What would be effective practical steps boards can take today?

Two things helped me tremendously. First, to become much more efficient in delegating ‘tick-box’, backward looking tasks to committees and spend more time on strategic and long-term things with the full board - ESG and sustainability among them. ESG and sustainability do not belong in a committee. Because it cuts across all traditional (vertical) functions such as audit, governance, and finance and because of its strategic, long term nature. Secondly, start board meetings with strategically relevant items. Most traditional board meetings start with a financial update which I think is nonsense. By putting items such as ESG on top of your agenda you are telling everyone within the organisation that this is the top priority and that you take the time to discuss them as a board, rather than at the end of a meeting when everyone is looking at the clock to rush to the airport to go somewhere else.

What are more systemic obstacles and how can these obstacles be overcome?

For most boards ESG is completely new as a topic. Until recent everything was pretty straightforward and financial indicators and targets where clear. With ESG, expectations are never fixed, they are constantly moving. One day you approve a sustainability programme and the next thing you know is that it’s out-dated because targets (or your interpretation of them) have shifted. ESG it’s not a tick-box exercise. It requires a systematic change in your approach as a company and as a board, which means you need to be flexible and agile, keep your eyes open and move targets as and when needed. Let me give you an example...

Any recent insight, practice or ‘Aha! moment’ you found useful?

...an example of changing targets from a chocolate company I have been involved with that was also an Aha! moment. One of our targets was to become footprint neutral. At some point
during the implementation of our sustainability strategy, we decided to support cocoa farmers
to plant trees by donating saplings, because cocoa plants need the shade from trees to thrive.
We did this to support another sustainability target, but it also meant that the CO2 absorption
by these trees would, overall, make us carbon negative. So, we could have leaned back and
said we are done, we made our target. Instead, we adjusted the targets and continued our
programme to decarbonise our buildings and factories.

What is needed to be a good director in the twenties?

Board members are usually selected on past performance. But leveraging what you learned in
the past is no longer sufficient. ESG is the next big thing to hit boards after digitalisation.
Both clearly require board members to be educated constantly, to improve their knowledge
on the subject and keep up to date with developments. And, if I can make a suggestion,
INSEAD is a good place to start [laughing]. But there are many other ways. Two things are
key: really grasp how the world is changing; and decide what role your organisation wants to
play in that changing world - long-term. That’s hard work not just sitting there and enjoying
the wine because you’ve had great quarterly financial results.

How do I select directors? I try not to get excited about what people have done in the past in
their career, but I do get excited about where they want to go, their basic values, their
curiosity, their willingness to investigate and to keep learning. You need new and diverse
thinking to tackle contemporary challenges. Wasn’t it Einstein who said: “We cannot solve our
problems with the same thinking we used when we created them”? Ultimately it must come
from within. It’s a mindset and I spend a lot of time talking to candidates before I take them
on. And, touch wood, so far that has paid off.

Who or what is your key source of inspiration?

A few, and in different ways. My 4 children help me see things through the eyes of the new
generation. INSEAD clearly helps - for what it stands for as an institution, and my role allows
me to meet professors and students frequently. Both are definitely a great source of
inspiration. Also, I always find new things to do. For example, I started an investment fund
with a few friends, and we invest in things that are sometimes totally new to me. This forces
me to confront things I had no clue about - and that is very inspiring to me.

Any personal ‘sustainability sin’ you dare to share? What would it take to change it?

I have not changed any of my eating or travel habits if that’s what you mean? I’m sure there
are people who believe I have very few, others may think I’m a sustainability disaster. It all
depends on the perspective you take. I don't tend to think about it that way. I do however
critically review the things I do by evaluating the trade-off. For instance, I consider whether
the reason for talking a flight is more impactful in making the world a better place than the
CO2 emissions it creates. But, even here, I guess, expectations and my interpretation of them
are not fixed. So, who knows what personal sustainability sin I will discover tomorrow? Your
question already makes me rethink.

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