The pandemic has accelerated the need to embrace sustainability and it has become imperative for conglomerates & policy makers to factor in components of ESG in their overall decision-making process.

### Chemicals & Process Industry 4.0 – Industry Going Green

Over the years, the industry has dealt with safety, risk management and environmental and health impact due to increasingly stringent regulations and growing public awareness. The most meaningful risk for chemical companies arises from their **environmental** exposure.

Social factors also pose a significant risk – demographic changes and consumer preferences & awareness related to the use of chemicals are **key social risks**.

**Governance is a key investment risk** as it usually reflects an organization's corporate culture, strategy, foot-print & business complexity.



Leaders from the industry believe that the sector has the potential to provide strong innovation and thereby spur the growth of the chemicals sector in the coming years. Major advances and investments are being made in recycling, adoption of new technologies to reduce carbon foot-print and other hazardous emissions from chemical production processes. Organizations are also stepping up their commitments to sustainability with goals to become 'carbon neutral' or 'carbon positive' by 2050.

**For organizations, better ESG adoption will lead to**



Betterment of Society & Environment



Enhanced public perception



Long-term Sustainability



More revenue opportunities



Reduced regulatory risk



**Leaders of the Future – With organizations looking to up their game and bring on board senior ESG leaders, the talent landscape today is widespread with professionals emerging from varied backgrounds.**

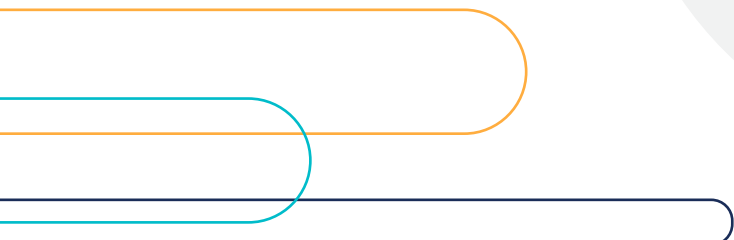
Incorporating ESG builds competitive advantage and is increasingly becoming an essential prerequisite for attracting talent, enhancing brand reputation and furthering investor appetite. This has created a highly competitive environment with respect to identifying top talent and building best in class ESG teams.

In our experience, we are seeing traction at leadership levels from the corporate sustainability function or from specialists and subject matter experts working across world class environmental management systems, zero industrial discharge, de-carbonization, climate change and green energy.

There are also instances of organizations where the investor relations function has an embedded ESG charter within its ambit. We are also seeing strong leaders emerging from PE, banking and financial services backgrounds with experience across sustainable finance and impact investing.

ESG & Sustainability leaders are now set to take center stage and will be far more embedded in the operations of a business – this could possibly mean new titles, new evaluation criteria and remuneration to reflect higher skill sets.

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## Key Traits of an ESG Leader:



### Business Orientation

They will not only be creating sustainable value but will also be responsible for building scalable commercial solutions to address the environmental and social challenges. Their approach must deliver significant revenues and wider commercial benefits through development of sustainable business strategies.



### Championing Change Leadership

Naturally a new ESG strategy would need a company-wide roll out and the organization will require to make structural, operational, and cultural changes across to maximize benefit. Organisational transformation can be a challenge, but specific tactics can be deployed to accelerate change. This is possible through effective communication, collaboration, and commitment. The leaders must have an ability to influence and create a 'shared understanding of change' through personal advocacy, vision and drive.



### Progressive mindset

In addition to core ESG competencies, resilience, a balance between global and local perspectives, and an innovation mindset will be key.

There is no one-size-fits all solution. With ESG and impact investment verticals being fairly nascent but rapidly growing, organizations are looking for specific skills relevant to their needs. These are interesting times for the global chemicals industry as these developments will change the world as we know it!



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## About us

Since 1988, EMA Partners has been serving local and international businesses across multiple industry sectors. The firm has been instrumental in helping its clients recruit numerous leaders who have made a significant impact in their organizations.

With access to intellectual property through our association with Decision Dynamics AB, EMA Partners is a provider of leadership assessments and other advisory services to our clients. Our expertise lies in assessing, hiring and developing leaders at the Board, C-Suite and Senior Executive level across industries. Our clients include global corporations, local companies and not for profit organizations.



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