

Interview with Stania Moraes, CFO of Ciena



Women in Finance: Strategy and Opportunities for Financial Planning and the Board of Directors in Brazil”, the executive gave us an interview about the importance of ESG guidelines for boards of directors

M&A
COMMUNITY

M&A Community has recently promoted the event “Women in Finance: Strategy and Opportunities for Financial Planning and the Board of Directors in Brazil,” and we took the opportunity to interview Stania Moraes, CFO of [Ciena](#) and a member of the Board of Directors of [Furnas](#), as well as the founder of W-CFO, on “the importance of ESG for Boards of Directors.”

Check it out below.

1. In your opinion, what have been the real efforts of companies to adapt to ESG requirements?

Today, the main focus is on the environment, given that actions are more tangible and measurable, as well as the realization that we need to act to address climate change. Governance, in turn, is the most mature aspect in the business area, as we began to address this issue in the early 2000s, right after the Enron scandal broke out. Now, the social aspect still needs to receive more attention and be worked on more effectively, because if done well, it has a positive impact not only on the corporate environment, but on society as a whole.

2. What is missing for the social area to be better addressed?

There is still a long way to go, and I believe that this is the aspect of ESG that has still not been given due attention. I do not see it being widely discussed and addressed within companies as it should. We must invest more, for example, in the inclusion of women and the LGBTQIA+ population in order to ensure that we have more diversity in companies, which could bring effective results and even financial results for business. We have to promote these people not only within companies and among business leaders, with the aim of fostering a positive transformation not only in companies, but also in society. Today, for example, women represent only 3% of CEOs in Brazil, 14% of the staff on the boards of directors, and 10-15% of the total managers in the financial area, which is very little, considering that we are more than 50% of the country’s population. We have made some progress, with women now accounting for 39.4% in companies, according to Forbes, compared to 34% in 2020. What are the reasons for this? A recent survey by LinkedIn has noted that women network less. They do not have the right connections, either because they do not have the time and energy or because they lack certain soft skills.

Fortunately, there are interesting initiatives today, such as the fact that KPMG has the first transgender partner in Brazil and the fact that there is a job website exclusively aimed at transgender people – TransEmpregos. Another interesting action is the Pact for the Promotion of Racial Equity, signed by executives of large Brazilian

companies – including the Big 4. Much more is needed, however, to promote an effective transformation of the current reality, in which 70% of the poorest 10% are black, while among the wealthiest 10%, 70% are black.

3. Which sectors are most committed to good ESG practices and why?

The sectors most engaged with ESG practices in Brazil, in my view, are cosmetics and pulp & paper, as well as other sectors that work directly with natural products, which are required carry out preservation actions. There are, however, other sectors that still face a great challenge in terms of the environment, such as textiles, which need to take care of all the stages of their production process until the final disposal of clothes that are no longer used. That is, they must define the methods to dispose of the water from the dyeing process, where to discard it, and what to do with the clothes in their final phase.

4. What are the main results or success stories in the Brazilian market regarding the implementation of best environmental, social and governance practices?

We have three major success stories that stand out. These are Ambev, Natura and Suzano, which already have well-structured sustainability policies and a widely disseminated culture.

5. Is ESG already a concern among small and medium-sized companies, which are the vast majority of companies in the country?

I believe that companies of all sizes should be committed to ESG. If they are not, they should be, as survival in the market today relies on having a sustainable policy that allows getting access to credit and winning new investors. Without good practices, it is very difficult to move forward in the business.

6. In your opinion, what are the steps to be followed by a company that is really committed to implementing ESG?

The first step is to have a committee or, in the case of small businesses, someone who looks at these issues and engages in actions to meet environmental, governance and sustainability requirements. The second is to disseminate the ESG culture across all areas of the company, incorporating it into all daily activities. The third is to promote marketing, communication and events to help disseminate knowledge and engage all employees. Ciena, for example, ran a campaign some time ago in which people received a certificate for planting a seed in a forest in the world, and it was very important for all of us at the company. The fourth, which I think many will find controversial, is to combine corporate financial results and executive bonuses with meeting ESG goals, so there will literally be general engagement in the cause.

7. What are the main metrics used by companies to evaluate the results of their ESG practices?

I believe that the main thing to follow are the global standards of the United Nations (UN) Sustainable Development Goals (SDGs), which are a call to action to end poverty, protect the planet, and ensure that all people have peace and prosperity. Among the SDGs, I highlight the first seven, which are poverty eradication; zero hunger and sustainable agriculture; health and well-being; quality education – ensuring inclusive, equitable and quality education and promoting lifelong learning opportunities for all; gender equality; clean water and sanitation; and affordable and clean energy for all. With this in mind, good metrics are the Carbon Efficient Index (ICO2) and the Corporate Sustainability Index, which is currently required by B3 for companies to be listed on the stock exchange. In other words, it is necessary to measure advances in decarbonization, water reuse, and biome regeneration, as well as the results of private social investments, reduction of reports of corruption and compliance violations, etc.

8. How can ESG benefit the Brazilian corporate market as a whole?

With our companies adopting more responsible environmental, social and governance practices, we started to be seen more seriously by international markets, gaining credibility inside and outside the country.

9. Regarding the international assessment, what are the most serious vulnerabilities of Brazilian companies when it comes to ESG?

Our vulnerability lies in proving that we are truly committed to ESG, linking corporate metrics to compliance, and actually making it happen. The market should demand good ESG practices, even if that implies slightly more expensive products, as it reduces the losses in the consumption of the chain as a whole.

10. What is the main mission of the boards of directors when it comes to ESG?

On boards of directors, ESG is a current and very important topic, to the point where there are entire teams dedicated to addressing the matter. We consider ESG a commitment, which requires investments and metrics. Currently, the boards evaluate sustainability reports in detail, as the ESG has global dimensions and companies are being required to submit their indices and reports on sustainability in Brazil, so having a global report is no longer enough – it must be localized. Today, it is already mandatory for finance companies to know the ESG metrics applied in the reports, which are audited by major global consulting firms. This topic is so important that today, in addition to participating in the Furnas board, I am also a member of the “Accounting for Sustainability” (A4S) organization, launched by Prince Charles, which seeks to demand the financial validation of sustainability reports.