



## **The 100% Club interview with Dr Rachel Melsom**

I recently had the pleasure and privilege of interviewing Dr Rachel Melsom, who sits at the nexus of health, government and finance. Rachel has been providing expert care to patients, including those suffering from Covid-19, as a much-valued frontline NHS Doctor, and she has a special interest in comprehensive care for the elderly. In addition, Rachel is the Director of UK & Europe for Tobacco Free Portfolios, the not-for-profit organisation that collaborates with the world's largest financial organisations to drive global change towards tobacco-free finance. Our discussion covered Rachel's varied career in finance, media and medicine, including what we can learn from Covid-19, finance's role as part of the solution, why the future needs to be tobacco-free and how the responsibility of diversity and inclusion is a collective one. Thank you to Rachel for sharing her valuable insights, views and experiences with The 100% Club.

### **A PORTFOLIO CAREER IN A PANDEMIC**

**Rachel, please tell me how you are prioritising your work at Worthing hospital as well as your work at Tobacco Free Portfolios and how this has changed because of Covid-19?**

Whilst the hospitals were busier between March and May than any of us wanted, my work with Tobacco Free Portfolios continued and has benefited from being able to explain, through the immediacy of the impact of Covid-19, why tobacco is not a great investment. I recently presented two webinars for [mallowstreet](#), one specifically on Covid-19 and the impact of tobacco, and the other on the growing financial risk of investing in tobacco.

SARS-CoV-2 is a respiratory virus and it causes disease Covid-19. If your lungs are already compromised, the impact of Covid-19 will be greater. The mortality rate amongst smokers who are hospitalised with the virus has been worse than for non-smokers, as they are more likely to need to go to Intensive Care Unit, be ventilated and/or die. It is very clear from [research](#) and the facts are there. Unfortunately, it has had to be this bizarre set of circumstances that has helped highlight the negative impact of tobacco. The global impact of tobacco is so enormous it has become invisible ([8 million deaths a year](#)), but anyone can get Covid-19: rich, poor, old, young, anywhere in the world. Anyone can suffer terribly and/or die from Covid-19, and when adding tobacco use to the mix, individuals can get much worse outcomes.

The virus that causes Covid-19 is indiscriminate – we can't package it up in one country and contain it to one subsection of the global population. It is everywhere. We have had a global economic shutdown because of one virus. One virus has affected everything we had become to accept as normal. The social impacts across many areas have become

crystal clear, and the social impacts of investments are increasingly central to investment debates. The 'S' of ESG (environmental, social and governance) considerations is now centre court rather than on the sidelines. The inextricable link between global health and global financial wellbeing is being demonstrated to us, live.

## **COVID-19 ON THE NHS FRONT LINE**

### **Which areas of medicine has Covid-19 made you increase your focus on?**

Frameworks and decision-making - the ethics of how to determine how to treat people with Covid-19 became a major consideration. How to address and incorporate the health of the individual versus how and whether you might be able to help them or not? There was a lot of discussion initially whether individual doctors were going to need to determine what level of care was offered if there was not enough capacity in the system to treat everybody in Intensive Care. Many doctors and members of the public had great concerns regarding a framework of this decision-making.

Ultimately a lot of the discussion was around the frameworks in existence and how to apply the core principles of medical ethics: Autonomy, Justice, Beneficence and Non-Maleficence – in this instance, deciding how to achieve most good when resources are limited, ensuring the core principle of non-maleficence (to do no harm) remained. Ethically, we had to look at what the choice mechanisms were with a limited number of ventilators and a lot of patients. How could we work out, from a medical perspective, within the framework of ethics that sits within medicine, which patients to treat, if not all could be treated? Working out together with your patients what is in **their** best interests is key - weighing up the harm that can be done versus the good that is aimed for. What became increasingly clear is that it had to be explained to patients that, for example, a ventilator is not always the answer. All a ventilator does is provide a bridge on the trajectory of care to enable the patients' body to rest and try to recover enough to be able to manage on its own, and then continue to recover from Covid-19. If that body is not going to be able to recover from the damage, we have to be clear as doctors when we explain the potential consequences of any treatment.

I had some very insightful conversations with my colleague Clare Payne in Australia about the ethics of that decision-making process. Clare founded the Banking and Finance Oath and co-authored The Practice of Ethics in Finance. The comparisons with the finance sector and the requirement for frameworks to aid decision making provided new context – there are many similarities but the core principles for financial decision making remain more opaque as they, by default, always include a financial dimension.

## **LEARNING FROM COVID-19**

### **What can we learn already from the experience of Covid-19?**

'Expect the unexpected and expect it sooner than you thought!' was the main lesson learned. There is a huge knowledge gap when it comes to Covid-19 – "unknown unknowns" abound – we have to flex and adapt, medically, socially, financially. In the hospital rolling with the punches became the norm and adapting to a 'new normal' almost daily has been invigorating. New systems have been adopted in record time. I think the

same can be said of how we work outside hospitals – from home, via video, constant adaptation is the way the world has evolved.

We should, and we need to, learn that there are many academics and specialists advising on issues like pandemics but that globally, collectively, the majority of governments and the finance sector have broadly chosen to ignore them. So a really good learning point is that everybody who is *in* the finance sector is not the sum of everybody who should be influential *on* the finance sector. If the finance sector had listened more, and our Government had listened more, we would have been better prepared. We now need to plan for the anticipated Wave 2.

In Asia, they were better prepared for the health impacts as they were more affected by previous outbreaks of SARs and MERs. So they knew what the potential impact could be and that they needed adequate supplies of Personal Protective Equipment (PPE), and were ready. We should have learned from their experience and prepared accordingly. We ran out of PPE, we left patients and staff unprotected. This is just one small example, but it had huge impact.

We need to listen more.

**So this has to be a new normal of living with viruses that have the potential to do again what Covid-19 has done. It demonstrates the collective system we are in and that these issues are not discrete. How we manage the climate transition, biodiversity, deforestation, health and supply chains and wider sustainability issues also contribute?**

Yes, that is the fallout from the pandemic. From a finance sector perspective specifically, if you start picking the situation apart and looking back at biodiversity, deforestation, removal of natural resources and how all of these impact on animal life and human life, some of the changes will have contributed to how we currently live, and increased our vulnerability to viruses that do not belong in our bodies and are from other species. Every now and again, we will get viruses, but we need to protect ourselves against them by also protecting the environment from our destruction of it. That may sound like doom-mongering, but it is actually just common sense.

The more we look at the Sustainable Development Goals, and acknowledge them as core principles of living successfully on the planet, the more we have to acknowledge that investing in products or companies that fly in the face of achieving them will cause greater losses on all fronts – financial, social, environmental. We cannot decouple ourselves from the planet we live on and the inter-dependence we have on our environment - and the impact of our and other people's actions, locally, nationally and globally.

**How does the pandemic change or accelerate the agenda of Tobacco Free Portfolios?**

As mentioned, it has enabled us to share with the investment community direct visibility of the negative impact of tobacco, which has helped further accelerate their activity in moving to tobacco-free positions.

Globally, since 2018, and with a tiny team, we have gained [141 Signatories](#) to the Tobacco-Free Finance Pledge, representing [US \\$10.9 trillion in AUM](#) and \$2.6 trillion in corporate loan book (loan capital represented by Signatory banks ).

In May 2020 we jointly hosted a [global webinar](#) with [UNEP Fi](#) and [PRI](#) to coincide with World No Tobacco Day. Speakers included Dr Tedros Adhanom Ghebreyesus, Director-General, World Health Organization, highlighting the negative links between health and tobacco; Inger Anderson, Under-Secretary-General of the UN and Executive Director of the UN Environment Programme, talking about the impact of tobacco on the environment; Australian Nobel Laureate Professor Peter Doherty, who is working on a Covid-19 vaccine and Fiona Reynolds CEO, Principles for Responsible Investment discussing the issues around fiduciary duty and how that impacts on decision making when it comes to removing tobacco from portfolios.

The CEOs of both Amundi & Crédit Agricole announced that they were also moving to tobacco-free positions, UK pension fund Nest signed the Pledge this year, and film director Richard Curtis of Make My Money Matter spoke on the importance of raising individuals' awareness of their personal ability to direct their pension funds to avoid negative impact investments like tobacco.

There is no single silver bullet that solves what the health sector for a long time have called the tobacco epidemic. We have to ensure Sustainable Development Goal 17, on Partnerships, is actively employed – the finance sector together with the health sector and government regulation can help end this epidemic – which is man-made and, unlike Covid-19, entirely within our control.

### **How do you respond to some reports that say that investors lose money by divesting from tobacco and that they are potentially in breach of fiduciary duty?**

Across Europe, we have seen significant change and multiple funds are already tobacco-free. The Swedish pension fund, AP4, recently published their [annual report](#), which shows the basis points increase in profits because they have not invested in tobacco since 2016 (p24). There is recognition of the increasing [risks of investing in tobacco](#) and investors also have greater access to [analysis](#) showing that exclusion of tobacco does not lead to decreased returns.

USS, the largest UK pension fund, announced in June they were moving to a tobacco-free position. This decision was, by default, extremely well researched and considered. Both USS and Nest (the UK's largest master trust pension scheme) made tobacco-free decisions on the basis the future risks of continued investment had [not been taken into account in traditional financial models](#). From a UK perspective, this is good news as the UK has been quite slow at adopting any change to investment models and actively embracing ESG criteria within these frameworks.

More investors are adopting the rationale that there are other products to invest in that will generate improved returns, over a longer period of time, and deliver better overall outcomes. This argument resonates and is increasingly visible. If an investment can be offered up that makes the same amount of money (or more), within the same investment framework, but does not do the harm financially, environmentally, socially, and to global

health that tobacco does, it becomes much harder to say that you will remain invested in tobacco.

All of these points tie into the share price continuing to go down and dividends not being guaranteed to continue. A recent report by [Moody's](#) indicated that the increased risk for tobacco companies is causing a decrease in their credit ratings (see Moody's Investors Service, "Tobacco – Global: Health implications drive high social credit risks but impact varies by product", 15 June 2020).

## **SWITCHING CAREERS: MEDIA TO MEDICINE AND SUSTAINABLE FINANCE**

**You retrained as a doctor in 2008. What motivated you to do this and to specifically want to focus on elderly (geriatric) care?**

I had worked in media and finance for about 20 years. At the time there were a combination of factors:

I had a growing sense of awareness that we had an increasingly elderly population and we were not really focused on how we were going to take care of everyone, yet it was an obvious and looming problem. It festered in my mind that there were these broad areas of medicine that seemed to have fallen outside public awareness. There is a lot of interest in the 'sexy' end of medicine, e.g. Accident & Emergency, acute medicine, helicopter rescue, neo-natal care and more, but actually getting old is (usually) a core part of every person's life cycle. Care for patients also coming towards the end of their lives (palliative care) is an element of most doctors' work, especially in elderly care – however hospices are separate, are majority privately funded, and have to fundraise to exist. We hopefully all become old, but we are all definitely going to die. That may sound morbid, but it is inevitable. I would like that to be a well cared for period of life, for every person, in the same way that a new born baby is well cared for in that very vulnerable first phase of life, the vulnerable stage at the end of our lives should have an equal amount of care put into it.

I had also worked across various different industries and I have always had a thought process that embraces 'I have mastered that, so now what else is out there for me to look at? What is there that can I combine into my existing knowledge base to add to it, and broaden it?' I have never wanted to remain doing the same tasks, or job, within the comfort zone of my personal ability. I was in my early 40s and thinking 'Am I really going to do this for the next 30 years? Can this be it? There must be something else out there that is interesting that I can add to marketing, finance and media'. Medicine was the answer!

My first degree was in Genetics and I always thought I would go back and do something medical - but had never really worked out what or how. Then studying Medicine on a graduate entry course was introduced: 4 years study instead of 5, accelerated learning, and no standard length university holidays! .....the timing was right, it made sense. I had always wanted to do something that was more socially oriented, but in a very precise and logical way.

**This idea that we are not all on one career trajectory really resonates with me, as does this point about us all becoming old and that we are all relying on the health service to look after us at that point.**

Yes. Having grown up in Holland I also sensed that there was the possibility of bringing commercial knowledge and understanding to a role as a doctor with a broader remit. I first developed this when I was a medical student and started Medical Matrix Consulting Ltd, helping other doctors create businesses the NHS were not in a position to fund.

In November 2015 I was lucky to be introduced to Dr Bronwyn King, the CEO and Founder of Tobacco Free Portfolios, who was actively seeking someone to help her expand her Tobacco Free Portfolios work in the UK and Europe. This was a perfect opportunity to put my theory to the test - to communicate the negative health impacts from tobacco in language that was tailored to financial decision makers, enabling them to positively effect change with the investments they made, and simultaneously improve global health.

## **DIVERSITY & INCLUSION: A COLLECTIVE RESPONSIBILITY**

**What is happening in the world is bringing to the fore the importance of diversity and inclusion. Race and ethnicity are being debated globally in addition to gender. Many of the industries you have worked in or continue to work in are not particularly diverse. How have you navigated this and how can we create sustainable change for the future? Is this a moment of real change?**

Diversity is a problem, and it is a problem that will not go away very quickly. But it is a problem that the more of us who stand up and say something about it, the more we will be able to improve the lot of our colleagues swiftly - be that on gender, race, disability or any other area in question. We need to individually and collectively say we are not accepting the status quo.

Ethnic diversity and equality remain a problem, and sadly I still see the unconscious bias reflected in some colleagues' attitudes, from young to old, across both medicine and finance. But Black Lives Matter has certainly, in my view, helped enormously, not only most significantly on racial equality but also in raising awareness of the multitude of diversity issues affecting us all. Change is a time issue and it is also a thought process issue. There will be no quick fix. Entrenched thought processes are very hard to change swiftly, but change has thankfully recently been, and is still being accelerated.

We have to continue to have a rational, reasonable debate around all these issues. But we also need to implement the change we want to see to enable the debate to progress further and faster. The more data we get on diversity on boards proving that companies are run better, deliver greater profits, have more resilience within a market that is changing very rapidly right now, the better off everybody will be. But data isn't the answer - change is. And transparency will help effect change.

One of my jobs was in media and I was relatively senior. I was training and responsible for another junior male colleague. I then realised that he was paid 30% more than I was! The reason cited when I initially raised this was that he was older and married with a

child to support. Management would not address it at my annual review, so I moved on. It was a bit of a rude shock at the time as I had always known that there were issues around being female, but they had never been that blatant.

This was 20 years ago, and gender related, and I like to think it is at least *slightly* better than that now, the gap is less, and am pleased to see at least the gender equality issue is no longer hidden. The influence of the 30% Club has already proved change can happen. We need more examples of this type of leadership.

**Your points about pay also take us to this myth that women never ask for pay rises. Companies also need to take some responsibility for harnessing systemic structures that have allowed women to be paid less and have assumed that women will not negotiate.**

I agree. It is definitely about companies in particular, and society in general, making women complicit in this perception of reduced value. We can't put it solely on the shoulders of some women to negotiate all the time on behalf of all other women. But there should be an expectation of a level playing field to start with. In the last 12 months a female friend was offered a high-powered city job and knew the salary offered was less than other equivalent (male) team members she would be working with. So she asked for a guarantee her remuneration was on the same level as her male counterparts - the firm offering the job (represented by the *female* Head of HR) refused to reply or confirm. Until we, as women, also stop being complicit, and actively work towards requiring transparency, we will not be able to progress diversity or gender pay gap issues quickly.

I have frequently heard "I had to 'give everything up' to get to my position, why should XXX have an easier time?" - heard from both men and women, in healthcare, finance and media. It has never been a statement made by people I admired, or any influential leader.

**A key theme that has emerged from the crisis is female leadership traits. What is your view on this?**

Women are increasingly recognised as being good leaders, bringing a breadth of vision and understanding of contributory issues to companies' problems, but a lot of their leadership skills are talked down as 'soft skills'. Actually, one of the reasons women are great leaders, when they by default have all the all the relevant 'hard skills', is because their 'soft skills' tend to be more developed.

The most successful female leaders I am aware of are as strategic, astute, forward thinking, smart, and on a par with their successful male counterparts in hard skills, but they have the added benefit of more developed soft skills. The female leaders who are less successful tend to be the ones who model themselves on becoming duplicates of some male leaders, they lack developed soft skills and actually fail because of the lack of them.

I think as a female leader you have to have both, and recognise the importance and contribution of both, and yes, men do also have these 'soft' skills - as *great* male leaders also display and also use them to the benefit of those they work with and lead.

## **CAREER INSIGHTS: HIGHS, LOWS AND ADVICE TO YOUR YOUNGER SELF**

**Please tell me about one high and one low point in your career and how you harnessed both the opportunity and the challenge.**

Moving from low to high! My low point was starting a new job at an ad agency and knowing within two days that I had made the most dreadful mistake. Luckily, my previous boss called me and asked me how I was getting on and I was brutally honest. He said 'Great, as I know someone who is looking for someone just like you and I think you will be a great fit.' Within a month, I was in the new job. That I did not bury my admission I had made a bad decision resulted in an excellent outcome, as I was in the initial short notice period so I could exit and start again. It helped me realise making mistakes is not always negative!

A highpoint was getting a very early call one morning in January 2018, from ABP, the 5<sup>th</sup> largest pension fund in the world to tell me that they were announcing their move to tobacco-free later that day and being thanked personally for all my input into the process. This caused a domino effect for many other pension funds in the Netherlands I had been in discussion with, enabling them all to accelerate their internal reviews, and formalize and announce their tobacco-free decisions.

**What has been the most challenging time in your career?**

The announcement to friends and family that I was going to study medicine. Many people said variations of 'That's ridiculous, you shouldn't do that, you are wasting your time, you are throwing away a good career, that is very irresponsible, how are you going to manage?' Every negative view you can imagine was expressed to me, many from people who I had thought would be quite supportive. So it actually whittled down for me the people who are now really close and good friends who said 'That's amazing, that's incredible, I stand behind you all the way, it is going to be tough, but if or when you fall over, phone me up and I will be here for you.'

Whilst it was challenging it was also incredibly rewarding. It was rewarding because I truly felt that I needed to do it, and I needed to make that change. It was hard, but it sat really well with me. It was an amazing time; I could not have done it without the friends and family who helped me through it, as it really was an incredibly big change to make in my 40s.

**What has been the most rewarding time in your career?**

It is now. Before I did medicine, I was talking to a headhunter and she said of my varied career to that point: 'I am sorry but I can't fit you in a box.' I was delighted by this.....then she told me she thought that because of this I was unemployable! Luckily for me, I disagreed as I knew that being able to combine all the different elements that I had learned across the years into a portfolio career was my future.

I love the current breadth of my work, there is an immediacy to my clinical work, I have a dialogue with patients, I can help them, there is a genuine give and take between patients and doctors and healthcare systems that is really rewarding. But I love that I can



also put that alongside the commercial discussions taking place outside the hospital: how do you decide what you are going to invest in and where is the money going to come from to pay a pension beneficiary which is a very unemotional decision, and has to be for a multitude of reasons, but can benefit from knowing the impact of some investments. I see the impact of the decisions in real time on the ward.

So the rewarding time is now. Harnessing my breadth of experience across communications, medicine, the charity world and finance, is really challenging – and for me that equals rewarding.

**So what you are doing now needs everything (communications, finance, medicine) and you needed to go through all of that to be really powerful now, which is what makes your story so compelling. This is at a time when being plural in terms of your skill set will be even more important, given the challenges that lie ahead of us.**

I think Covid-19 presents us all with a huge opportunity to reconsider: what does matter and what do you want to do? If you are at home and /or furloughed, and you get some time back, take some time to empty your brain of all the ‘stuff’ that fills it and demands attention to be able to say: what part of all of that is important to me, which areas can grow and which can go?

In my 20s and 30s I was poacher turned gamekeeper twice - I went from being an Account Director at an advertising agency, to work for my client - a TV network - doing all of their European marketing, and then I moved to the distribution platform at NTL (rebranded Virgin Media) doing the financial deals with the TV channels. So I stood in everyone’s shoes. I saw all the issues from all angles. It is important to have been on the inside looking out, and the outside looking in. It is a key skill to have, being able to understand everyone’s perspectives.

**I also think that if we don’t empty our brains, we don’t have any good ideas. There is a difference between being busy and being effective.**

I completely agree. A while ago, I was juggling lots of different tasks and running out of time each day - and it made me realise there were certain things that were not so important for me to do, even though I could do them well, others would be more interested in them, quicker at them, and therefore do a better job! So I let them go.

I think we also have to let go of our own security blankets – as then we make space for thinking about opportunities and ideas in novel ways, and free the bits of our brains we haven’t been using.

My Father still asks me what my plans for the future are – it’s a standing joke in our family – luckily I still can’t answer him, as there are always so many interesting options to explore!

## **What would you not change?**

All the changes that I have made. Many people say that I have done too many different jobs, “why didn’t you just stick at one of them?”. But I would not change it for the world. All the various areas have been radically different, and I love that. They have all delivered experiences, and of course I have made mistakes, but they all have delivered something I have learned from and kept, or actively discarded.

## **If you could do one thing differently, what would it be?**

Act on my gut feeling sooner. Deliberating for too long over decisions I knew deep down were right has not changed the final outcome, ever. But it has delayed it.

**But it is also about legacy. I saw that one of your clients from your medical consultancy had won an award recently. So the legacy you left is still there.**

Legacy is such a hard word, it’s not one of my favourites as so many people spend time thinking about and planning their legacies rather than focussing on what they could actually be doing. The best legacies are the ones that come about when you were not looking or expecting them.

## **What advice would you give to your younger self?**

If I could, I would tell myself 25 years ago that I did have the ability, the knowledge and the drive to flex and adapt to anything. I would say “it is OK if you don’t follow the rules – you don’t have to wait for someone else to do it first, don’t ask others to find your way for you, trust your intuition.” I would also advise myself to recognise sooner that if I wanted to do something, I would find a way to do it.

Everyone has self-doubt. Knowing and recognising your inner self is important. If I had told myself that earlier, I might have implemented some of the decisions I made earlier. I would not have made them differently, but I would have got on with them.

Human beings are eminently adaptable, but I think women have a tendency to adapt to others’ needs rather than recognise their own needs and to put their needs on at least an equal footing to the needs of others. You should at least have them on an equal footing. The ‘I can’t’ is just not true. We can all do what we want to, and we do need to take other considerations into account, but we should have the courage to embrace what we want for ourselves, alongside our considerations for others.

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*Dr Rachel Melsom was interviewed by Deborah Gilshan, Founder of The 100% Club, in June 2020. The 100% Club is a multi-sector alliance dedicated to gender equality. Deborah provides independent strategic advice on investment stewardship, ESG, sustainable finance and diversity. For more information, visit <https://the100percentclub.co.uk>*