

EFB Directors Retreat 2020

Summary



Welcome from the President of EFB Udo. J Vetter

EFB have enjoyed relative success over the last 6 months by being ahead of the curve. This has been in terms of recognition and being in new dialogues with the institutions we haven't had before. This has also included EFB being consulted on and asked to join things we never have before.

President Von der Leyen and the Commission are being pushed to embrace the greener recovery and make it more ambitious. Our task is to ensure that the economy has a say in this recovery. It is our businesses money that is in the system and that money is going to be spent on these climate goals.

Introduction from Jesús Casado, Secretary General of EFB

- In terms the business community, it's widely accepted that things will never be the same again or return to "normal": We are in a moment of historical change.
- The new normal will be looking for fair and transparent businesses who are committed to sustainability, show a positive attitude towards problem-solving, more focused on the regions and the EU, who are resilient and care for all stakeholders not just shareholders.

Miguel López-Quesada:

President of the Spanish and Latin American Association of Communication and Public Affairs Directors

Corporate Director of Communication, Marketing and Institutional Relations, Gestamp.

- Wealth is becoming a reputational problem in society. There is a general perception that the world was becoming more unequal before COVID and the climate crisis hit.
- COVID has made us feel overwhelmed and gave us a sense of loss which made the crisis more obvious to each of us and emphasised this gap.
- The crisis has adjusted our views and mindset in a matter of what we can change now, and that topic has become our other crisis, climate change. It creates a very fertile ground for activism and people are looking at who to blame for this problem. As always in a crisis, there's an opportunity, and it is a chance for family businesses to come out and be the pioneers of sustainable business with our long-term narrative.
- The Edelman Barometer shows that trust of businesses competence is at an all-time high and are the most trusted to deal with the COVID crisis after the health authorities. We must act and deal with things we are seen to be able to deal with.
- Our CEOs therefore need to be proactive and come out with big ideas to get people to follow them to enable them to become community leaders. This has been done effectively in terms of taxation with some senior business and societal figures calling for higher taxation in the crisis as they wanted to have the workers back as they understood that they can't make money without them and when people don't have access to money they can't purchase their products and services.

- Conversely, online there has been a movement arguing rich people are robbing us. This has been seen in Spain with the faces of business owners put on various posts.
- Now is the time the business community can make a lot of things possible for others in society. They can do this by putting a face to businesses to make us less opaque. This has been particularly successful in Spain, where 90% of businesses are family owned, with the campaign hitting the mainstream media and making businesses more visible on the streets.
- COVID has provided us with a good opportunity to put a face to family businesses and we must take this. We need to show we care as caring is what the world needs.
- We need to be proactive in taking leadership in this crisis which will allow us to be heard, respected and considered. We can also do this by building alliances, for example working with trade unions, workers, politicians, local media.
- Good quality communication is needed for us to take this opportunity, and we need to make our communication stand out in a world where we see communication all day everyday with clear, simple messages, highlighting our key positives such as “here to help”, “here for the long-term”, or “we care”.
- Flexibility is the new normal and we need to be flexible and transparent in our approach, showing we are here for the long-term, not for a quick win.

Question and Answer session with Miguel López-Quesada Key Points

- The tools to make this change are inside our businesses. We need to build confidence by identifying the fears of society and providing answers. For example, a current fear is unemployment, and we can change this by creating jobs.
- We must adjust our outputs, so our messaging is 80% emotive and 20% fact based.
- When lobbying we need to go further than a person’s name and nationality but to look deeper into their background for example if they have family, issues they care about etc. We then address them through these areas and get other people who have been affected by the topics involved in the lobbying effort, not just our organisations.
- The lack of transparency from inside family businesses can only be changed from within. The older generations see this as pain and no gain, so we need to go after the younger generations who are more willing to show their face. We should not look at high risk methods such as going onto prime-time news but instead manage it ourselves through live-streams we can put onto YouTube, discussing human things such as employment and donations.

Feedback on the expert session moderated by Pepe Fernández-Álava, EFB ManCom Member

- We must start by addressing our problems on a local level.
- As businesses we are putting money on the table to help but we need to do more to solve the problems, such as providing jobs with the current high unemployment rate.
- Now for family businesses, it is time for us to talk about human issues such as education and employment rather than succession and taxes. We need to be part of the conversation how to spend the recovery funds.
- We must become more visible and not be afraid to show some of our amazing stories. Statistics on family businesses across Europe must also be fought for.
- With equity loss, our businesses have already paid the costs of the crisis.

Green Deal Presentation by Darius Movaghar, Senior Policy Advisor at EFB

The Green Deal has become the growth strategy for Europe and all the Commission now believe this.

The bill is formed with many aspects including:

- A Climate neutral Europe
- A new circular economy

- Building renovation
 - Zero Pollution
 - Ecosystems and biodiversity
 - Farm to fork strategy
 - Transport
 - Money
 - R&D and innovation
 - External Relations
- For EFB, only by guaranteeing the economic leadership of the European economy will we reduce mankind's emissions and ecological footprint, therefore we must avoid a disjointed and uncoordinated implementation of the Green Deal and push for a market-based outcome.
 - One key thing for EFB to follow is the EU Emission Trading System which we believe must be expanded to other sector such as building, transport and agriculture.
 - The EU emissions trading system (EU ETS) is a cornerstone of the EU's policy to combat climate change and it is the world's first major and biggest carbon market.
 - The EU Recovery fund and Multi-Financial Framework is heavily in line with the Green Deal and is being used as a chance to rebuild Europe.
 - Emission reduction targets are set to be increased, with the European Parliament's Environment Committee passing a 60% target by 2030 and President Von der Leyen expected to call for 50/55% in her State of the Union address.

Comments on Green Deal, Moderated by Darius Movaghar, Senior Policy Advisor at EFB

- We should not always follow the road of the institutions as they do not know what it means for the real world. We need to keep our members updated of what is on the table and what it means for them.
- With these overarching policies, there is no place for national green protocols as there is a danger these could be multi-layered and double the costs for businesses.
- The ETS must be market based rather than a tax.
- Industry is not against the targets; they just need time. Governments need to stop modifying the targets and stick to targets people are already working towards.
- There must be a level playing field. Family businesses will be affected for this as the transition may be more difficult for them than large multinationals. For example, with carbon trading, family businesses may look bad as they will have to be straight forward and honest in reporting their figures, whereas other businesses may be able to manipulate theirs.
- The economy isn't taking these changes seriously, changes must be made so this can be a transition, not a disruptive move.
- We must remember this is a global problem and whilst we want to be leaders, we need to put things into perspective and pressure others like China and the USA.
- We must look at the value chain of products and businesses holistically and be the voice to say we agree with the transition, but we must explore the lifecycle of products and address the full issue.
- Certain industries have made investment decision based on existing targets. Modifying them now would cause even more disruption and threaten the economic viability of certain companies.