

## AN INTERVIEW WITH DR. ANDREAS JACOBS

### Integrating sustainability into strategy, governance and culture



Dr. Andreas Jacobs is an entrepreneur and philanthropist who has served as NED and Chair on many boards. Today, most notably, he sits on the Jacobs Family Council and is Chairman of the board at INSEAD.

This interview was conducted by Ron Soonieus, founder of Camunico, Senior Advisor at the Boston Consulting Group and an Executive-in-Residence with INSEAD. The interview first appeared in the Camunico Bulletin, a global briefing on Sustainable Corporate Governance. The bulletin aims to inform, inspire and motivate corporate directors, investors and executives, enabling them to accelerate business as a force for good. It showcases examples, and the people who make it happen. If you are interested you can sign up here, its free! ([click here](#) to subscribe)

#### 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 were 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 taking 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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