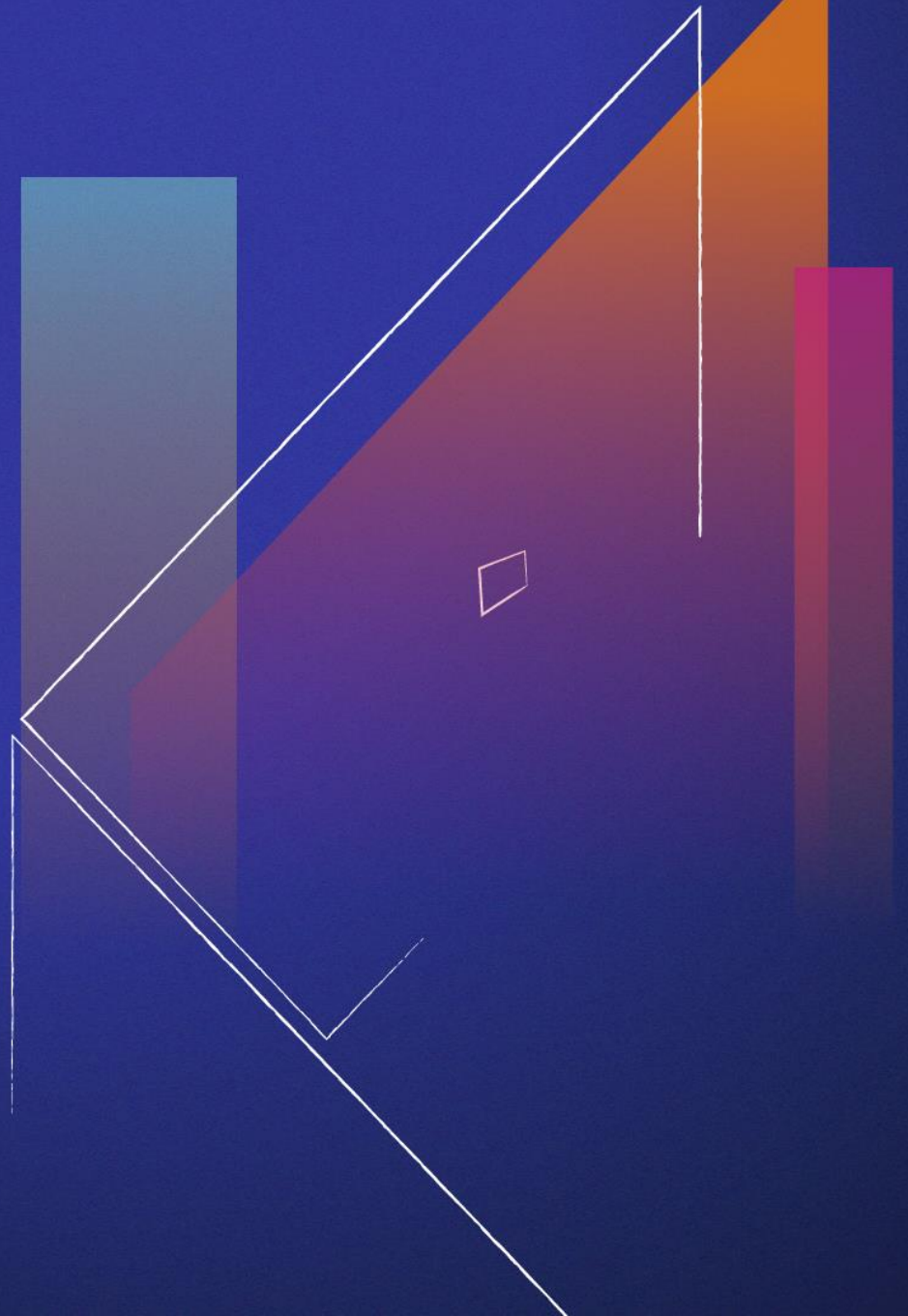




The importance of lobbying.

The whys and how's of advocating corporates' interests in uncertain times

Fiorenzo Tagliabue, CEO SEC Newgate



As a mean of personal introduction.

- After working in media and publishing, I started a communication business 35 years ago which was branded originally “SEC Relazioni pubbliche e Istituzionali” stating Public Affairs was in our DNA
- Despite ambitions, size and organizational complexity have definitely been increasing over the time, from the very beginning the focus on corporate needs has remained unchanged
- Today I will spend 30 minutes of your time sharing something I have learned in this long journey running an organization which stays at the intersection of business, politics, media and communities
- That is exactly the position where a lobbyist is naturally sitting during a long-life career



A small bit of SEC Newgate.

SEC Newgate is a growing global strategic **communications** and **advocacy** group that operates in all capital cities where geopolitics and global economy are shaped from Washington to London, from Berlin to Brussels, from Paris to Riyadh and Beijing.

Our integrated approach to communications and public affairs strategies is always based on in-depth research and **insight** backed by our expertise across the full spectrum of business.

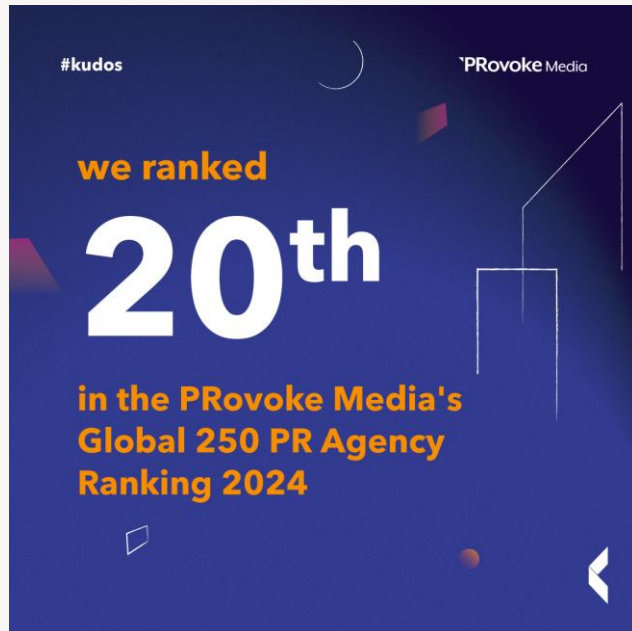
We work at the nexus of business, politics, communities, markets and media, advising to **grow and protect their business and reputation.**

We support clients to **achieve their purpose**, add value and **make an impact** locally, nationally and internationally.



Key results in 11 years history.

From 2013 when we started our internationalization till now we have consolidating a pretty unique business model and a strong positioning on corporate and public affairs



Our expertise.

A full set of capabilities, tools and expertise in which PA and lobbying never are separated from communication to support organizations facing significant reputational challenges and offer transparent approach to advocacy and issue management

- Brand identity and positioning
- Internal communications and employer branding
- Events planning and management
- Influencer marketing

- Communications research
- Stakeholder research
- Message and advertising testing
- Public opinion polling
- Employee research
- Reputation assessment

COMMUNICATIONS

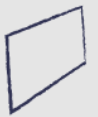
ADVOCACY

INSIGHT

- Public affairs and institutional relations
- Community relations
- Stakeholder engagement
- Regulatory affairs

- Policy communications
- Corporate Social Responsibility (CSR)
- Political campaigns

The importance of lobbying.



Something unsaid about lobbying.

Despite classic definitions focus on regulatory changes and representation of particular interests, there is always one central point in good lobbying that goes unnoticed: it stays limited by public interest

While lobbying and advocating for a cause aims at presenting some private / particular interest and have it protected via changes/new regulations, the very act of lobbying offers a way to expand public interests' notion to consider and include specific positions that are worth considering.

Rather than being the art of pulling public interests towards private positions, it is more the other way round: true and good lobbying makes sure private interests are incorporated in a wider notion of public interests.

In order to have this common interest serving role evident lobbying shall always need to be accompanied by consistent communications to make sure the process is transparent and crystal clear (despite any formal regulation such as registers, anti revolving doors systems etcetera).



What is really worth about lobbying.

The rigorous methodology to shape the correct representation of interests contribute to assess and offer solutions which can generate value outside the cause

Any lobby action is based on **strong research, consistent scenario drafting** and endless and **rigorous measurement** that are essential to shape a position and offer solid insights on an issue, the impacts of alternative decision making and the medium/long term effects of any regulations

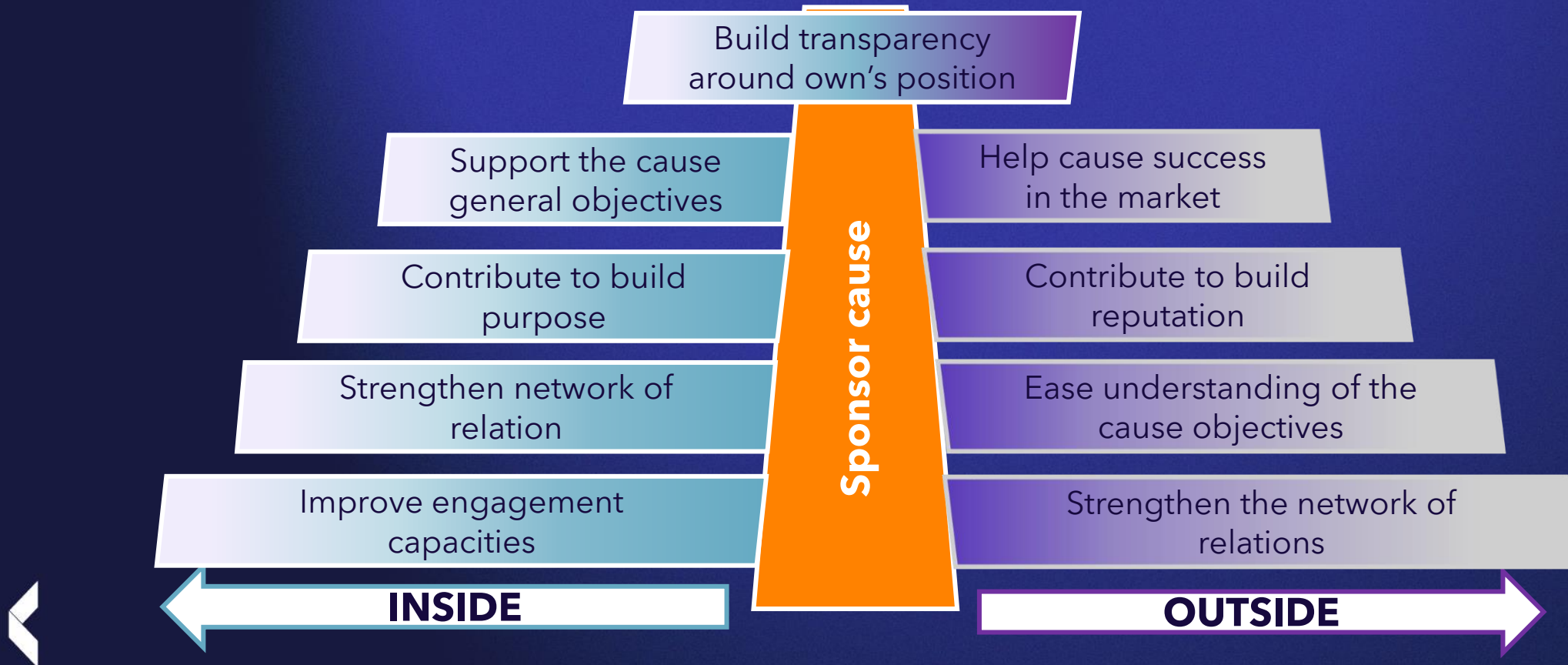
If it **weren't for lobbying** full **segments** (of an industry, organization, scope etc.) **go public and under public scrutiny** allowing the media, NGOs, the society at large to become aware of an issue.

So while aiming at a specific results, **lobbyists are helping shaping and assessing alternatives** and are **unleashing public debate**. The opposite of common sense perception of secrecy when people think about this activity



Lobbying: a valuable asset both inside and outside business.

The beneficial effects of good lobbying are to be seen inside and outside the cause promoting it



Lobbying in uncertain times.

When it comes to unpredictable and uncertain times lobby offers a chance to draft meanings out of chaos

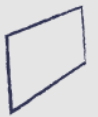
The **analytical skills** typical of any lobbying practice **offer** endless **opportunities to grasp meaning** and read faint signals that are spread into a chaotic scenario like the one we are seeing these days and that might go unnoticed

Lobbyists and corporate practitioners are the most sought for voices at C-suit level in contemporary organizations and they are asked for offer advice and interpretations on the possible evolutions of critical scenarios where geopolitics, conflicts, global economy downturn are making the task of shaping decision tougher than ever

This new role as strategic asset of any organization likewise CFOs, HR, RD and Operations is the ultimate legacy of post Covid era which clearly showed how unexpectedly a global crisis can arise and unleash unprecedented restrictions, regulations, threats and opportunities



Lobbying with the European institutions.



Some data.



Despite official statistics are partial there are several estimation on the number of lobbyists doing their job down and around Brussels

According to several sources between 25 and 35 thousand professionals operate permanently representing some interests. This bunch of lobbying practitioners are only recorded in the Transparency register of the EU in a small percentage (currently **there are 12,5 thousands** registered people in the official records)

In that register only 781 members are Italians, the **biggest national communities being Germany and France with 1775 and 1243** registered people respectively (to be noted UK still has more than 800 entries after Brexit)

Chemicals (the largest lobby community in Europe), **Banking and Finance, Defence, Energy** and oil and gas in particular are the largest sectors in the register (>500 each)

Wood is definitely on a different size cluster with only 72 applicants in the Register



EU regulations: a consistent effort over the years.

The table provides a picture of how extensive and stable is EU regulatory activities and the contribution several institutional players give

Sources	1995	2000	2005	2010	2015	2020	Totals
Legislative acts (parliament)	13	42	25	33	41	31	173
Council acts	299	277	252	247	278	275	1,623
Commission regulations	428	339	283	387	102	31	1,570
Commission decisions	446	680	567	503	382	407	2,985
Acts from other bodies*	23	43	71	139	101	69	446
Totals	1,209	1,381	1,198	1,309	904	813	

* European Central Bank



Source: Eur-Lex data base

The importance of well informed decisions.

Given the rising impacts of EU regulations on most productive sectors and the long term implications of decision, well informed law making process presents a sheer public interest profile

The combination of these two elements:

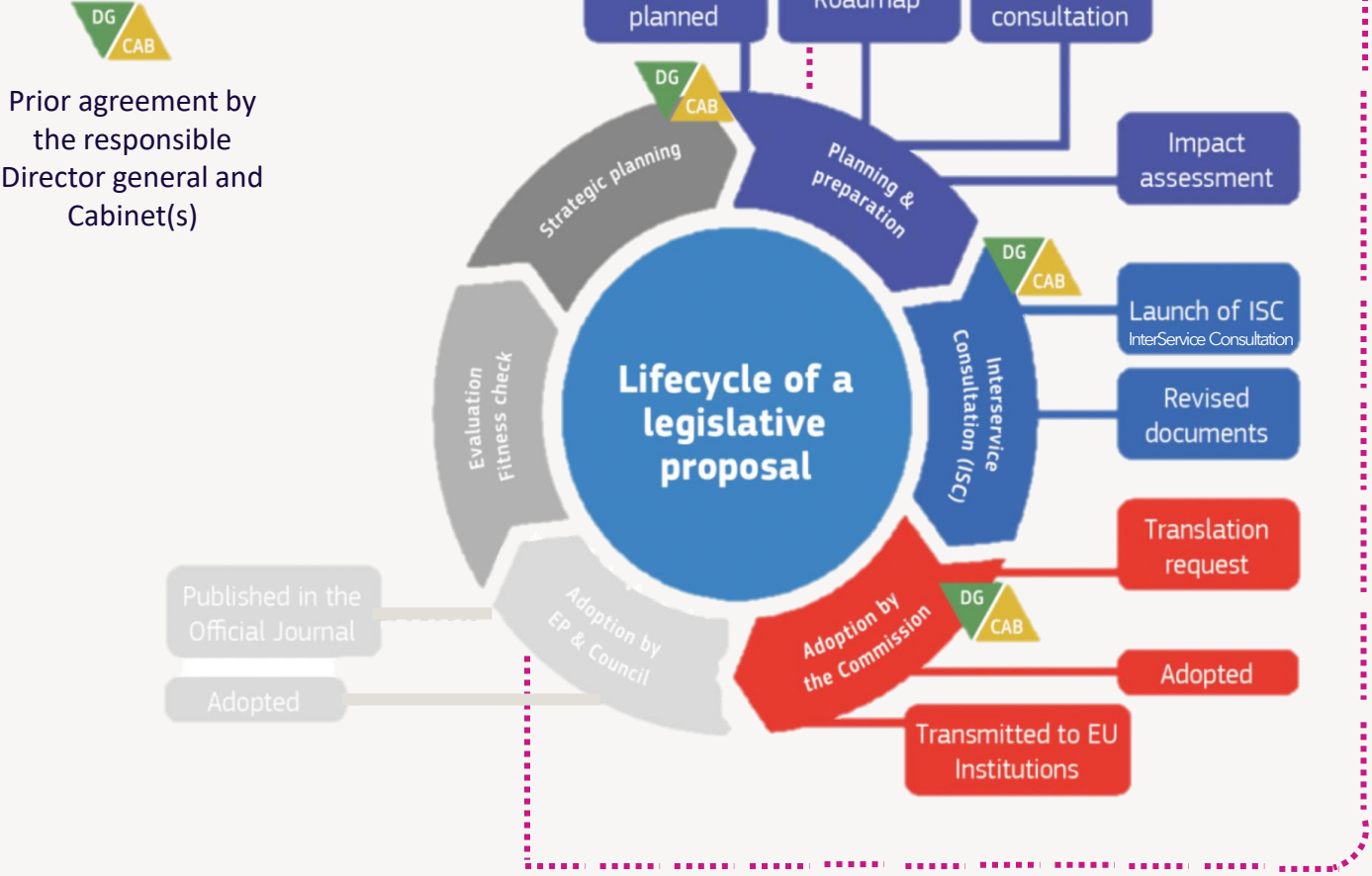
- Extension of the scope and topics of UE regulations
- Interrelation of sectors and their activities to magnify effects of regulations

transform any attempt and effort to get to the best informed decision making process essential. This includes, beyond any doubt, lobbying and representation of interests

As a matter of fact the typical process of law making provides several opportunities to contribute to the general public objective of shaping a well informed and sound legislation



The importance of well informed decisions - 2.



The lobbying opportunity path

Policy issues and their impact.



1. Packaging and Packaging Waste Regulation (PPWR)

The proposal considers the full life-cycle of packaging. It establishes requirements to ensure that **packaging is safe and sustainable**, by requiring that all packaging is recyclable and that the presence of substances of concern is minimised. It also lays down labelling harmonisation requirements to improve consumer information. In line with the waste hierarchy, the proposal aims to significantly reduce the generation **of packaging waste by setting binding re-use targets**, restricting certain types of single-use packaging and requiring economic operators to minimise the packaging used.

The main elements of the agreement foresee Sustainability requirements and recycled content in packaging, Re-use targets and re-fill obligations, Deposit return systems (DRS) and Restrictions on certain packaging formats.



Policy issues and their impact - 2.



2. EU Deforestation Regulation

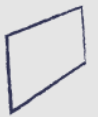
From 30 December 2024, companies doing business in the EU will need to comply with the requirements of the EU Deforestation Regulation (EUDR). This new regulation brings particularly significant implications, requiring businesses dealing with certain products to conduct even more extensive due diligence on their supply chains.

In force since 29 June 2023, the EUDR has been introduced to limit the EU market's impact on global deforestation/forest degradation and biodiversity loss, promote deforestation-free supply chains, reduce the EU's contribution to greenhouse gases (GHG) emissions- and protect human rights and the rights of indigenous people.

When compliance becomes mandatory at the end of 2024, the new regulation will require large companies trading in some key commodities (soy, beef, palm oil, **wood**, cocoa, coffee, rubber commodities) and products derived from those commodities - to prove that these goods/products do not originate from recently deforested areas or contribute to forest degradation.



**A new trend to look
after in the future.**



Towards a new European agenda,



From our recent event on EU elections and from monitoring the conversations around it we clearly see a new topic arising and this offers several opportunities

Along with mainstream and wide focus topics that have formed the base of EU policy making over the last mandates (sustainability and industrial reconversion, safety, borders control and technologies) one new hot topic is setting space in the European agenda

This is competitiveness that is called to be the benchmark for most of EU regulations. The point is how EU institutions will make sure all overarching regulations will allow growth and will balance competing priorities/interests (development vs sustainability, free trading vs Asian competition, energy safety vs global conflicts etc.)

The paradigm of competitiveness opens a solid space for industries to contribute to the debate and to trade in their views and solutions. We expect the next mandate to be an open one for lobbying

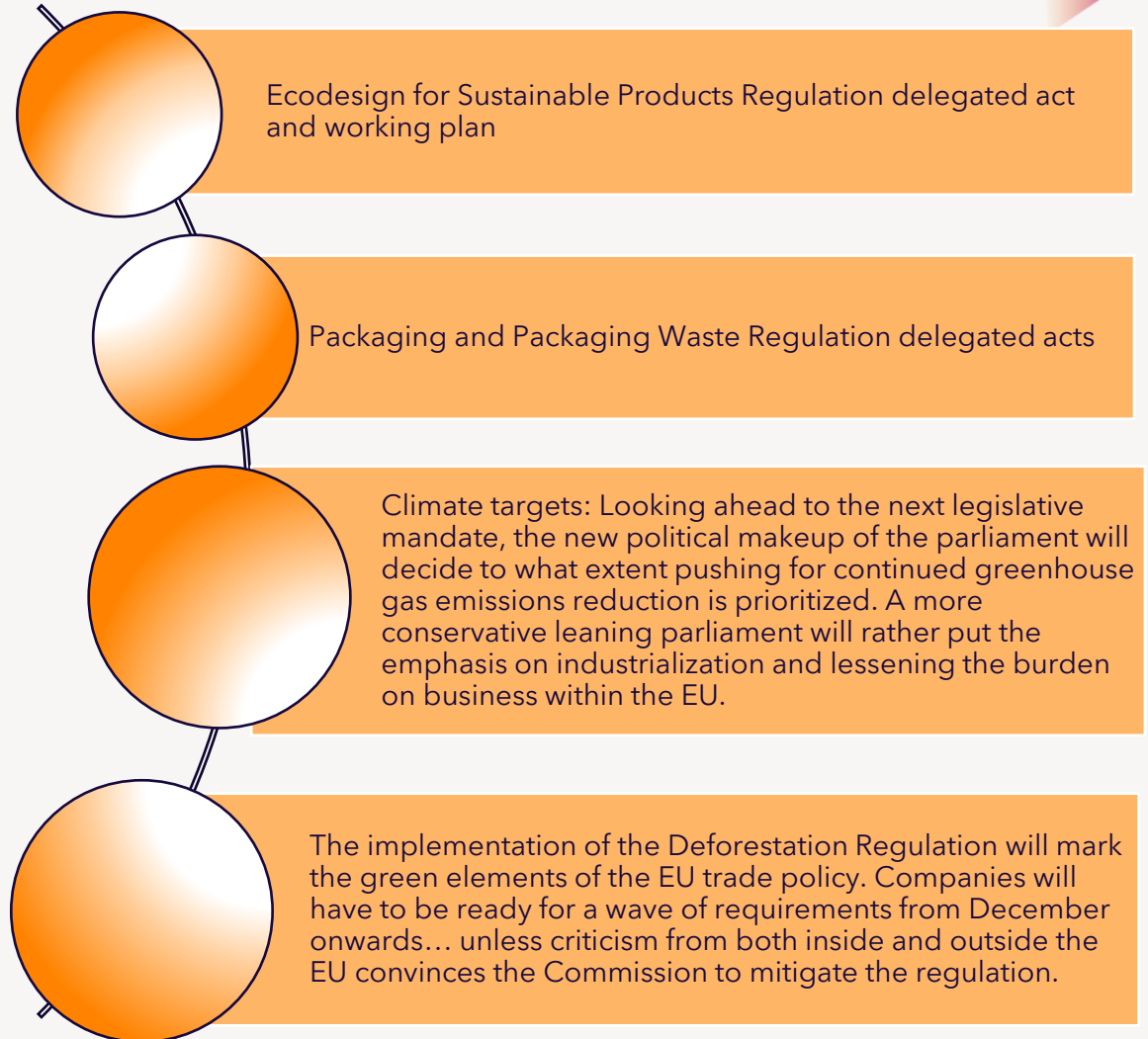


After European election.

Future perspective for the packaging industry

Despite potential political shifts **towards the right-wing** parties that may prioritise industry interests in the new EU set-up, **the implementation of circular economy files is likely to proceed for years to come** for several reasons.

While the political shifts may influence **the pace or specific details** (secondary legislation) of the implementation, **the fundamental principles of the circular economy are likely to remain a priority** for the EU.



From the use of social media to data analytics and AI.

Lobbying is moving from the use of personal digital tools to the need to use AI powered solutions to run more extensive, fast and rigorous monitoring and scenarios drafting

No doubts digital technologies have been part of the toolset of lobbying and political communications from some years now. The use of dis-mediated communications, in fact, affected the relations between elected officials, institutions, advocates and citizens

This trend brought some positive effects in terms of increased transparency and process efficiency while it also led to some populist drifts and boosted polarization and over simplified messaging

But is now time that professional political advisors and lobbyists tackle the AI revolution.

While we can read any line written on any subject that has been debated in a public space, yet we have felt in these last years the weight of such abundance and taking decision has somehow turned into a demanding and complicated exercise



Our field experience and the lessons we learned.

Having developed the first AI based tools to track opinion and follow how an issue was being discussed within a group of stakeholders we have some clear ideas on the future

True is an innovative **semantic analysis and measurement system** designed by SEC Newgate to provide the market with opportunities **to acquire knowledge and to govern a company's reputation**, a factor which is recognised as being increasingly strategic in the activities of any organisation.

With True the reputation of an organisation or of a natural person is detected through **the analysis of all public sources** (media, web and social), and the content is textually analysed, identifying opinions, behaviours, emotions, all classified by using the Olson Circumplex Model.

Reputation is then assessed against five dimensions identified by scientific references taken from the most accredited literature and which are integrated in light of the most current trends (ESG).



There is no future without lobbyists.

While technologies will make us smarter and save some time will never offset the value of sophisticated human thinking

Is all this enough to state the future will be all made by AI powered solutions?

Will the future of lobbying be looking like a sort of technological “big brother” era where transparency, efficiency and fair advocacy will be granted by sophisticated technologies with no human professionals taking their responsibilities?

No there is no such future ahead of us. We will improve our ability to save time, to be more accurate and to invest human time in more rewarding and useful tasks but in lobbying there will still be high demand for sound and solid human thinking to take the best out of the endless output machineries will provide

No one such a human brain can still provide a more efficient and reliable capacity to make sense out of codes and available information



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