SUSTAINABILITY ESSENTIALS FOR CORE FUNCTIONS: CORPORATE AFFAIRS

THE WHY AND HOW OF EMBEDDING ESG INTO CORPORATE AFFAIRS



UN GLOBAL COMPACT

Global Compact Network UK

CLYDE&CO

INTRODUCTION

Corporate affairs teams shape what a company says, who it influences, and how it is perceived. As stakeholder expectations continue to rise and regulatory requirements intensify, corporate affairs and sustainability must work in close alignment to ensure consistent, credible external narratives, proactive engagement on legislation, rapid and informed responses, and cohesive ESG disclosures. As the voice of the organisation, corporate affairs increasingly speaks about sustainability day-to-day, so it is crucial that the team is well-versed in the sustainability priorities of the business. An ESG programme without support from corporate affairs is delivered quietly and judged harshly.

Recognising the critical intersection of corporate affairs and sustainability, the UN Global Compact Network UK hosted an event in July 2026 to explore how the two functions impact each other, what corporate affairs teams should know to support the integration of sustainability throughout the business, and what sustainability and corporate affairs functions can do to work together towards sustainability goals, while generating commercial and reputational value.

The event, supported by Clyde & Co, featured the following speakers:



Amanda Powell-Smith
Chief Executive Officer,
Forster Communications



Paddy Linighan
Chief Sustainability Officer,
Clyde & Co



Helen Sanders
Head of Corporate Affairs & Sustainability,
SSE Thermal



Fiona Duggan
Global Senior Sustainability Manager,
Unilever



Sonia Thimmiah
Corporate Affairs Director,
Heineken UK

Why sustainability and corporate affairs?

Achieving a company's sustainability targets cannot be accomplished by one person or even one team. Sustainability is complex and requires consideration of a multitude of factors across the business, supply chain, and whole economy. Yet in many companies, sustainability still operates in a silo, without active engagement from the functions whose decisions shape the outcome.

Corporate affairs illustrates this clearly, with the two functions running on different clocks: ever-changing news cycles and policy shifts on one side, long-term targets and transformation on the other. Bridging that gap matters across the full sustainability agenda, from net zero and nature to human rights, labour standards, and anti-corruption, as set out in the UN Global Compact's Ten Principles.

Corporate affairs is the bridge between a company and the people who judge it, managing brand and reputation, media, public affairs, stakeholder relations, and internal communications.

Through the external narrative, policy positions, disclosures, and crisis response, corporate affairs teams shape whether sustainability commitments are credible, whether the regulation and incentives needed to meet them exist, and whether stakeholders hear about progress from the company or from someone else.

The question is not whether corporate affairs has a role in sustainability, but whether it can make sure the company's words and actions tell the same story.



"Sustainability brings the substance: data, targets, commitments, operational reality and technical detail. Corporate affairs brings external perspective..."

Paddy Linighan, Clyde & Co

Where the two functions meet

Sustainability and corporate affairs now sit closer together than most organisational charts suggest. Key areas where sustainability and corporate affairs intersect include:

Reputation & narrative

The 2026 Edelman Trust Barometer finds business trusted by 64% of people, and 78% of employees trust their own employer, which puts pressure on companies to communicate progress rather than stay quiet.

Corporate affairs must translate complex sustainability data into compelling, credible narratives and defend them under scrutiny. The language is shifting from virtue to value: resilience, productivity, competitiveness, and talent now carry the case, with environmental and social progress built into it rather than presented separately.

Regulatory affairs & policy engagement

Most large companies cannot meet their targets without the right policy environment. The rise of sustainability regulation, from the EU's Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) to packaging rules and carbon border adjustments, has significant financial consequences, both for costs and for the incentives available.

In the UK, the Clean Power 2030 Action Plan, packaging extended producer responsibility, and a deposit return scheme due in October 2027 are live examples where a company might both seek to influence the policy and prepare to comply with it. Effective public affairs depends on understanding these frameworks, and on engaging in a way that is consistent with the company's own goals.

Investor relations & ESG disclosure

The organisation's finances and overarching narrative must be consistent. Institutional investors and rating agencies increasingly factor ESG metrics into decisions, so corporate affairs teams need to understand how sustainability performance is measured, scored, and disclosed, and how to engage credibly on topics from net zero to modern slavery and supply chain responsibility.

The UK Sustainability Reporting Standards and the narrowed CSRD set the disclosure baseline, and investor initiatives such as Climate Action 100+ now expect companies to disclose how their lobbying – both direct and through trade associations – aligns with their stated climate goals. The Global Standard on Responsible Climate Lobbying and InfluenceMap's LobbyMap are also key reference points investors use.

Internal communications & culture

Sustainability is a source of pride for employees and a way to involve them in delivering targets. Ambitions only land if employees understand and believe in them, so corporate affairs teams leading internal communications play a critical role in embedding sustainability in company culture and making it meaningful at every level of the organisation, not just as a board-level commitment.

Crisis management & greenwashing

Climate-related events, supply chain controversies, human rights violations, and greenwashing allegations are now among the most common corporate crises, and responding well requires sustainability literacy before anything is said publicly. Over-claiming and under-claiming are both reputational risks.

Since April 2025, the Competition and Markets Authority can fine businesses directly for misleading environmental claims, and South Pole's research shows most sectors reducing their climate communications in response, leaving stakeholders to fear the worst. Siloed teams face the highest risk of inconsistency, and aligned teams can communicate difficult truths without losing trust.

Stakeholder engagement & risk

ESG, and particularly the 'S', sits at the heart of a company's relationship with communities, NGOs, and civil society, whether the issue is human rights in the supply chain, local environmental impacts, or community investment, so losing the social licence to operate is a material risk.

The World Economic Forum's Global Risks Report 2026 ranks geoeconomic confrontation, misinformation, and societal polarisation as the top short-term risks, and extreme weather and biodiversity loss as the top long-term ones.

WHAT COLLABORATION IS WORTH

When corporate affairs and sustainability work together, the business sees tangible returns: policy that supports its sustainability strategy, disclosures that score well with investors, a narrative that operating companies can adapt locally, and trust that holds up through difficult decisions. Amanda Powell-Smith from Forster Communications recognises three stages of ESG integration. Siloed teams may have strong targets but communicate reactively, with no shared governance and a high risk of over- or under-claiming. Structured teams divide roles, with sustainability leading data and delivery and corporate affairs leading narrative, though the result can still feel like a series of campaigns. Strategically aligned teams share accountability for reputation and ESG claims, embed sustainability in corporate strategy and public positioning, and communicate proactively, on evidence, all the time.

To the people in the roles



Each function brings something the other lacks. Sustainability teams have the technical expertise on commitments and ESG legislation, while corporate affairs know the process, the stakeholders, and the coalitions to build or join.

Reporting lines are moving to reflect that: sustainability reports into the Chief Corporate Affairs Officer at Unilever, and at Heineken, corporate affairs has three pillars – public affairs and stakeholder engagement, communication, and sustainability – to produce an integrated approach. At SSE Thermal, one person owns the entire brief because policy, stakeholder engagement, and decarbonisation are interconnected.

The partnership between sustainability and corporate affairs should have benefits for both sides. A sustainability lead struggling to make progress on company targets may uncover a policy barrier that corporate affairs can help to address. In turn, a corporate affairs lead who understands the trade-offs involved can tell a story with substance when sustainability provides the expertise:

> "Sustainability really has the substance. It can't just be 'what's the story, what's the narrative?'; it needs to be a story with substance that people can believe in."
> Helen Sanders, SSE Thermal

To the organisation's sustainability goals



Many sustainability targets depend on supportive policy or wider systemic shifts, so advocacy is delivery. A company's interim targets may only be achievable if government delivers on its own commitments, and saying so openly makes the case for the policies that are needed.

Deciding which policies to pursue can start with alignment to the Paris Agreement and the company's wider sustainability commitments, and then weigh the interests of the people and communities affected.

Prioritisation looks different at the global and local level: a global function can pick a handful of areas to focus on each year, while an operating company faces immediate regulation it must both influence and comply with.

Balance is key:

> "Communications and corporate affairs people work on many issues, not just on climate… you need to be fair and explain why you're asking for something to be done."
> Fiona Duggan, Unilever

To the business



Reputation holds value, and consistency and transparency protect it. Regulation produces tangible financial impacts, and the same policy work that manages costs also finds the grants and incentives available for the transition.

Strong relationships with communities and civil society protect the licence to operate, and handling social issues openly reduces the risk of costly crises.

Credibility comes from saying what is difficult. Many companies still rely on assets, products, or operations that sit uncomfortably with their sustainability ambitions, and that can invite criticism.

The answer is to own the challenge, explain the trade-offs, and demonstrate commitment through action. The same discipline applies in every sector: "if you feel… it's not going quite so well, don't be afraid to say it." Paddy Linighan, Clyde & Co.

INTEGRATING THE TWO FUNCTIONS

Who is involved and how it is governed

Integration draws in a broad set of people:

Corporate affairs director

for narrative, media, and public affairs

Sustainability lead and technical experts

for what regulation and targets mean

Investor relations

for disclosure consistency

Internal and external communications

for employee engagement and wider dissemination

The business functions a policy touches

such as supply chain, marketing, and finance

The board

whose external voice matters

Allies outside the company, in trade associations, coalitions, and NGOs, count too.

Many factors shape how integration happens. The sector matters, because where sustainability is already central to the business model, as in energy, the functions come together more naturally. External pressure from investors, regulators, and civil society pushes for transparency.

An internal catalyst, whether a board, a strong Chief Sustainability Officer, or a new corporate affairs lead, helps make collaboration work. Regular rhythm matters more than structure.

To keep sustainability advocacy aligned across large organisations, monthly meetings between the global advocacy team and corporate affairs colleagues in each market keep local action true to a shareholder-approved climate transition plan, and an annual prioritisation exercise keeps the list short enough to deliver.

UNILEVER: REVIEWING TRADE ASSOCIATIONS AGAINST THE COMPANY'S OWN CLIMATE POLICY

Unilever's Climate Policy Engagement Review assesses whether the company's main trade associations and industry bodies are aligned with its climate policies and the Paris Agreement, using InfluenceMap data. The first review scored 100% with InfluenceMap; the 2025 review covered 26 associations and found 18 showing no misalignment, up from 13, with recommendations for each on where to improve.

The hard work is done by communications and corporate affairs colleagues who sit in the working groups, with buy-in from investor relations, press, and media teams. This means the recommendations are acted on, and the approach serves as an example other companies can follow. Unilever also prioritises its advocacy in two tiers: a small number of company-wide policy asks that every market supports, and more specific asks for particular products or business units, which are agreed with local markets in monthly meetings.

What changes in the process?

Treat policy engagement as a joint discipline

Sustainability defines what the business needs from policy, and corporate affairs determines how to engage on it. Both work together to disclose the advocacy, so investors, NGOs, and communities recognise the company is trying to be a solution provider.

Build one narrative and bring it to life locally

Disclosure should cover barriers and challenges as well as strategy and progress, and examples from individual markets or business units help to show that the journey is not always straightforward.

Make the internal story part of the delivery

Employees want to be involved in reaching targets, and the internal narrative is where the confidence to communicate externally is built. Corporate affairs can help colleagues understand how the company's ambitions connect to their own roles, while sharing progress and setbacks honestly to equip employees with the facts they need to act as credible ambassadors. When the people inside the business are invested in the story, it is far more inspiring from outside.

Shared understanding underpins everything else

Corporate affairs teams need sustainability literacy to understand the policy dependencies behind the company's transition plan, and sustainability teams need to understand news cycles, policy processes, and the other priorities their colleagues are juggling. The aim is the same: **"collaboration between corporate affairs and sustainability is no longer optional."** Paddy Linighan, Clyde & Co. Where both functions build that understanding, sustainability becomes something the company can speak about with confidence, and corporate affairs becomes one of the strongest levers for delivering it.

HEINEKEN: ONE GLOBAL NARRATIVE, BROUGHT TO LIFE IN EACH MARKET

Corporate affairs at Heineken encompasses public affairs and stakeholder engagement, communication, and sustainability, because the acronym soup of EU regulation requires understanding of all three. Sustainability's technical experts determine what regulation means for the business; public affairs maps the process, the stakeholders, and the coalitions; supply chain, marketing, and finance are brought in for packaging design, labelling, and cost. The integrated annual report carries one global narrative and local examples, **"a cohesive story, end to end, not just the good stuff, but actually where you haven't done so well and what the challenges are."** Sonia Thimmiah, Heineken UK.

SSE THERMAL: OWNING THE HARDEST PART OF THE TRANSITION

The company chose to keep its gas-fired generation assets rather than sell them, on the basis that delivering electrification means owning the full picture. As Helen Sanders explained, managing a gas fleet the system still relies on invites criticism. However, SSE would rather face the transition narrative (and challenges) head-on and is countering assumptions by simultaneously building the world's largest offshore wind farm. SSE's £33 billion investment plan for electrification, and interim science-based targets that will be easily met if the UK achieves Clean Power 2030, make its dependency on policy explicit.

Its policy work applies a Paris Agreement-alignment test and then balances security of supply, carbon lock-in, and affordability, while disclosing the relevant advocacy activities. Before closing a heavy fuel oil plant in Ireland, it published a just transition strategy covering the people on site, the consultation, the communications, and the future of the land. It is now building a flexible power station there that runs on sustainable biofuel and can run on hydrogen when low-carbon supply is available. Language is managed deliberately: the company now talks about clean power more than net zero, while recognising that net zero still carries real value for ESG stakeholders.

GUIDING QUESTIONS FOR DISCUSSION

To uncover areas for further work, discuss the following questions with a colleague from the other function. Record actions, owners, and timelines for next steps in our accompanying Discussion Template.

- Are we siloed, structured, or strategically aligned, and what would move us one step along?
- Are we realising the full value of the sustainability action we are already taking?
- Where would deeper integration create commercial or reputational advantage rather than only reducing risk?
- Which policies and regulations do our targets depend on, and who owns the advocacy for each?
- Do we disclose the advocacy we undertake, and are our trade associations aligned with our own positions?
- How do we translate ESG data and disclosures into a compelling story, and who reconciles the numbers with the narrative?
- Which of our sustainability messages are framed as virtue, and which could be reframed as value without losing substance?
- What is difficult in our transition, have we said so publicly, and are we engaging the local communities it affects?
- How prepared are we to respond to a human rights or supply chain controversy, and does each function know its role?
- Which internal and external allies could accelerate progress if they were involved earlier?

Additional resources

Trust and risk

- Edelman Trust Barometer 2026
- UN Global Compact and Accenture CEO Study 2025
- World Economic Forum Global Risks Report 2026

Policy engagement and advocacy

- Corporate Leaders Group Europe Advocacy Toolkit for Business Climate Leaders
- Global Standard on Responsible Climate Lobbying
- InfluenceMap
- UN Global Compact Network UK Advocacy
- UN Global Compact Network UK Engaging in Corporate Climate Advocacy Webinar Series
- Unilever Climate Policy Engagement Review
- We Mean Business Coalition Climate Ambition to Advocacy: A Framework for Responsible Policy Engagement

Disclosure, reporting and stakeholder engagement

- Council Fire Stakeholder Engagement for Sustainability Principles
- Directive (EU) 2026/470 (Omnibus I), Amending the CSRD and CSDDD
- IFRS Foundation, Guidance on Transition Plan Disclosures
- UK Sustainability Reporting Standards
- UN Global Compact Communication on Progress

Claims and communication

- ASA and CAP Environmental Claims Guidance
- CMA Green Claims Code
- EcoVadis ESG Communications: How to Build a Defensible Sustainability Narrative
- South Pole, Research on Greenhushing
- UN Global Compact Network UK SDG Storytelling for Sustainability

Training and networks

- UN Global Compact Academy
- UN Global Compact Ten Principles
- UN Guiding Principles on Business and Human Rights
- Volans Insights Hub

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the United Nations Secretary-General, the UN Global Compact is a call to companies worldwide to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment, and anti-corruption.

Its ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals (SDGs) through ambitious, accountable companies and environments that enable change. With more than 21,000 companies and 3,300 non-business signatories based in over 167 countries, and 64 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

For more information, visit www.unglobalcompact.org

ABOUT THE UN GLOBAL COMPACT NETWORK UK

The UN Global Compact Network UK is part of the world's largest responsible business initiative, the United Nations Global Compact, connecting UK companies and other organisations in a global movement dedicated to driving sustainable growth. Through an extensive programme of activity, it promotes sustainability leadership to create a world we want to live and do business in, by inspiring ambition, enabling action, and collaborating to shape the business environment.

The Ten Principles of the UN Global Compact, rooted in UN treaties, provide a robust foundation for corporate sustainability and business action on the SDGs.

For more information, follow us on LinkedIn ((UN Global Compact Network UK) or visit unglobalcompact.org.uk

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