Supervision in an Age of Permanent Crisis: ESG, Culture and AI as the New Gatekeepers

Interview with Marianne Heiß

When supervisory boards talk about risks today, the conversation reaches far beyond financial ratios and compliance checklists. ESG requirements, supply chain regulation, the deployment of AI and an increasingly fragile geopolitical environment force boards to rethink business models, corporate culture and third-party relationships.

In our discussion with Marianne Heiß, it becomes clear why early-warning systems, a credible speak-up culture and diverse board compositions will be among the most critical safeguards in the coming years and why regulation, when implemented correctly, can serve not as a brake but as a strategic driver for future-ready organisations.

Marianne Heiß is one of the most distinguished finance and governance experts in the German-speaking region. Having served as CFO in several European countries, as the CEO of a major international communications group and most recently as a member of multiple supervisory and advisory boards, she combines deep financial expertise with extensive experience in strategic transformation and organisational change.

She currently serves on several supervisory bodies, including those of Audi AG, Porsche SE and Palfinger AG. She chairs the audit committee at Paysafe and is a member of the advisory board of Ritter Sport. Her work focuses on finance, risk management, governance, ESG and corporate culture. From 2018 to 2025, she also served on the supervisory board and the audit committee of Volkswagen AG.

Marianne Heiß studied Business Accounting, Auditing and Management and spent her early years in tax consulting and auditing. She is the author of several books, including "Strategic cost management in practice" (2004) and "Yes She Can – The Future of Management is Female" (2011), and has been an active advocate for women and diversity in business for many years. Her financial expertise, her international management practice and her long-standing engagement with diversity, equality & inclusion and ESG all combine to shape her perspective on effective supervisory board work, especially in times of permanent crisis, expanding regulation and rapid technological change.

ESG, Governance and Supervisory Board Work

GRIC How has ESG changed the oversight responsibilities of supervisory boards?

By integrating the interests of a broad range of stakeholders, companies no longer focus solely on shareholder value. They now have a responsibility towards employees, customers, suppliers, local communities, society and the environment.

ESG obligations have gained significant importance for publicly listed companies in Germany. Compliance with regulatory requirements, such as CSRD and the EU Taxonom, robust reporting and the consideration of stakeholder expectations are essential for long-term competitiveness and corporate success.

ESG has become a central element of corporate governance and risk mitigation and therefore significantly expands the role of supervisory boards.

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GRIC On which committee do ESG topics exert the strongest influence today – the audit committee, the risk committee or the full board?

ESG topics appear across all relevant board committees, though with differing emphases. Transparency on ESG matters is created primarily in the audit committee, which reports back to the full board. Beyond regulatory requirements on environmental, social and governance matters, ESG has a material impact on capital markets, as investors increasingly assess companies through an ESG lens with regard to risk management, competitive strength and long-term value creation.

GRIC What is still preventing ESG from being approached strategically rather than as a reporting exercise?

Companies cannot afford to not integrate ESG into their strategy and anchor it within their culture. ESG has become a key driver of competitiveness and a signal of how innovative and efficient an organisation is. Top talents increasingly select future employers based on the strength and credibility of their ESG strategies.

GRIC How do you measure this effect in practice?

ESG considerations are among the top decision criteria for younger generations, which can be seen in both interviews and empirical studies.

Metrics such as the Employee Net Promoter Score, turnover rates and feedback from engagement surveys clearly indicate whether ESG is lived out in daily practice or merely exists on PowerPoint.

If high-potential employees state in exit interviews that they do not believe in the future viability of the strategy or the credibility of the culture, this is a strong signal that ESG has not yet truly reached the core of corporate leadership.

Risk, Compliance and the CFO/CEO Perspective

GRIC How does your CFO experience shape your view on risk, compliance and effective reporting lines?

New legislation, rapidly shifting global conditions, geopolitical crises, wars and technological developments from AI to digitalisation have dramatically increased the complexity of supervisory board work, making it more demanding but also more interesting and engaging.

Throughout my career, I have on many occasions had to lead organisations through crises. From 1996 to 2023, I worked for a publicly listed American company. One of the first crises I had to navigate as CFO was the 2001 Enron accounting scandal, which had a profound effect on all international businesses and led to the implementation of the Sarbanes-Oxley Act in 2002 to strengthen the reliability of financial reporting.

During the financial and euro crisis, I served as CFO for 18 European countries, several of which, such as Greece, Portugal, Spain and Italy, were particularly affected. In 2019, I became the CEO of the BBDO Group in Germany and was immediately confronted by the pandemic and then the war in Ukraine.

Almost 30 years of CFO and CEO experience have sharpened my perspective on risk, compliance and effective reporting lines. I place a strong emphasis on data quality, transparency and clear prioritisation.

Since the pandemic and the subsequent series of "permacrises", wars, supply chain disruptions, rising energy costs, US tariffs and other shocks, early-warning systems for rapid escalation have become particularly critical. Organisational structures must enable swift escalation paths to management.

GRIC Looking back at this series of crises: what were your key takeaways?

In many situations, it pays to communicate quickly and decisively.

During a crisis, organisations tend to wait until all facts are gathered before speaking. This can result in delayed orientation. I learned that transparent communication, including about uncertainty, scenarios and knowledge limitations, is a decisive factor in building trust.

As emerging items continue to grow you have to stay focused.

As a result, boards have never been more essential to the success of the companies they serve.

GRIC What makes an effective early-warning system? What information do you want to see regularly?

I do not expect 200 page reports. What I would expect is a small number of clear indicators of the most material risks. These include financial risks, operational risks, strategic risks, cyber security and reputational risks and key signals related to personnel: turnover in critical areas, absenteeism or speak-up data.

The crucial element is *condensation*. A strong early-warning system provides an understandable overview with traffic-light logic, scenarios and clear accountabilities.

This includes stress-testing the company's preparedness for cyberattacks.

And it requires the courage to escalate issues early even if quantification is not yet perfect. Risk management is one of the primary functions of a board, and a task that is even more important during tumultuous times.

GRIC **Was there a moment as CEO when the "tone from the top" became particularly tangible for you?**

The success of any organisation is significantly dependent on its culture. Values, integrity and compliance must be actively lived. This is where the "tone from the top" becomes an everyday reality not just in exceptional circumstances.

GRIC **What is a classic example of a mismatch between the communicated "tone from the top" and actual decisions?**

Management must exemplify integrity, values and compliance and foster a speak-up culture.

A disconnect becomes visible when a company highlights diversity and inclusion externally yet consistently appoints very homogeneous profiles to key positions internally.

In such cases, the supervisory board must challenge the executive board.

Corporate culture must never lose credibility.

Regulation, Transformation and Strategic Impact

GRIC **Which of the current regulations – ESG, supply chain, AI or CSRD – are most transformative for companies?**

It would be irresponsible to rank them, as all areas are interdependent.

CSRD obliges companies to report on ESG measures, including across the supply chain. AI plays an increasingly central role as an enabler – processing vast data volumes, identifying risks early and supporting well-informed decisions.

AI tools can detect risks before they escalate.

The point is not to view each regulation in isolation but to understand them collectively as instruments of transparent reporting.

GRIC **Where do you see the greatest illusions surrounding AI in risk management?**

A major illusion is that AI replaces human judgement. AI can detect patterns, highlight anomalies and analyse data streams of a magnitude no human could process. But evaluating relevance, understanding the strategic context and applying ethical judgement remain human responsibilities.

What is often underestimated is the effort required to establish data quality and governance frameworks that allow AI models to operate meaningfully. Without clear accountabilities, data ethics and transparency regarding model usage, companies risk creating new, poorly understood risks.

GRIC **When do boards succeed in using regulation as a strategic driver rather than as a compliance obligation?**

I serve on boards where compliance is regarded as an essential safeguard.

It protects the management as well as the company from legal, strategic, financial, operational and reputational risks. Most importantly, it creates transparency and a culture of trust.

Governance can serve as a stabilizing force, allowing organizations to use the collective expertise of board members to address challenges with resilience and foresight.

Global Networks, Third Parties and Reputational Risk

GRIC **What are the indispensable elements of an effective third-party governance framework?**

Third-party governance must be integrated into both strategy and culture.

It is indispensable for organisational resilience and protection not only against supply chain and production disruptions but also against cyberattacks.

The company's reputation, resilience and economic success depend heavily on how TPRM is embedded and lived within the organisation.

Culture, Speak-Up, Diversity and Resilience

GRIC **How can culture and speak-up effectiveness be measured beyond traditional employee surveys?**

Both can be measured in a variety of qualitative and quantitative ways. This can be through metrics, interviews and surveys. Yet the decisive factor lies in everyday observations, including those by supervisory board members.

GRIC How do you recognise when culture itself becomes a risk?

Peter Drucker's "Culture eats strategy for breakfast" summarises it well.

If values and attitudes do not align with a strategy, its execution will fail.

Even the best innovation strategy cannot succeed without a corresponding culture of innovation and change.

Culture forms the foundation of long-term success and directly influences productivity through motivation and retention. Resistance to change is an indication that culture is becoming a risk. In today's environment, organisations need agility to respond to rapidly changing conditions; rigid cultures pose a significant barrier to transformation.

GRIC What initial observations help you assess whether a culture is agile or rigid?

Everyday interactions provide early signals: the level of respect in tone and behaviour, the way criticism is addressed, the level of openness in communication and the speed of decision-making, innovation and change.

How leadership is demonstrated and lived is equally decisive.

GRIC How do diversity and unconscious biases influence risk assessments and board decisions?

Diversity expands perspectives and strengthens decision making, thereby preventing flawed risk assessments.

With broader viewpoints, analyses become more objective and outcomes more robust. Numerous studies demonstrate that diverse teams perform better, not only due to broader risk matrices, but also because decisions become more balanced, which drives sustainable corporate success.

GRIC What effect do diverse teams and boards have on crisis resilience?

The new global order has increased in complexity; the world is changing faster than ever. Structures and systems that worked for decades are being challenged. New technologies and risks require adaptability and resilience.

Supervisory boards today do far more than passively monitor risks. They actively help shape transformation. By identifying potential threats early and developing mitigation strategies, boards assist organizations in preparing to face challenges directly.

A diverse board ensures that multiple perspectives are exchanged and that decisions are well balanced.

Personal Journey, Leadership and Business Perspective

GRIC What experience most shaped your view on governance and why?

Since 2018, I have served on various supervisory boards – first at Volkswagen AG, where I was until July 2023, and recently at Audi AG, Porsche SE and Palfinger AG – as well as chairing the audit committee at Paysafe Inc. and serving on the advisory board of Ritter Sport.

These experiences across different companies, industries and countries have given me deep insights into governance and the positive influence of formal and informal structures on culture.

During crises, of course, governance is reinforced to ensure stability.

But ESG, technological evolution, digitalisation and rising risks equally require efficient, transparent governance.

GRIC What skills and experiences were decisive on your path to the executive and supervisory board, and which ones are underestimated today?

I studied Business Accounting, Auditing and Management, and I began my career in tax and audit before spending more than 20 years as a CFO in several European countries and later becoming CEO. This background enabled me to bring my international finance experience to the audit committee, making it a natural fit.

I have been deeply engaged in diversity, equality & inclusion since 2010 and in advancing ESG since 2015.

Two aspects are often underestimated today: the significance of culture and communication at the top level, and the ability to reduce complexity and set clear priorities.

In supervisory board work, strong judgement and a focus on what truly matters are essential. By bringing boards into critical business decisions sooner, organizations can improve risk management, strategic guidance, governance, accountability, and communication.