

LEADING THROUGH DISRUPTION



We Cannot Pass on the Responsibility for ESG to Future Generations

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Dr. Spyridoula Maltezou, CEO and Founder of Sustaim and Board Member at Thrace Group, shares her key lessons on corporate ESG responsibilities for leaders and boards in this Leading Through Disruption interview with Anastassia Lauterbach, Managing Director of EMEA at The ExCo Group.

Lauterbach: Could you please talk briefly about your path and how you got to where you are today?

Maltezou: My major was chemical engineering. Very early on, I decided to work in environmental management. I spent some time at the Ministry of Environment. I was a member of the group that established recycling in Greece in 2002. I worked in international environmental committees related to ship recycling and protecting the Mediterranean Sea. I also participated in committees that prepared environmental legal frameworks in the EU.

At the age of 36, I completed a PhD in environmental economics. This is when I understood how to connect financial and legal tools with environmental technologies and frameworks. I built my own business to help companies on their path to sustainability, and a few years ago, I became a board director. During the initial years, the presence of women in the boardroom was limited. However, as the comprehension of the significance of diversity within Greek corporate circles improved, this dynamic underwent a transformation.

Lauterbach: What has changed on corporate boards since ESG compliance and governance rose to prominence?

Maltezou: In 2023, the CSRD, Corporate Sustainability Reporting Directive, entered into force. This Directive provides a clear, detailed framework for environmental compliance, social responsibility, and governance. The environment includes the sea, air, and soil, as well as manufacturing practices. Being concrete at every step is paramount—everything leads to shifts in financial metrics, after all.

Boards will eventually need to read sustainability reports like they examine financial documentation. While a solid grasp of key concepts is a valuable first step, ultimately, it falls to boards to review strategy and progress, including the value chain.

Not all businesses have advanced methods for gathering data, but we cannot overlook the importance of considering the significance of various elements of ESG and ensuring transparency. It is crucial for boards to be aware of who is responsible for ESG data, whether there is sufficient internal expertise, or whether an external advisor is needed.

Financial and business planning must extend beyond short-term goals, as boards now look 15 years ahead rather than just 8 quarters. To aid in this process, new technologies are being introduced to streamline data collection, analysis, and understanding of environmental factors and future trends that may impact a company's competitiveness.

Lauterbach: You are discussing shifts that challenge traditional boardroom skills. How do non-executive directors prepare to stay on top of their game?

Maltezou: Despite the increased focus on ESG considerations in Greece, progress towards change has been slow. The Athens Stock Exchange recently implemented a revamped reporting system to give greater importance to ESG matters and increase their presence on the board's agenda. This significant step has prompted more board members to actively seek knowledge and training on the subject. It is essential that board members are educated on ESG and understand the importance of actions towards sustainable operations, even if it means incurring additional costs for the business.

Lauterbach: What is the most important skill required to be successful in a board room?

Maltezou: A great director must have a vision and be capable of communicating it with his peers to facilitate strategic thinking within the team. A vision isn't possible without a deep understanding of the competitive forces shaping a company's future.

Lauterbach: What is the most exhilarating aspect of being a director?

Maltezou: As a director and an advisor, I hold the power to influence by asking thought-provoking questions and advocating for the integration of ESG in all aspects of business. I dedicate a significant amount of my time to delivering keynotes and emphasizing the significance and structure of ESG materiality. Unfortunately, it often takes natural disasters for people to recognize its importance.

Currently, Greece is facing several heat waves followed by catastrophic floods, prompting a call to action to connect the dots, analyze the value chain, and act. We cannot pass on the responsibility of ESG to future generations. Despite the challenges, I maintain an optimistic outlook on the environment.

I am convinced that individuals and corporate businesses can tackle the climate crisis by taking action. Every day, individuals can make a positive impact through their purchasing decisions, while boards and top management have the power to guide businesses toward a financially viable and sustainable future.