

Take on Board

Transcript – Helle Bank Jørgensen



Hella Bank Jorgensen and Stewards of the Future: what your board needs to know

Helga Svendsen 0:00

Today on the take on board podcast, I'm speaking with Helle Bank Jørgensen about her new book "Stewards of the Future: a guide for competent boards". First, let me tell you about Helle. Helle is the CEO and Chair of Competent Boards and a board member of the Danish Canadian Chamber of Commerce. She has a long list of previous boards, including Chair of the Canadian chapter of the UN Global Compact, Finance and Audit Committee for the International Institute for Democracy and electoral assistance, and the board of the European Policy Center. Helle is an internationally recognized expert on sustainable business practices with a 30 year record of turning environmental, social and governance risks into innovative and profitable business opportunities. In 2021, she was chosen by the World Economic Forum as an expert for corporate governance, leadership and emerging multinationals. And as I mentioned in the introduction, Helle is the author of the newly published book :Stewards of the Future: a guide for competent boards". Welcome to the take on board podcast, Helle.

Helle Bank Jørgensen 1:05

Thank you so much, Helga. It's such a pleasure to be here with you.

Helga Svendsen 1:09

It is fantastic to be here. We've already had a half hour conversation about Denmark and about name pronunciation and all sorts of stuff. It's still lovely to talk to somebody.

Helle Bank Jørgensen 1:23

Definitely sharing part of the last part of our last names are the same, and it's a good way to see if you're somehow connected to Denmark.

Helga Svendsen 1:32

You must get this all the time, as well as like, Oh, are you Swedish? No, Danish Sen. S O N are the Swedes. As soon as I got the email back from your assistant, I would also like to know if you're Danish, it's like, well, yes, I am. But you can tell from my accent that that's quite a long way back. Now, in some ways that conversation is digging about your background. And as always, before we talk about ESG, and competent boards and Stewards of the Future, I always like to dig a little bit deeper about my guest. And this might reveal some of that as well. So can you tell me a story about young Helle that tells us a bit about how you got to where you are today?

Helle Bank Jørgensen 2:13

Well, that's that's an interesting question. And well, when while we're now talking about Denmark, yes, so born in Odense, which is the same city as Hans Christian Anderson, the fairy tale, storyteller was born, I'm afraid my storytelling is not as good as his I'm just warning everyone. But I do think I was very curious, and probably very serious from time to time and also wanting to have fun. But I was, well, I am only child. So I guess I got to ask a lot of questions been trying to, I guess, my whole life to see not only hear the fact but also question the why is that? And how can we do things better and trying to see the opportunities. And I guess that's how I got into all of this in terms of what we now call ESG. But we called environment and health and safety and responsibility and sustainability. When I was a business lawyer, by training, I was studying to become an accountant. And I read a newspaper article by a professor from the Danish Technical University, and I was clearly not at the Technical University. And, frankly, that was not what I was good at, when I went to school, all of those chemical that was not my my favorite. But I found it so fascinating. He was writing about lifecycle analysis. And if we could have a lifecycle analysis, then we could start saving water, we could start saving on waste, not having to waste energy, etc. So I was at that point, you know, about to do my master's degree, picked up the phone, and I called this professor that was interviewed and say, Now, I have six months to do my master's degree. Can you use someone like me? And I would like to see if there was a way we could put the externalities and can we price text analysis, these lifecycle analysis and lo and behold, he said, Yes. Why don't you come to Copenhagen and Helga, you you, you know, Denmark a little bit. It's not the largest country in the world, but I basically took the train from Odense to Copenhagen got lost, and ended up and then he said, Yes, I can indeed be there. And he sent me to the Danish still work, where I did the world's first green account. So I can, I can thank him and And that journalists that wrote that article for basically my whole career. I guess that's a little bit of a story.

Helga Svendsen 5:09

Well, there's a couple of things in there. Firstly, I think you can tell stories quite fine. Thanks very much, you clearly the town where you're from you and Hans Christian Anderson's storytellers. But the other things I love in there, I love that you just picked up the phone. I've seen this, I think I can help. And not only did you say, I think I can help or I think I can make a contribution. The professor said, Sure, come and play with us how fantastic.

Helle Bank Jørgensen 5:34

I don't know how but I think I did the same when I came to pw Pricewaterhouse at that point. When then to a partner, and said, We should start to work on how to report on environmental issues, again, at that point was mostly environmental issues. These should audit this. And for some reason, he gave me 50% of my time to actually build the practice, while the other 50% I promised that I wanted and I should study to become what we in Denmark my call state authorized public accountant, which is CPA. Yeah, I was probably a little bit different than most of them. And I asked a lot of questions also at that point. That's what we have to do. Right. And I think that's what also board members, it's kind of we need to ask those questions, turn to stones.

Helga Svendsen 6:32

Well, let's go there next. Although, sidenote, that was the other thing I heard in there, parents, all of you parents that have got kids that are constantly saying, Well, why does this happen like this? And why why why just file that away parents because maybe in 2030 years time, that child, very curious child of yours, he's going to make a fantastic board member?

Helle Bank Jørgensen 6:54

And maybe before, right, because I think we need to actually start listening more to the young voices, and not necessarily perhaps take them around the boardroom table and say you have a fiduciary duty, but definitely listening.

Helga Svendsen 7:09

Well say we're into it already. So you've just published a new book for boards, or maybe not just for boards around being competent stewards of the future. What are boards need to know? And what do they need to think about to be those competent stewards of the future?

Helle Bank Jørgensen 7:25

I wrote the book based on our ESG. And climate comes in boards, certificate and designation programs. What I do in my daily work is educating board of directors, executives, invest investors, asset managers to understand what I call the ABC of ESG. And climate. And I started, you kindly mentioned that I worked 30 years in this and I just said that the first green account, I also did the first integrated report in the world. And I've had this fantastic opportunity to work with so many world renowned leaders. And one of the things I saw over and over was that if the board of directors were not on board did not understand sustainability, did not have that mindset of what it was that we need to look at to be profitable as companies to have the innovation. Well, then it's just a pet

project. So I started to say how do we ensure that we have that insight and foresight around the boardroom table to make informed decisions when it comes to environmental social governance issues? Have 150 over 150, now global leaders, leaders, board members, executives, investors, experts from all over the world who are now contributing to our programs. So what I did with the book was to say, okay, you know, I want to please, please, please come and come and get trained and educated, but probably there will be a lot of people that need that. I think they need that mindset, but not necessarily coming and going through the programs. But if I can put it into a book, then hopefully I can give more people that insight. So yes, you know, "Stewards of the future: a guide for competent boards". It's not only environment, social governance in its smallest its climate, it's also anti corruption. It's responsible use of data and cybersecurity. It's the Sustainable Development Goals. It's human rights, your supply chain issues. It's how we talk to our stakeholders, our shareholders. And also, what does the future of good corporate governance look like? How do we deal with all of those dilemmas that we are faced with every single day? And I tell you, we kicked off this competent boards movement in Davos during the World Economic Forum back in 2019. It's not that long ago. At that point, there were very few that agreed with me that we should have board of directors that knew about ESG. I mean, those were Paul Polman, who was at that point that the CEO of Unilever to Michael Tresco was that point that the chair of Unilever team Hockman, snabb, who was the chair of masking seem and some investors, I mean, fantastic people, but a very small group, most was saying, that's not something that board of directors should should care about. That's the CEOs, job stewards of the future, because I believe that we as board members, we are the ones who should look out a little bit further. We are the ones who can see what is it that's coming at the company, we are the ones who need to ask the questions, are we prepared for that future? But also our stakeholders? What do they expect from us? And are we able to in the future answer to what they are demanding from us? That was a long, long answer.

Helga Svendsen 11:30

I know, there's so many things in their own to explore. So I'm gonna come to maybe some of the principles that you've talked about in a moment, like stakeholders and, and, you know, incorporating human rights and climate and supply chain and so on. But before I do that, because you mentioned, I think it was the chair and the CEO of Unilever, we're on board early on board, no pun intended. Can you tell me the Unilever story in that regard, because I'm wondering what it was with them, that had them on board. So early in this when nobody else was really talking about it, because I feels like now, people are all talking about ESG, only a couple of years later, but they had the foresight to get on board early.

Helle Bank Jørgensen 12:13

I can tell you the story I like to tell. But well bowling game with a lot of views and ideas, values. But the fun story is that this was due the COP in Copenhagen, and I was placed at a table with this new CEO for Unilever. I actually audited and I actually helped Unilever in Denmark in terms of their sustainability reports. And let's be honest, I had a little list of things that I thought would be fantastic if a company like unit level would do. So I started on my list. And I don't know, I should probably

have known that this was not the local CEO, but the global CEO. But nevertheless, you know, I hope that he took one or two things from my list. But no, that was the values. It was a mindset, it was the strategy. And that strategy is where we also need to have the board to say when is it that we are pressing the speed? Or when is it that we are pressing the brake, but you need to have, again, the board on board with that strategy. And I think we have for long time been saying, oh, yeah, the management is coming with the strategy, and we are nodding, and then let's go to dinner. That's not the role that I see. I think we need as board of directors, to ask questions to say, have we thought about this? Have we done this? What what are we going to do in this? When can we press the speed? Or when can we when should we press to break? They'll be more engaged? I'm not saying you know, it still fingers out nose in right. But we need to we need to ask those questions. And we need to have that. And I think Paul Polman did a tremendous job in creating that culture very quickly. He went out and said, Why do quarterly reporting no one on making a return on investment in three months? If you go out and do some innovation, I mean that's that's not going to turn in well if it if it is then call me I'm I'm investing. But But yeah, so I think it's about being bold and have that courage, but also being able to communicate that to the market. And that's where I mean you let's not named but you have seen others doing fantastic job perhaps, but not really been able to communicate it both to the board of directors and to the market. And then it's stuff that is not working. Right? Yeah. And

Helga Svendsen 15:02

It's interesting in there. So you happen to sit next to him at the dinner. It was Paul, wasn't it? That's this global CEO. Yep. Yep. You happen to sit next to him at the dinner, you happen to have something to say about it. You say it, you sound to me, much like that phone call you made to the professor many years before you are and never miss an opportunity person, which I love. It is one of my guiding principles. Never miss an opportunity. But what's really interesting in that Paul listened. And you mentioned that much earlier about listening. And you talked about listening to young voices, but listening generally to voices. And presumably in that conversation, you had a bit of a different perspective to what he had. But he still listened.

Helle Bank Jørgensen 15:43

That is such an interesting point, you're bringing up Michael Tresco, who was the chair of the board that I've been also got the chance of meeting and ever had many good conversations. And then he was actually the person that said, okay, then you go and put competent boards in place. And here are my advice for it. One of the things that Michael took, and I've had discussions about was this long term, short term, where he said at some point, well, you know, long term is to make the right decisions in the short term, but also to listen, and make sure that every single person around that boardroom table don't have a question that goes on answered. And I think that goes back to you have the role of the CEO, but you also definitely have the role of the chair, where we need to have the time to discuss those strategic issues. Where we probably have been very focused on which, hey, as an accountant, as a lawyer, I would say compliance is important. Definitely. But I think we really need to have that focus on what's not only the purpose of the business, but also what's the purpose

of the board? Yeah, why are we here? What's our job? What do we want to leave after this? And have that conversation is very important. And I see it I mean, in the book, I've put some questions and a little assessment tool into the book, because often we talk, and we think that we're seeing the same, but we're not necessarily really understanding the same and an assessment tool I put put in will kind of like show how we aligned. And when we aligned, we can start figuring out, are we happy? Are we satisfied with where we are? Or do we want to transform to something else?

Helga Svendsen 17:40

How are we aligned? I like it. Are we aligned? And if not, what are we transforming to? I'm wondering, I don't want to steal your thunder from the book. But can you share with us some of those assessment questions that boards can think about?

Helle Bank Jørgensen 17:54

For all chapters there are. So I can see here from the first chapter is about directors dilemmas, let me see if I can if I can go to the very first question of those. And by the way, there is a case study in all of them. And the case study, the first one is a Shell. The first question of the 10 key questions are, how often does your board discuss different scenarios that may impact the business in the future? The next, how often do you discuss whether management has the necessary expertise and resources to respond to a disruptive environment? And three, how do you know if your corporate culture encouraged sustainability and the overall purpose you have set for the company? Does your boards behavior reflect the behavior expected throughout the company? So So and that's kind of like in terms of the dilemmas and then there's a chapter on ESG and climate and human rights and cybersecurity, etc, as I said before, so that's kind of where we can reflect. And to me, it's not saying, Okay, we have silos, it's having that integrated mindset, where we can look at things from different angles. If there was a playbook saying, Okay, this is what you need to do, then we don't need us as board members. Yeah, we are there to ask the questions to come with our different perspectives. And I think that's diversity, equity and inclusion, by the way is another chapter. You know, we need to make sure that we have that diverse mindset around the boardroom table, then we can disagree. But then at the same time comes to a consensus on like, okay, what are we going to do? That's what we're there for. Right? We are there to make those difficult decisions.

Helga Svendsen 19:55

You know, here here on your diversity and inclusion point, listeners of take on board will know that I'm always, I think in the nicest possible way banging on about how diverse groups make better decisions, and they make better decisions when there is inclusion in those groups as well. You know, the evidence on that is just so incredibly clear and diversity in all its shapes and forms. You know, in years gone by, you're an accountant as well and years gone by people that oh, we need an accountant on the board. We need somebody who can look at the finances and understand the finances yet we all know that inverted commas, the accountant on the board isn't the only person

that needs to understand the finances, we all have our responsibilities around understanding it, even if we're not an accountant. And even if we know nothing about numbers, we are all responsible. I feel like ESG is the same. You can't just get your inverted commas ESG person on the board? Oh, Bob's the ESG person, what do you say, Bob? Oh, Bob says it's okay. All right. Well, let's charge ahead. It's something that all board directors need to be able to turn their mind to some of the principles, some of the questions. You know, as you said earlier, the values, the mindset, the strategy around it, even if it's never crossed their mind at all.

Helle Bank Jørgensen 21:06

I totally agree. And I'm hoping that the book can give people kind of that views and inside and hopefully a bit of foresight as well. But I think you're touching on something that's very important. And that is should we have an expert on everything? That's not what we're looking for, right? We're looking for Board of Directors, we're looking for directors that can ask questions, but are so informed. I mean, we have a duty of care to be informed. But we can see at the moment that we have ESD popping up in the charters, we have special committees, I think the special committees are good to kind of like really dig deep. And because we don't have as much time as we would like, around the boardroom table, all of us. So to have a committee that can take that. But that does not mean that we should not in do your audit committee. We need to make sure can we actually sign off on this data being that climate being that ESG data? Can we trust the data? Do we know what we're measuring? Do we know how we're measuring? What does good look like? Are we putting you know, nice targets out there and greenwashing or green wishing we need to have that we in governance committee are discussing we need to make sure it's this entire into the incentives? Yes, we need to make sure that we have when we nominating new board of directors, what are the questions we asking there? So we have that? And if you ask me, I believe yes, we should all not be experts. But we all need to have the insight because this is the most strategic. I'm not saying ESG as such, but I'm saying all of these different dilemmas that are touching the board agenda at the moment and torching companies. I say from time to time, when I took my exam, a state authorized public accountant, there was a question about how much can you deduct in bribe? And you could, oh, my goodness, I'm not that old. Okay. But in 97, you could deduct 10% and break?

Helga Svendsen 23:26

Oh, my goodness, that is when did it change? Or has it changed?

Helle Bank Jørgensen 23:31

It was a time where it started to really change. And so I think what I'm trying to say with that, and you may be also able to remember when we could smoke in the airplanes, yeah, I mean, only back. But you know, you're not going to be judged on what it was at that point. You're not going to be judged? And what is it that we think is the right thing to do today? We are going to be judged? And what do we what do the people think tomorrow in the future would be the right thing. And that's

why I'm keep saying, let's listen also to the younger generation, because they're the ones who are going to judge us? Yes, they are judging us.

Helga Svendsen 24:12

Well, and they should, they should judge us on our performance. They're the ones that will have to, unfortunately pick up the mess of our lack of performance in a whole range of areas. Yeah, they should be doing, they should be judging us and they should be involved and we should be listening.

Helle Bank Jørgensen 24:27

And I think we are all the words have the pleasure of engaging with their listening, right? And they are also seeing the benefits of listening. They're seeing the benefits of understanding all of these different aspects and be able to be proactive, instead of reactive. I think we all know how awful it is if suddenly we see all of these things coming at us and we have to react. Why not? Be proactive and say okay, well What could come at us? How would we act? If this happens? How can we listen to our stakeholders? What is it that they expect? How can we communicate to them in a way where they will say, Okay, I might not agree. But at least now I understand and to follow the law, even as I am a business lawyer nowadays, there's not enough?

Helga Svendsen 25:22

Absolutely. I think that if boards, organisations, whoever are groups of people making decisions, are proactive and have foresight, and make the wrong decision, they probably won't be judged as harshly as those who avoid the decision, it's better to make the wrong Future Focus decision than to make no future focused decision. In some ways.

Helle Bank Jørgensen 25:44

That's true. I mean, that's the theory. Right. And you can see, I don't know in terms of from Australia, but I know other places around the world where it is that the courts are looking to see Did you ensure that you had an effective system in place? Did you discuss these issues? And yes, I mean duty of care. That is that we are discussing it. It's not necessarily that we know what's going to happen in the future. I wish we all knew. But at least that we have done our homework, we've asked a question, we have ensured that we actually can provide the oversight that we are responsible for.

Helga Svendsen 26:23

Oh these conversations always go too quickly. I'm wondering, what are the key things you want people to take away from the conversation that we've had today?

Helle Bank Jørgensen 26:33

It's a good question, I guess, understand, as I said, the ABC of ESG and climate be curious, but also be serious. And I think one of the principles I talked about in the book, actually indigenous, the seventh generation principle, that whatever action you take today, will that keep the planet the land, water air, where we live sustainable seven generations from now? And I know, please do read the whole book. Right. But But I think I think that that principle can actually get us a long way. And the other thing is that listen, and I really believe that the time where we could say, Yeah, well, they don't understand and we don't need to listen to stakeholders, you know, look at the asset managers, we have a proxy season coming up. And if you look at what it is that the Blackhaws, the State Street is the reverse that, you know, you name them, they are all asking, do board of directors have climate expertise, ESG expertise, if not expertise to actually oversee this. And I think we are in a situation now where it's not enough to just have a committee, we need to actually have in the annual report in the governance report that we say yes, we have x number of board members of hopefully the full board that have gone through some formal training. And our sorry, is not enough. Yes, that's self serving, I would say go through, you know, something like the global ESG competent boards, certificate or designation program as well as the climate program.

Helga Svendsen 28:27

That probably answers at least part of my next question, is there a resource you would like to share with the take on board community? I don't know maybe a book or a program that you might be able to suggest for us?

Helle Bank Jørgensen 28:38

Well, the book, yes, of course, my own book I can I can come with a long list, Mervyn King. That's also part of our faculty has a new book out as well as so as does Paul Pullman and or Winston was a part of the faculty. But if I am self serving here, the "Stewards of the Future: A guide for competent boards". So my my own book that got to be an Amazon bestseller within the corporate governance category, I would of course, like to mention and yes, we have I pad this today, I had actually a person from Australia, in our global ESG competent board designation program. We also have the certificate program, but the designation program, and we have almost all of them, we have, you know, a few people from Australia, learning from all of these people from around the world. I'm joking from time to time, I'm saying we have all continents except from Antarctica. But I guess that's

Helga Svendsen 29:43

I will make sure I put a link to both of those things in the show notes to the program and all programs. So thank you, thank you for taking the time to share your incredible wisdom with the take

on board community today. There is so much in there for us to think about and I really appreciate you I'm taking that time to be with us today.

Helle Bank Jørgensen 30:03

Well, thank you very, very much for having me and thank you for that executive system. I can tell you I have the Martin Wolf from Financial Times to a lot of other global leaders that have praised the book. So I hope that you will like it as well.

Helga Svendsen 30:19

I have no doubt it will be abused. So I'll let you know when it comes up.