



Episode 11: Adam Heltzer ESG: Using finance to drive real change

Adam Heltzer (00:00):

Every job you have. You want to be a reliable co-worker. You want to be someone who's easy to work with. You want to be someone who can build consensus. You want to be someone who's intellectually curious. There are some things that, regardless of where you are, you almost take as your passport, just imagine yourself, 10 or 15 years from now apply to a new job. And someone says, can you give me some references? What do you want those references to say about the experience of working with you and try to uphold that vision of yourself?

Yesh (00:41):

I'm Yesh Pavlik Slenk, and this is Degrees: real talk about planet-saving careers from Environmental Defense Fund. ESG is the hottest trend in investing. It stands for environmental, social and governance. Think about the money in your investments. If you don't actively manage it, someone else is making the decisions for you about how that money is invested. Is it guns or coal or cigarette companies, or maybe they're investing in firms that prioritize cleaner energy and beneficial social outcomes. These decisions are responsible for moving trillions of dollars every day. And as we look to decarbonize the economy, this is a really big deal. In fact, my guest today came to the realization that in order to fight climate change at scale, he had to leave what he calls the "do-gooder" world and move into the corporate finance world to work on ESG. Today. He heads up ESG for a private equity group called Aries, and he says that his role is far from the window dressing that these kinds of jobs used to occupy. Now he says ESG is critical to value creation and every day Adam makes the business case that doing the right thing by the planet is profitable. We talked to Adam on January 21st, the day after the inauguration. So listeners pull up a chair, grab a cup of coffee and enjoy my conversation with Adam Heltzer. Adam. Heltzer welcome to Degrees.

Adam Heltzer (02:08):

Thanks, Yesh, it's great to be here.

Yesh (02:10):

Adam, I know that some of our listeners are probably shaking their heads right now. And they're wondering why have we invited someone who works for private equity on our show? Because after all private equity has not traditionally been the province of people working on sustainability, what has changed in the last four or five years that would attract someone like you to this space?

Adam Heltzer (02:35):

It's a, it's a great and a natural question. And I think private equity actually is a super interesting place to make a difference when it comes to social and environmental topics. And what's really changed in the last four to five years is I think that the actual business case for integrating sustainability into the way



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that a company operates has just become an overwhelming case. And everyone in the financial ecosystem, executives, CEOs, investors, lenders, consultants, the whole ecosystem is understanding that it's a critical part of business. And really in the long-term, any company that wants to thrive has to pay attention to these kinds of topics. There's also other things like, you know, the clients have asked more for it and you know, it's a very competitive industry. And so as you know, certain people come out and lead others feel more pressure to follow

Yesh (03:25):

Adam, when I talk about my job, I usually think about myself as a switchboard operator, plugging people and resources into each other so that they can scale their impact in their work. What metaphor describes your role?

Adam Heltzer (03:44):

You know, it's going to be a funny metaphor. It's a bit like a conductor of an orchestra, but not the one who's waving the baton and sort of is the center of attention. It's the one who's buried underneath the stage where the orchestra can see, but no one else can, because you know, this job at an organization that has a large, wide footprint works across many asset classes, many kinds of companies, really, what you're trying to do is to orchestrate a coherent message or coherent song among all of these different kinds of players, but doing so in a way where it's the people who are really leading the work. And you're just doing some light conducting of that work.

Yesh (04:19):

The field of ESG has boomed in recent years. Can you tell me a little bit about the origins of where we are today?

Adam Heltzer (04:26):

It's actually a super interesting journey. You know, you mentioned in your opening comments yesterday, about how there were some investments like tobacco or coal that, that were sort of off limits. That's one way to express your views about how to align your values with your money. And that's really where things started maybe 20 or 30 years ago, some investors would say, listen, I want to grow my capital, but I don't want it to go into companies who are, you know, providing products or services that are doing bad things for the world. And over time, that relatively simplistic idea about how to act on your values really began to become much more sophisticated to the point where you can actually ask yourself, well, what are the actual business practices of every company, regardless of what they're making. And so investors over time as they began to evaluate companies thought, Hey, there are a lot of ways that we can see whether this company is treating its employees fairly, whether it's managing its natural resources in a smart, responsible way and so on. So as, as competition about which investment manager



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could do this better, began to grow. I think the same innovation you see on the financial side began to cross over into the environmental and social management side

Yesh ([05:31](#)):

And prominent ESG investments now routinely outperform traditional ones. In fact, last year, the head of BlackRock, the world's largest investment management firm issued a letter to portfolio companies stating that finance professionals must consider climate change as part of their investment decisions. Larry Fink's letter was a bombshell to say the least, and it received attention around the globe. Adam, where were you when you read that letter? And what did you think?

Adam Heltzer ([06:04](#)):

Uh, that that's funny yet, because I think about where I was when I read the letter on my phone and it's a reflection of how we're always on the phone. You actually don't know where you are just sort of scrolling through your phone. So I was on my phone somewhere when I, when I read it. And, and I think you're right. You know, when you look at one of the world's largest asset managers, making such a statement, it does have a really important signaling effect to the broader industry because there is this tendency to think of these topics as at odds with financial returns or financial success. And so for an organization that's considered such an example of hard-nosed investing, saying, listen, if you want to be a good investor, you have to do this. It's the opposite of it being a trade off, it's actually consistent with being a good investor. It really, really sets an important tone to the broader industry and people in my role, you know, it's part of our overall mandate.

Yesh ([06:54](#)):

I should mention that Larry Fink just issued a new letter last week, after my talk with Adam Heltzer thinks letter is even stronger than last years. He urged companies to put climate change at the center of their strategies because climate risk is business risk. Corporate leaders are getting the message. Fink wrote: "no issue ranks higher than climate change on our client's lists of priorities. They're asking about it nearly every day." When it comes to business, though, there's a yin and a yang to this issue. There are the dire warnings, the tangible signs that climate change is already severely hurting companies in the fossil fuel business. But Fink urged CEOs to consider the enormous financial upside to moving to a net zero economy. He writes, "we believe that the climate transition presents a historic investment opportunity". We're posting both of his letters on our website, www.degreespodcast.org. I asked Adam how he felt when he read last year's letter. What was it about Larry Fink's letter that really changed how you did your work that day?



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Adam Heltzer (08:05):

I mean, I was in, in an office in my organization at the time you mentioned coming from the role of the "do-gooders", we're all trying to make systemic change. You know, we've got a short life here on earth while we're here, we want to make a big difference. And so as I read that letter and looked across my company, my former firm, I looked at different people and the different personalities you're working with. How do you kind of pluck the heartstrings of different kinds of people with different backgrounds to have their own epiphanies about the potential for these topics enter into the way that they see the world because, you know, finance just like every other industry has a particular culture. And so taking this as just one other tool in the toolbox of a prominent mainstream financial voice, promoting these kinds of ideas, you know, I began to look across the floor and say, how am I going to calibrate this message to that person, this person, person that build the overall case.

Yesh (08:57):

And now that that letter has sunk in, how do your investor colleagues react? How has their behavior changed?

Adam Heltzer (09:04):

Well, it's amazing. You asked before about what's changed over the last five years. And, you know, I picture a snowball of sort of gathering because there was a time where this felt like a, quite an extracurricular activity, sort of like I'm doing my work. And yes, I recognize that in general, the people who give us money, who trust us with their mind to invest it, they want to have this as a feature of the way that we do our work. And so we'll do it, but let's not make it too disruptive to the core activity of what we're working on. And since then, it's just become such a clear business imperative for companies in this industry that you don't have as much resistance. And you see it from all angles. If you work for a public company, you have shareholders who are demanding more and more and more of this. The clients, the private clients who, you know, companies in this industry invest on behalf of they're asking for these things more and more. Current employees are asking for this more. And more prospective employees are asking for this more and more there's competitive pressure. So as you look left and look right to your peers, as those peers move ahead, you also want to move ahead. And so there's just a recognition overall. I think that this is no longer an extracurricular activity, but has to be core to the way that a investment firm operates. And then you can sort of forecast what's gonna happen in the next few years, which is: those firms that are most successful in culturally integrating this into the way that they work will be the ones who actually deliver substantive, meaningful, impactful change in the way that they invest. Whereas you will still have some large number that are still more on the window dressing side, doing what they need to do to maintain marketing appearances, but maybe not following through on much of the actual impact.



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Yesh (10:41):

And how does it feel for you as a professional leading the conversation on ESG in your portfolio, but you know, in the industry at large, how does it feel to be on the brink of this new hot trend?

Adam Heltzer (10:57):

You know, I'm going to keep talking about metaphors that I visualize. I picture a wave surfing because you know, you never know how your career's going to go. Careers spend decades. They go in seasons, but right now is a really great season for this particular line of work.

Yesh (11:14):

I feel the same way, but let's get practical for a minute: on a day-to-day basis, this is a really big job. I mean, you are setting up the infrastructure for your portfolio companies to do the work. And then you're also trying to inspire your peers in the business world and in the investment world to do the same thing, to create that important ripple effect. How hard is this?

Adam Heltzer (11:42):

I don't know. I mean, does it, does a fish know that it's in water? How hard, how hard is it to run a podcast, Yesh? Um, it's hard. It's hard, right? Of course it's hard, but you know what, what's the quote, anything that's worth doing. Of course it's going to be hard or, you know, if it ain't hard, it ain't worth doing, but what's the kind of work that I, that I love. And it's a, it's been a meandering path to get here. The idea that this work could actually materialize into meaningful change in the way that companies operate is incredibly exciting and how I got here. It's in contrast to other ways that I've tried to have an impact on the world. So it's difficult, but incredibly rewarding. If you're asking you about what parts of it are difficult. You know, I think it is in the current moment about that, that the question of mobilizing others. You know, Ares is a company of 1500 people, probably organizations, similar sizes. And if you count all the different financial partners and others who are trying to influence it easily gets into the five digits of different kinds of organizations, entities, individuals who are trying to actually change the way that they think. And so one thing is actually demonstrating the substance of the impact. How can you demonstrate that practices have changed? How do you measure that? And then how do you communicate what's important about that and how do you scale that? How do you make sure that a change in an approach to climate change at one company could actually happen at a dozen companies or maybe 25 companies, or maybe a thousand companies. You know, that's about climate change, but there's a whole long menu of sustainability topics that we think about: inclusion, diversity, health, and safety employee engagement, employee experience. And so for all these different topics, which are in their own right messy, hard to organize, hard to measure. That really is one of the core challenges.



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Yesh ([13:30](#)):

Well, now I'd like to go back to the start of your journey and how you wound up at Ares. At this point in your career, you did something that people rarely talk about. We're used to hearing stories about how people climbed the Fortune 500 ladder over a number of years, and then chucking it all during a midlife crisis that probably involves a convertible of sorts. And they decide to completely dedicate themselves to a career with meaning. And on the surface, one could say that you've done the absolute opposite. I don't know anything about your convertible status, but you spent well over a decade working for what you called a "do-gooder" organization. And when you started your career, you probably wanted to save the world. Is that right?

Adam Heltzer ([14:17](#)):

Yeah, I think that's largely right. I, I grew up in the suburbs of Washington DC. My father was a career civil servant worked on, on labor rights issues. And so when I went to college, I thought, you know, my career should be dedicated to something that's improving the world in some way. And life would be tied somewhat to government just based on where I, where I grew up in the culture of my family.

Yesh ([14:39](#)):

Well, that is a far cry from where you are today. Are you a big planner? Did you have a vision for moving from government to the business world or was it something else? Can you talk about how you figured out your path?

Adam Heltzer ([14:52](#)):

Sure. It's been a long and winding path. It definitely has not been a straight line. And I guess the first thing to say yes, is that anyone who's experiencing anxiety about needing to have that north star relatively early in their career, it may not be easy to just switch it off, but let me give you comfort. You don't have to have a clear destination, have hypothesis and work on testing those hypotheses. You don't have to know upfront my hypothesis when I was 21 years old coming out of college is that I wanted to be in international development aid. So I found a job with the government in a very depressing office in Rosalind, Virginia, fluorescent lights and khaki pants. I did learn a lot, but I really wasn't the job for me. So I pivoted, I did something that was somewhat adjacent in the private sector for a small consulting firm, working on infrastructure, build out in Latin America. And there, I learned a lot about what motivates me. I had a great boss who knew how to manage me and got me excited about having an impact.

Yesh ([15:47](#)):

So after working for that consulting firm, you wound up at what sounds like a dream job, working at the World Economic Forum, you focused on international agriculture. And at some point while you were



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there, you thought maybe I should go to the other side. Maybe I should cross over to, I don't know. Maybe you thought about it as the dark side. Where were you when you decided that to make meaningful, scalable impact, you needed to leave the, do-gooders to keep doing their good and work with folks on the other side?

Adam Heltzer ([16:19](#)):

Uh, it's funny, because you're asking me where I was at different moments and this one I can, I can sort of picture it and it's really uninteresting. It was in, I was in the office again.

Yesh ([16:29](#)):

So your best "aha moments" are always in the office.

Yesh ([16:33](#)):

Yes, always in the office, in my, in my business, casual at my best business, casual walking down toward the coffee machine, you know, it'd be better if I was in a park on a bench, looking out to the horizon and the sun was setting and I have this amazing epiphany, but not, not. So, um, and, and I have to give the World Economic Forum a lot of credit because their mission at the time, it was quote "committed to improving the state of the world". And I think people who observe the forum, they picture Davos. They picture CNN, they picture fur-lined parkas in January, but there's a really beautiful original concept behind the event when it started 45 years ago, which is that business has a role to play in addressing complex societal issues. That was the first premise. It was a first gathering of business executives. And over time that mission has evolved to say the most pressing global complex issues require collaboration across the private sector, the public sector and civil society. And so that seed was already planted in my brain from my time at the Forum. I think then as I was thinking about leaving the Forum exiting to a next challenge, the question was where could I have the most impact I was looking at job opportunities outside of the forum and had a different sets of hypotheses around where that impact would be. And I really stumbled across this job posting, which I think the title was "responsible investment professional", which I thought was a really funny sounding job title. I've never heard that before.

Yesh ([18:03](#)):

A spy job, or something...

Adam Heltzer ([18:03](#)):

It's not, it's not a real job. It's just, it's a cover for something else. And also it was the first time that I even heard this funny acronym ESG. And interestingly at the time, the industry was looking for people who understood sustainability issues and didn't need to have deep expertise in investment or in finance. It was more important to have the sustainability expertise and then learn what you needed to do about



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the investment process. And that's where it became clear. There was so much opportunity in Davos and the international development community. Everyone's on the same team in a certain way. We've got a shared set of values and objectives. And so in that sense of community of do-gooders is great to be around, but you're not necessarily changing minds, changing a system. And so, you know, making that transition to the investment world seemed a little bit daunting. It wasn't my native culture, but it seems really exciting in terms of, "wow, I think I can make a really big difference here if I can manage to understand the language of this community and translate what I think are the obvious vision for the future into this local language".

Yesh ([19:06](#)):

So I'm envisioning the part of the wave that you're on at this point in your career, you're bringing that social, environmental value driven expertise into the finance world. And you mentioned that you didn't need finance experience or a deep skillset at the time. Would you say that that's still the case?

Adam Heltzer ([19:26](#)):

Uh, yes. I mean, I think people who might be intimidated that, Hey, if I don't have an MBA and a CFA and a series seven certification, I can't get into this role. That's definitely not the case. I mean, I think increasingly as the competition heats up, because it's a great place to be, you will find more and more people who do figure out a way to get exposure to both, but it is more important to have that sustainability expertise, as long as you can demonstrate that you have the ability to bridge it to this other world and to give you a bit of an insight into it back then, when I made that transition, I remember some were cautioning me saying, it's great. You understand this stuff, but you have to be careful not to come across as a tree hugger. And so having, I guess the patience and compassion to say, this is a culture change exercise. It's important to have passion and have values behind it. But what you're trying to do is bridge these topics to a new kind of community, with a different kind of vocabulary. That's really important element of it. But to answer your question, you don't have to have deep investment expertise, but it helps to have at least an intellectual curiosity around how this world works. If you want to be most effective,

Yesh ([20:32](#)):

Your path, your combination of work, experience, your intellectual curiosity, I think really set you up well for this role. But you also decided to invest in your education at that time. You went to school and got a dual degree, an MBA from Harvard and a master's in public from Harvard's Kennedy School. Do you think it is necessary to get a specific degree to do what you do?



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Adam Heltzer ([20:54](#)):

I, I don't. I mean, I think there are lots of ways for people to build expertise in this area, through actual job experience. And you don't need to spend several hundred thousand dollars, or if you're, if you're fortunate enough to get a scholarship, maybe it's less of a consideration, but I think everyone should think about what the trade-offs are. It is a major investment could take you 10, 15 years to pay it down after you're done. And there are ways to build the expertise just by getting experience in finance industry and elsewhere. And there are other ways to supplement your training expertise that don't require you to take off two or three years of working life. It definitely is not the only route that you can take to do this kind of work. I think the overall lesson here is that with each subsequent job experience, I took some hypothesis around how could I do something that's a bit closer to the impact that I want to have, make sure I was reflecting on that? And then after each job ran, its course, figure out what the right next step was. And to give you a sense, when I was in college, I thought I wanted to be an ambassador that was sort of my big dream. And I'm pretty far from that right now. But I feel like I'm still only in the middle of my journey. I hopefully will have another two and a half, three decades of work ahead of me. And so I expect to continue to have that kind of pivoting experience.

Yesh ([22:02](#)):

Well, it's a long life and a long career, hopefully in both cases. And I think we have a lot of freedom these days to, to make those changes.

Adam Heltzer ([22:11](#)):

So I think that's right, but regardless of where you are in that, in that pivot process, you want to make sure that you're developing something to do with your personal brand. You know, every job you have, you want to be a reliable co-worker. You want to be someone who's easy to work with. You want to be someone who can build consensus. You want to be someone who's intellectually curious and that's maybe me projecting. So maybe it's different for you as a listener, but there are some things that regardless of where you are, you almost take as your passport and just imagine yourself, 10 or 15 years from now applying to a new job. And someone says, can you give me some references? What do you want those references to say about the experience of working with you and try to uphold that vision of yourself.

Yesh ([22:55](#)):

I'd like to get back for a minute to your career path. In 2015, you went to Partners Group, which is a multi-billion dollar--billion with a "B"-- Swedish investment firm. And you're working in that role specifically on ESG. What did you learn about the impact on investments when companies don't do the right thing?



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Adam Heltzer (23:18):

It's funny coming from a place like the Forum, where it was just taken as a given that companies should be responsible actors and their ways to do things the right way versus not. Then you get to this new community and new, a new language, and you learn about different way of saying the same thing. It's translated into risk, risk management, risk mitigation, reputational risk. So as we began to try to understand how do we take what we would consider to be givens in my former, into this environment, all you had to do really was look at the newspaper every week. There was a new example of how mismanaging environmental, social, and governance topics destroyed shareholder value in companies. You know, the example at the time that was always in my back pocket was Chipotle. Chipotle had these food safety issues-- I think it was e-coli--at a number of restaurants and their stock price dropped 40% in a day. And it took about four years for that stock price to recover. You think about all of the, what do you call governance? You know, the G of ESG governance, scandals Volkswagen, Toshiba, you know, huge headlines across the newspapers each week. They show that when you mismanaged certain ESG factors, it can have a really meaningful impact on value of the company. So it's not simply about, Hey, this is the right thing to do. Quote, unquote actually has an effect on the company itself. And how that's grown is that this reputational risk issue, I think investors themselves, especially the biggest piles of money in the world, which are in sovereign wealth funds run by governments in state pension funds here in the U S and California in New York elsewhere. They're more and more sensitive to these issues because their constituents and their pensioners are more sensitive to these issues. So I'll give you another example. There was a prominent state pension fund that was invested in payday lenders. And in that state, they actually had outlawed payday lenders. So their pensioners began to write it and say, wait, it's illegal in our state, but you're investing in those companies as part of our pensions. It doesn't seem right. And so the governor ended up having to say to the, to the treasury, listen, we need to sell our exposure to those companies and they just sell them at a discount.

Yesh (25:28):

How about when companies do the right thing? Tell me about a company that you've worked with, that you acquired because of its strong ESG record. And because it was good for your brand,

Adam Heltzer (25:40):

Lots of examples come to mind. It can take the form of the company itself has products and services that do good things for the world. And that you might expect tailwinds from that. As investors seek out companies, that they may consider an impact investment or doing something proactively good for the world. So examples, there are a company that provides energy efficiency services. We started this conversation about climate change. There's going to be an enormous demand for companies that are most successful. For example, in the residential real estate sector, saying that we will help individual tenants reduce their energy consumption by giving them more transparency into what their consumption is relative to their peers. Other companies in the healthcare sector that are kind of



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improving quality of care, lowering the price of care on the practices side. There are some companies that are incredibly advanced in terms of how they attract and retain and develop diverse talent. And so if you have high conviction, like I do like areas does that the best companies attract the best and figure out how to kind of retain and develop them. You will get extra points and we're looking at new targets to say, Hey, this company is doing very good at that. It's not only helpful to the bottom line, but it's a good sign about management's overall command of these kinds of topics and likely other topics. Um, last example I'll share is on health and safety, which is a really great proxy for other things. Health and safety is a topic that even pre COVID cuts across lots of different companies, whether it's mental health issues or physical health in a factory or anything else. And so there are meaningful cost elements to that. You know, if you have too many accidents in the workplace, you're spending a lot of money on workers' compensation, claims, general liability claims, lost work time. So driving down the frequency and severity of workplace incidents just makes dollar sense to begin with. We found over time is that companies that have the best health and safety records also tend to manage all their other core business operations very well. There's a really consistent message there, which is that those who understand how to scope complex issues, manage them, measure them, improve them continuously. Those are the best management teams.

Yesh ([27:50](#)):

When you hire new people to join your ESG team, who are the standout candidates and what do you look for so that our listeners can think about what they need if they want your job.

Adam Heltzer ([28:02](#)):

Great question. Yes. And we actually just completed a recruiting process recently and we'll continue to grow the team. So it's, it's really top of mind. You know, the first thing that I look for and this comes up in the interviews is that spark of passion. So I'll always ask someone why, you know, why this field, why is this important to you? And the range of answers are really beautiful, but it's so important to see that spark because like many jobs, this one has its challenges and take up that, that spark of passion is what gets you through a lot of those sorts of things. Super importantly, you have to marry that passion with practical experience to actually act on the passion. And in my context, what that means is understanding how sustainability topics play out in the context of a company. So where would you find human rights abuses in a supply chain? How would you reduce a carbon footprint through a company's operations, through its fleet of cars? So some experience with how companies operate and where these sometimes abstract topics actually play out in a corporate setting is super important. And third is that kind of bias towards action, or that ability to say, I understand how a company works and I know how to actually work in a scaled way to change business practices, not one at a time, but maybe 10 or 20 at a time.



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Yesh (29:17):

And as listeners think about positioning themselves for, well, I don't know, to take your job as an example, what do you want them to know about the most important trends driving the growth of ESG?

Adam Heltzer (29:30):

Yeah, uh, the one that's top of mind is, is data and standards.

Yesh (29:35):

Super sexy!

Adam Heltzer (29:35):

Okay. So yes. Another couple of, I was going to say another couple of boring words. This is how you you've reached middle age: "data and standards" Yesh. So I'll try to explain it in a more interesting way. You know, one of the critical issues with sustainability, that critical challenges has been taming. All of these topics into a manageable and consistent set of measures. And I'll share the analog, which is the mainstream financial industry. 70, 80 years ago, public companies in the U S reported all their core financial metrics in very different ways, different definitions. And then in the wake of the great depression and the stock market crash, an enormous amount of regulation came out saying that for the government to protect investors, there need to be consistent definitions of how a company measures its success, its financial health fast forward to the 2010s. The same issue came to sustainability where companies were disclosing whatever sustainability information they wanted to in their public filings, but no intelligent investor had any ability to actually compare performance between companies. So it became like this list of very green washy, "Yes, you know, human rights are super important to us. We comply with local laws and we're greening our operations". And, and so the Sustainability Accounting Standards Board-- SASB--made a huge contribution to this field by saying actually, if we look at each sector of the economy, there are a handful of environmental, social and governance topics that are most relevant, most material. And here are the specific quantitative metrics that an investor can use to actually evaluate performance compared to others. So that was an important milestone, but what's happened in the year since, is that there've been a raft of other organizations providing companion framework to say, here's how we begin to really put some structure around a way that an individual company can disclose its sustainability profile and performance in a more objective way. But we're maybe in step two or three out of 10 on that journey. The next 10 years, we'll see a great consolidation of that into what investors and participants hope will be a more reliable and consistent way to say, okay, I understand the sustainability performance and profile of a given company.

Yesh (31:49):

So the days of the wild west of reporting and tracking and measuring are coming to an end, right?



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Adam Heltzer ([31:56](#)):

They are coming to an end, you know, slowly. But my experience in this industry, it feels slow. And then you fast forward five years and it's, it's a whole world of change. And so it feels slow, but it's moving quite quickly. And then I think another trend that's going to come with that is: yes, their disclosure frameworks, but then you have to actually make sure the data is reliable and validated almost in the same way you might want to audit or validate financial statements. Also people can't believe the numbers. Once you have that in place, then there's room for lots of other super interesting things to accelerate this transition. For example, investors who may even provide incentives for companies who achieve certain sustainability milestones in the lending world. For example, you have some lenders who will say, if you're able to reduce your CO2 footprint, if you're able to increase the diversity of your workforce, we'll actually give you a small discount on your loan that could only be done if you actually have reliable data that people trust and can see, but then you begin to see that more financial market participants can be more proactive in shaping the behavior of companies rather than passive reactive, especially in the example of screening out companies that didn't do good things. Now it's about incentivizing companies that are doing good things. And I think the third trend, which is one that I'm really excited for it is that everywhere I look, you know, 360 degrees, whether it's our clients, the people who trust us with their money to invest our shareholders, our employees, other partners in our work, everyone's trying to get better at this to make it more substantive. And so the race for how to demonstrate actual impact and actual progress is a great and virtuous race that everyone's on. And so my optimistic hope is that in the next five to 10 years, we do begin to see objectively that every company has a range of positive negative impacts. And we can have a mature conversation about how to accentuate the positive, how to mitigate the negative, move away from ESG and sustainability as a parade of good stories in glossy brochures towards a more informed conversation and pragmatic conversation. Know that that's my overall hope because it seems like a necessary step to this broader vision of, we should all be aware of a company's impacts and push them to manage them better.

Yesh ([34:19](#)):

And right along side, the trends that are emerging and will likely happen no matter what a big influence on those trends is the administration. I'd love to hear your thoughts on how a Biden administration will help progress or maybe not support the trends you're talking about.

Adam Heltzer ([34:37](#)):

Yeah. I think it's safe to say that people in our industry saw this as a positive development. And I remember you asked me where I was. This is what I remember. I was that the night that the election was called president Biden, he made a speech and he talked about the five great battles of our time. He mentioned the pandemic, he mentioned the economy, securing healthcare, systemic racism and climate change. And so you hear that list and you think thing being bang, bang, bang, um, it's the exactly. And now it's pretty clear. It's like, great. There's the playing field. How do we take those issues and graph



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them on to the case of areas of \$180 billion investment platform. These are lofty, messy, ambiguous, intimidating, systemic issues, but: what part can we bite off and make progress on as an organization fast forward to yesterday and all the executive orders, we're already seeing a lot of tangible action on those topics. Most obvious example is rejoining the Paris agreement. You know, Biden released a fact sheet that talked about launching a whole of government initiative to advance racial equality, combating discrimination on the basis of gender identity or sexual orientation. So there's a lot of fodder for people in my line of work. Now it's a matter of actually seeing how those plans get put into action, but it's a really positive environment. You know what I'll say? Pretty counterintuitively is that when Trump was elected four years ago, people assume that we have a dampening effect on ESG work. And what I observed was actually the opposite because I think the investment world and the private sector began to feel more personal responsibility. If there was a vacuum of direction from the government that they needed to step up a bit more. And so as we turn the page to this new chapter, it's almost like great: we're already primed to take ownership and responsibility and we have the tailwinds, you know, what amazing things could be achieved.

Yesh ([36:34](#)):

Exciting. Well, I want to close our conversation with a question I'm asking all of our guests and that is if you could have an Adam Heltzer personal board of directors who you lean on or look to when you're making big decisions personally, professionally, who would be sitting at that giant board table with you on the 55th floor of some skyscraper helping you work through your next steps.

Adam Heltzer ([37:00](#)):

Yeah, it's a great question. My first thought is not of specific individuals, but it's almost archetypes. I'll start with, we'll call it the Kennedy School archetype. It's someone who burns with passionate about changing the world to make sure that even when you're in the trenches and you're focused on your immediate job and you're constrained in your thinking about the universe that you inhabit, because when you're in a current job, nothing else exists. You're just sort of in that universe with that cast of characters, to make sure that that flame is still flickering of, Hey, I really need to make the most of my time on earth. I'm not sure who that person is, but someone who would keep me honest there and almost the counterpart to that is the person who's like later stages of their career, who understand the world of influence because the world economic forum and other reason why it was such a viable experience is that it exposed me to the world of influence and peddling influence and building influence. And that's really how a lot of things change is understanding how those relationships work. And so my progression at different stages of career have a lot to do with how do you get more influenced to make more positive change in the world? And so someone who could have really helped me navigate that would be super valuable too.



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Yesh (38:11):

Love it. I appreciate it. Adam Heltzer, thank you for joining me on Degrees.

Adam Heltzer (38:17):

Alright! Thanks, Yesh,

Yesh (38:17):

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