

CHANNELLING YOUR INNER GRETA

Switched-on non-executive directors will ensure climate change remains on a board's agenda



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The exciting world of the non-executive director (NED)! Just as you thought we were emerging from Covid, companies are thrown back into the choppy waves of 'climate change, with a surge of motivated interest groups, governments and 'woke' investors. With plenty of isolation time to fill during the pandemic, COP26 and the plethora of climate change documentaries and shows became avid viewing. The increasing profile of the 'eco warrior' became galvanised by the enigmatic personality of Greta Thunberg.

Climate change is increasingly on the boardroom agenda and rising up that agenda with a vengeance. The climate change maelstrom is demanding that all boards demonstrate their eco credentials. The investor communities, through the pension and investor funds, have switched on to the consumer mood, especially the giant public pension and sovereign investor funds, who are looking to 'do good' as well as advance their portfolios. Also, the leading investment management companies are seeking to respond to their consumers and also recognising the waning potential for growth in 'unwoke' companies and sectors.

There are still boards where the response to this growing pressure is somewhat parochial, seeing Greta Thunberg as unrealistic, childish and out of touch with reality. They fail to recognise her as a catalyst, mobilising her generation to a greater awareness of the global impacts of climate change on their futures. In addressing this climate imperative, she is not addressing our stale and pale boards, but a generation who are open and ready to listen to her powerful strategic message.

It is this strategic message that the NEDs on boards are uniquely placed to translate into the realities of corporate plans and actions, guiding and supporting the executive leaderships in their day-to-day operational focus. This message goes beyond the companies who are feeling the immediate 'bite' of climate change, such as the energy and food sectors, and translates to all companies understanding their role in the fight to save the planet.

This generational switch is upon us, the community pride of working for big oil and gas and other climate challenged sectors is tarnished. We are seeing increased direct advertising of sustainable investment opportunities aimed at consumers. The lobbying groups are increasing pressure on governments, companies, employees and consumers, with a daily newsfeed of what we should be doing to address the real issues. There is a call for 'action this day', encapsulated by the generation who see their legacy being shattered.

"To all of you who choose to look the other way every day because you seem more frightened of the changes that can prevent catastrophic climate change than the catastrophic climate change itself. Your silence is worst of all," says Greta Thunberg.

It is the role of the NED to ensure that their companies are switched on to these external pressures and realities, especially where they are less direct and obvious threats. The NEDs need to ensure that the natural reluctance to change is overcome and the 'too slow' speed of change is addressed, and that their companies are matching the consumers and society in which they exist.

NEDs are uniquely placed to take this strategic generational 'cathedral

thinking' viewpoint, extending their knowledge and thinking outside the narrow confines of their companies and translating these waves of changes back to the practical reality and advocacy within their companies. Many of my generation will remember the frustrations as youthful executives trying to convince senior leaders and boards of the ground-breaking imperative of the internet, to be met with the reply 'the internet will never catch on commercially'. The ability of NEDs to translate the slogans, hyperbole and wild thinking of the classic organisational 'change curve innovators' defined as childlike, enthusiastic, chaotic, expansive and opinionated, into the language of the early adopters with structured, controlled and persuasive arguments that drive real organisational change, will be vital.

Well-informed and engaged NEDs should have the experience to understand and provide perspective on the jargon and consultant offerings, focussing on what, in reality, needs to be done. The switched-on NED will recognise the generational paradigm change and keep themselves informed and strategically aware from multiple sources. The wisdom and collective intelligence of the board should provide a real strategic perspective on the future waves of change, looking beyond a five-year horizon and focussing the business to prepare and build capability to translate these emerging challenges into practical business planning. It requires the NEDs to cut beyond the myriad of possible responses and support and guide the executive leadership to make the right moves and understand

STOP GLOBAL WARMING

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**IGNORE
GRETA AT
YOUR PERIL**
It is the role
of the NED to
ensure boards
are clued-up on
climate issues

an uncertain future. It is up to the NEDs to ensure they themselves are appropriately informed, taking a wide and strategic perspective outside the company viewpoint. This requires an engagement, motivation and command of the subject, with open right-brain thinking combining with a structured, left-brain to understand the themes and implications of the challenges ahead.

The threats and danger of companies paying lip service to this changing paradigm are clear. We are seeing climate-ready advertising with inspirational and progressive language emerging from companies. Again, it is the role of the board and NEDs to ensure this is reflective of how the company is actually operating and is not just 'greenwashing' talk with minimal actual change, to avoid reputational damage as the reality becomes clearer or exposed.

With COP26, 'grey men and women' denied Greta Thunberg a conference speaking opportunity provided in previous years; this 'disrespect' has enhanced her 'iconic' status in the eyes of her generation of young followers. Boards and panels need to demonstrate they are not 'tone deaf' to this generational scream for change. Also, the growing existence and prominence of lobbying groups like ShareAction, are indicative of the growing investor traction on the performance of boards in relation to climate change.

It will be a personal and professional challenge for NEDs to get themselves climate-competent beyond the annual presentation by consultants to the board. There are increasing levels of support and education for NEDs to tap into, such as Chapter Zero, whose purpose is 'to build a community of NEDs and equip them to understand the risks and opportunities of climate change and lead crucial UK boardroom discussions on the impacts of climate change'.

We are looking at a young generation who understand the realities of climate change better than we do, however, these young people do not have the solutions – and why should they? It is up to their parents and grandparents to take these realities and do something about them. It is fitting to give the last word to the voice of that generation, Greta Thunberg, when addressing the UN Climate Conference 2019.

"Right here, right now is where we draw the line. The world is waking up. And change is coming, whether you like it or not." 🌍