

# Board Sustainability, ESG & Climate Governance Dynamic Briefing

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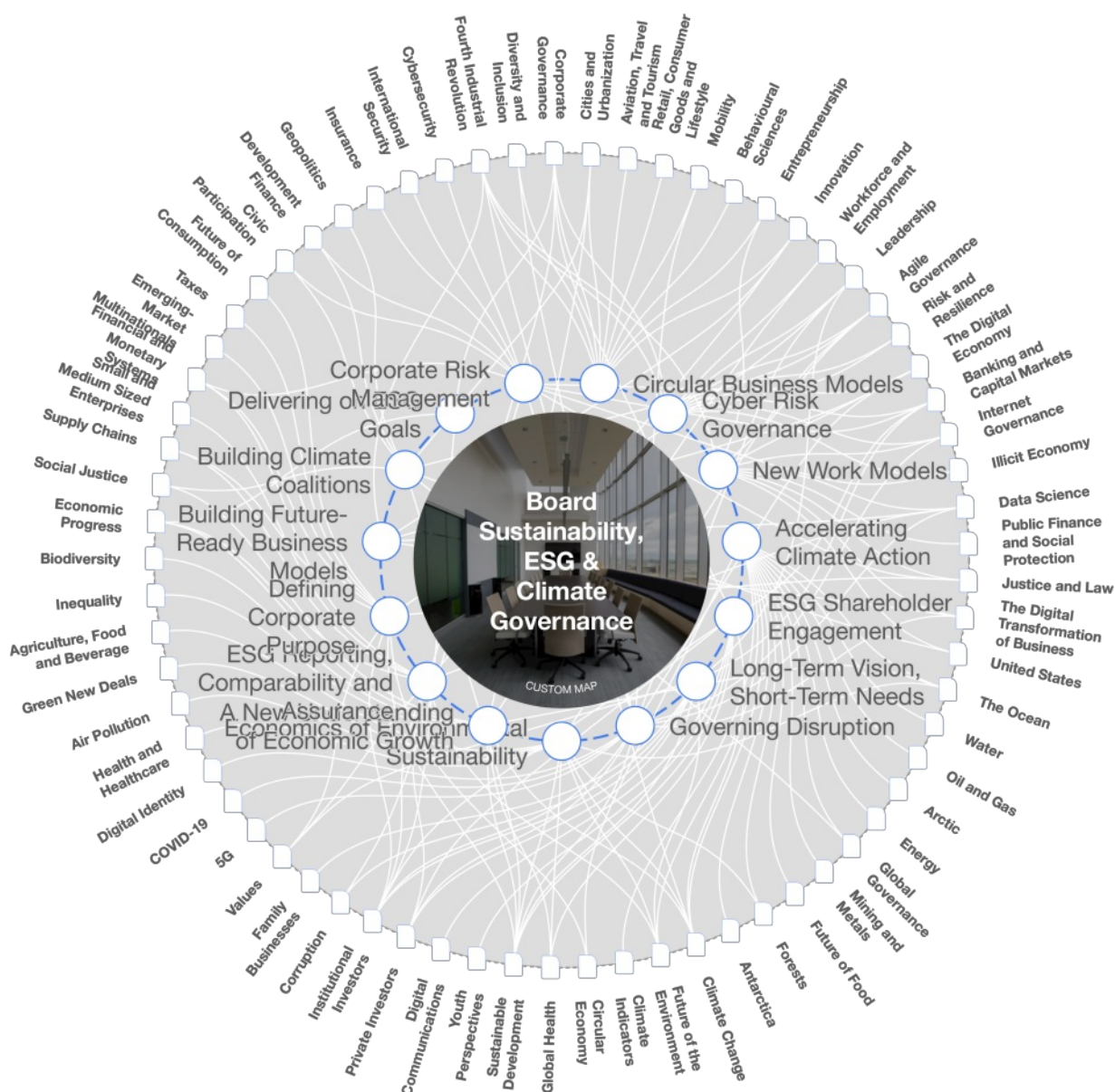


# Board Sustainability, ESG & Climate Governance

Last review on Sat 19 February 2022

## About

This dynamic briefing draws on the collective intelligence of the Forum network to explore the key trends, interconnections and interdependencies between industry, regional and global issues. In the briefing, you will find a visual representation of this topic (Transformation Map – interactive version available online via [intelligence.weforum.org](https://intelligence.weforum.org)), an overview and the key trends affecting it, along with summaries and links to the latest research and analysis on each of the trends. Briefings for countries also include the relevant data from the Forum's benchmarking indices. The content is continuously updated with the latest thinking of leaders and experts from across the Forum network, and with insights from Forum meetings, projects communities and activities.



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# Executive summary

Board Sustainability, ESG & Climate Governance

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# Circular Business Models

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## Opportunities abound to reimagine consumption with products designed for sharing, durability, and reuse

Much of the material used for production ends up being wasted, and a lot of the value we attempt to create in the process is forfeited. Moving towards a more circular economy entails a radical shift away from this dynamic - and large companies can play a significant role by using their scale to drive circularity into the mainstream. Successful circular economy businesses and initiatives can inspire well-known brands to follow suit, and while models supporting the shift to a circular economy will vary, the key consideration is always whether a business is creating value through extraction and consumption, or through regeneration and restoration. Extending an item's lifespan can be achieved through designing for durability, though in order to truly unlock greater value sustainable design strategies should be deployed in combination with innovation related to maintenance, repair, the standardization of parts, disassembly, refurbishment, and re-manufacturing. Business models that emphasize access over ownership, and selling performance rather than the product itself, will likely be able to keep things in use longer - even as they are used more intensively.

Manufacturers can increase profitability through greater durability, reusability, and energy and water efficiency - and therefore have an incentive to use better-designed products. Customers can also benefit from greater circularity, as paying for a service instead of acquiring an asset means they can enjoy benefits without bearing responsibility for maintenance, repair, and disposal - while accessing products that might have otherwise been out of reach. While cars can be shared among multiple users on peer-to-peer platforms (such as Zipcar or Car2go), power tools can be made available by the hour from local libraries, and clothing can be rented as needed (the New York Public Library lent out professional attire intended use at job interviews in 2018, and the LENA fashion library in Amsterdam operates a membership-based clothing lending service). Ultimately, whereas companies used to only sell cars, they are now selling mobility, and while they once just sold clothes, they can now provide access. By actively rethinking consumption, businesses can be successfully reoriented for the circular economy, and help preserve the value in social and ecological systems.

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Related insight areas: [Mobility](#), [Retail](#), [Consumer Goods and Lifestyle](#), [Entrepreneurship](#), [Corporate Governance](#), [Innovation](#), [Cities and Urbanization](#), [Fourth Industrial Revolution](#), [Behavioural Sciences](#), [Diversity and Inclusion](#), [Aviation](#), [Travel and Tourism](#)



GreenBiz

## Burger King UK becomes first fast food company to trial reusable packaging

02 May 2022

Burger King UK is to trial reusable and returnable packaging, in support of its efforts to slash single-use plastic from its restaurants by 2025. The company last week announced it has partnered with global re-use platform Loop to introduce a scheme in five branches where customers will have the option to pay \$1.26 deposit for a reusable cup or container instead of using throwaway packaging. Burger King restaurants in Ipswich and Newmarket in Suffolk will undertake a five-month pilot that will offer customers the option to choose 10 Burger King products that can be served in the Loop reusable packaging, including a range of burgers and sides, as well as drinks. When customers return the reusable cup or container, they can do so by downloading the Loop app, scanning the barcode on either the cup or container and returning it into a Loop bin.



World Economic Forum

## You can fix and upgrade this laptop yourself

28 April 2022



Eco-Business

## Critics question labelling of plastic products as 'eco-friendly' in Earth Day promo

27 April 2022

The discounted items were mainly consumer and fashion goods made, packaged or shipped with reduced, recycled or “better” plastics, which Lazada defines as plastics that are widely recyclable. Among the items labelled green were Gillette women’s razors, Oral-B electric toothbrushes, Unilever plant-based liquid detergent, Nike polyester training t-shirts and Casio watches. These are not easily recyclable, sustainability experts said. The promotion only ran on Earth Day. A click to shop for Lazada’s “eco-friendly” labels now leads to a flash sale, and LazEarth-tagged products are no longer searchable on the site.



Eco-Business

## The future is circular for luxury automobiles: BMW sustainable design chief

06 April 2022

Do recyclable materials take the gloss out of luxury? Daniela Bohlinger, head of sustainability at BMW Group Design, shares how the heritage car brand is striving to create a design language that strikes the right balance.

# Cyber Risk Governance

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**The number of corporate boards with a dedicated cybersecurity committee is expected to increase sharply by 2025**

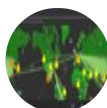
Governance relies on risk-based decision making as a fundamental means to both drive the efficient use of resources, and to improve confidence in an organization's ability to achieve strategic objectives. All organizations rely on their employees' ability to navigate a world of growing uncertainty, and to dodge threats to their ability to achieve its collective goals.

Unfortunately, complex organizations can easily be overwhelmed; each risk demands a distinct analysis and potential investment of additional resources, to respond in ways that adequately reduce exposure. A good governance structure will provide a framework that enables the right managers to make the right decisions, which will help prioritize and allocate resources as needed. All risks don't necessarily require analytic rigour or subsequent investment - immediate hazards like icy sidewalks or commonplace cyber incidents like phishing emails can be addressed at lower management levels. That is not the case for strategic risks like global pandemics or advanced, persistent cyber threats that have the potential to disrupt or damage an organization indefinitely. A structure that effectively prioritizes and adjudicates risks to the right organizational level is required.

Responsibility for risks is typically apportioned in accordance with an organization's willingness to accept them, also called "risk appetite." A risk-appetite statement can be used to direct employees and clarify who has the necessary level of authority to decide how to respond to any given situation. The National Institute of Standards and Technology Special Publication 800-37 addresses the divvying up of risk with a three-tier structure including the organization, the mission, and the system. Meanwhile the ISO 27000 series of standards provides recommendations for the use of policy and organizational structure to reduce risk, and the COSO framework connects governance to culture by highlighting the importance of board oversight, culture requirements, core values, and human resource development. Vigorous, board-level engagement in risk governance is essential for success. Thankfully, boards are increasingly recognizing the importance of cyber risk governance; a study published by Ernst and Young in 2020 found that 81% of board members categorize cybersecurity as "highly relevant," and Gartner researchers predict that 40% of all boards will have a dedicated cybersecurity committee by the year 2025 (currently, just 10% of boards have one).

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Related insight areas: [Workforce and Employment](#), [The Digital Economy](#), [Banking and Capital Markets](#), [Corporate Governance](#), [Agile Governance](#), [Risk and Resilience](#), [Internet Governance](#), [Illicit Economy](#), [Fourth Industrial Revolution](#), [Leadership](#)



### Cyber Rescue Attack Maps

05 May 2022

Scroll down and click each image to go to live data on cyber attacks. .



### ETH Zürich Virtual world, real threats

14 April 2022

Ultimately, everyone is interested in improving security – yet this poses something of a dilemma for computer manufacturers. Additional security comes at a price, but few consumers are willing to pay more or sacrifice performance in return for more security. Razavi also faces a dilemma: as a scientist, he needs to publish his findings as soon as possible in order to gain an edge in the cut-and-thrust world of academia – but his industry partners have other ideas. “We follow the principle of responsible disclosure,” he says. “In other words, we give companies time to fix flaws before we publish them.” Razavi has also enlisted the support of Swiss federal authorities: for example, his discovery of the vulnerability in dynamic memory led to a joint publication with the National Cyber Security Centre.



### FinDev Gateway Digital Innovation: Three Key Lessons to Improve the Resilience of African MFIs and Their Clients

06 April 2022

If there is one thing that has become obvious during the COVID-19 pandemic for the financial inclusion sector, it is the need to accelerate the digitalization of financial service distribution channels. Of course, this is easier said than done. The path is replete with challenges, from managing the new cyber risks involved to establishing partnerships among the diversity of actors with different digitalization strategies. So how can we ensure the success of digitalization while maintaining manageable risk levels? The African Microfinance Week (SAM), which took place in October 2021 in Rwanda, was a unique opportunity to consider this question, share lessons learned and discuss the challenges of digitalization and its role in improving the resilience of the financial inclusion sector and its clients.



### World Economic Forum Artificial Intelligence for Children

30 March 2022

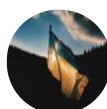
This toolkit is designed to help companies develop trustworthy artificial intelligence for children and youth. Children and youth are surrounded by AI in many of the products they use in their daily lives, from social media to education technology, video games, smart toys and speakers. AI determines the videos children watch online, their curriculum as they learn, and the way they play and interact with others. This toolkit, produced by a diverse team of youth, technologists, academics and business leaders, is designed to help companies develop trustworthy artificial intelligence (AI) for children and youth and to help parents, guardians, children and youth responsibly buy and safely use AI products. AI can be used to educate and empower children and youth and have a positive impact on society.



### World Economic Forum Why global harmonisation of cybersecurity would be music to everyone's ears

28 March 2022

Cybersecurity regulations have become complicated, costly and difficult to secure due to the web of national and regional regulations that have developed in recent years. There are three areas where global harmonisation of cybersecurity regulations could make us safer: data protection, innovation and interoperability, and cost. The US and EU have shown different jurisdictions can co-operate to reduce compliance cost and complexity for companies and consumers. This should be replicated on a global level. Cyberattacks pose a growing threat to the integrity of sectors that are critical to our economic and social well-being.



### World Economic Forum How the cyber world can support Ukraine

19 March 2022

The conflict in Ukraine has invoked fears over escalated cyberattacks. The international cyber community is showing its support to Ukraine through various means. To ensure a safe cyber society for all, we must unite around shared cyberspace values and ideals. Since the start of the Russian-Ukrainian conflict in 2014, most media reporting has centred on conflict within the physical world. Less attention has been paid to the very real cyber-component of the struggle.

# New Work Models

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## Temporary, part-time, and independent work remain overlooked in research and policy-making, even as they replace permanent employment

Global labour statistics tend to overlook temporary, part-time, and independent contracting work, and focus solely on full-time and permanent employment. Yet, research suggests that a significant portion of net employment growth since 2005 has occurred in the independent and self-employed categories - meaning that what was once deemed “non-standard” work is becoming the new norm. Managers are now more likely to oversee diverse, geographically-dispersed teams, to assess worker performance with new types of analytics, and to expand their searches for new recruits to non-traditional environments. The rise of “platform” economies (based on broad, far-reaching digital entities like Amazon or Uber) has created more flexible work opportunities and a “gig” economy. However, this flexibility is only rarely an advantage for workers, and mostly only a benefit for contracting entities. Workers must rely on their prioritization skills to maintain a work-life balance, and on their ability to cope with demands for near-immediate availability and instant comparisons (in the form of ratings) with their gig worker competition - which is constantly expanding. Customers are meanwhile exerting their own power via ratings and related algorithm tweaks, which creates more risk for individual workers than for the companies hiring them on a contract basis.

Concerns related to the lack of governance and legal protections for contractual work have increased, not least because its prevalence is poorly captured in current statistics. Most related studies have relied on data shared by relatively few digital talent platforms, and few countries have completed comprehensive labour market analyses that include these new forms of work. Data published by the US Bureau of Labor Statistics in 2017, for example, showed a surprising decline in American workers with “alternative work arrangements” compared with 2005, according to a report published by the Brookings Institution. However, it is estimated that by the year 2027 more than half of the roughly 145 million working Americans will fall within the “independent worker” category. Current legal standards in many countries for what constitutes an actual employee, rather than a contractual worker, are vague at best. Worker classification and related labour model regulation require updating, in order to formally recognize the needs of growing segments of the global workforce. It is crucial that more related data, research, and information be made available, and that relevant terminology and measurement standards are harmonized within and across countries.

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Related insight areas: [Data Science](#), [Justice and Law](#), [Public Finance and Social Protection](#), [Fourth Industrial Revolution](#), [Entrepreneurship](#), [Internet Governance](#), [Agile Governance](#), [United States](#), [The Digital Economy](#), [The Digital Transformation of Business](#)



Next City

### Interrupting Cycles of Harm, Inside and Outside Prison Walls

02 May 2022

People getting out of prison need jobs and housing. But they also need mental health care, to help them face and understand their traumas. And who better to provide it than people who had been in prison themselves?.



GreenBiz

### The sustainability job market is booming. What does that mean for hiring?

02 May 2022

Defining a "sustainability" job is tough. "Everybody who wants to work in sustainability should be cautious about a job that's called a 'sustainability' job," she said.



MIT Sloan Management Review

### The Loneliness of the Hybrid Worker

02 May 2022

Having supportive colleagues in the workplace is key to feeling less isolated when working from home.



The Conversation

### Your forgotten digital footprints could step on your job prospects - here's how to clean up

06 April 2022

Applying for a new (or first) job can be time consuming. The job application process, particularly for graduate schemes, involves multiple steps: tailoring your application, psychometric testing, interviews and participation in a day or more of assessments online or in person. The process can also involve intrusive scrutiny of your digital footprints. Behind the scenes, up to 80% of employers and recruitment agencies use social media content as part of their assessment of candidate suitability. Being open online about health conditions, addiction issues or pregnancy can adversely affect an applicant's chances of success when applying for jobs, as can a profile which shows polarised views, non-mainstream lifestyle choices, or excessive partying.



VoxEU

### Globalisation and the effective taxation of capital versus labour

06 April 2022

Globalisation has wide-ranging effects on tax systems. This column uses a new dataset of taxes on capital and labour across countries and time to assess these dynamics. The authors document a global convergence of average effective labour and capital taxes over time, as labour taxes have increased and capital taxes fallen. However, the large fall in capital taxation in developed economies contrasts its gradual rise in developing economies, albeit from a low base. This trend is consistent with evidence suggesting the causal effect of trade integration on the tax capacity of developing economies.



Harvard Business Review

### How the Metaverse Could Change Work

05 April 2022

Imagine a world where you could have a beachside conversation with your colleagues, take meeting notes while floating around a space station, or teleport from your office in London to New York, all without taking a step outside your front door.



VoxEU

### How tax and social insurance benefits can prevent women's labour participation and wage growth

30 March 2022

Japan ranks 120th among 156 countries in terms of its gender gap, with women earning significantly less than men. This column uses survey data to investigate the employment and earnings dynamics of women in Japan over their life-cycle, and finds that tax exemptions and social insurance benefits for low-income spouses significantly dampen women's labour supply and earnings. There is a significant room to improve women's participation and earnings by removing the fiscal policies that disincentivise work and skill accumulation. The policy changes would also mean that the government could raise more tax revenues without causing a welfare loss.

# Accelerating Climate Action

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## Urgent action is required now to head off the impending climate catastrophe

Climate change poses an urgent threat to our existence. 2019 was the second-hottest year on record, according to the National Oceanic and Atmospheric Administration and NASA, and current temperatures are believed to be roughly 1°C above pre-industrial levels due to human activity. Temperatures are now poised to reach 1.5°C above pre-industrial levels - with terrible consequences for millions of people in the form of rising sea levels, agricultural impact and natural disasters - barring decisive action, according to the United Nations' Intergovernmental Panel on Climate Change. People around the world are already experiencing extreme impacts of climate change, including drought, floods, and wildfires. In Australia, for example, the worst fire season on record began in late 2019 - killing dozens of people, destroying thousands of homes, and burning an area nearly the size of England. One of the United Nations Sustainable Development Goals, which were established in 2015, calls for taking urgent action to combat climate change. A UN report published in 2019 found that while some progress had been made on the goal, "far more ambitious plans and unprecedented changes" are necessary.

2020 marks a crucial inflection point for the Paris Agreement on climate change, which entered into force in 2016 and aims to limit warming this century to well below 2°C above pre-industrial levels (though the US, the world's second-biggest emitter of greenhouse gases, said it began the process of withdrawing from the deal in 2019) - because participating countries are being asked to submit their next set of climate commitments. It is now more vital than ever that climate efforts being made by states, businesses, cities, and regions are consolidated, in order to ignite sufficient change and halt the climate crisis. World leaders gathered at the UN Secretary-General's Climate Action Summit in September 2019 in New York to prepare for the critical year ahead. In the wake of this landmark summit and a surge in climate activism on the part of young people all over the world, the Secretary-General has prioritized a set of action portfolios with the potential to effectively curb greenhouse gas emissions. These action portfolios cover a range of critical areas including energy, industry, nature-based solutions, and urban infrastructure. Building resilience, and increasing financial support, are also high on the agenda.

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Related insight areas: [Climate Change](#), [Arctic](#), [Mining and Metals](#), [Energy](#), [Antarctica](#), [Global Governance](#), [Forests](#), [Future of Food](#), [Climate Indicators](#), [The Ocean](#), [Future of the Environment](#), [Circular Economy](#), [Water](#), [Oil and Gas](#)



World Bank

## Global Wildlife Program: Wildlife Conservation and Crime Prevention for Sustainable Development

28 April 2022

Biodiversity has become increasingly threatened due to land-use change, overexploitation, and climate change, which has led to a precipitous 68% decline in the population of mammals, birds, fish, amphibians, and reptiles since 1970. The presence of wildlife ensures that an ecosystem can function effectively and provides communities and countries with socio-economic benefits through wildlife-based livelihoods such as tourism. However, wildlife crime is undermining conservation and jeopardizing efforts to develop economic opportunities for communities that live around protected areas. The World Bank-led Global Wildlife Program is a global partnership on wildlife conservation and crime prevention for sustainable development.



Brookings Institution

## New targets and metrics for energy reliability, productivity, and quality

28 April 2022

In this thirteenth interview of the “17 Rooms” podcast, Clare Boland Ross and Todd Moss discuss new “measurable metrics” to reframe SDG7 energy targets to be more ambitious and location-specific. Ross, managing director of the Power and Climate Initiative at The Rockefeller Foundation and Moss, executive director at the Energy for Growth Hub, moderated Room 7 focused on Sustainable Development Goal number 7 —on affordable and clean energy—during the 2021 17 Rooms flagship process.



TED

## The African Swamp Protecting Earth's Environment | Vera Songwe | TED

20 April 2022

The peatlands of Africa's Congo Basin are a vast expanse of swamp and greenery that act as one of the world's most effective carbon sinks -- and they're under threat of environmental destruction. Economist Vera Songwe explains how putting a price on the carbon stored in the peatlands would not only help protect this vital resource but also recognize and reward the African communities that have contributed little to climate change. "This is not just about decarbonization," Songwe says. "This is also about development with dignity."



World Bank

## Indigenous Peoples, Local Communities, & Land Rights in Belize | Forest Carbon Partnership Facility

19 April 2022

The ties that bind Indigenous Peoples and local communities to their land are strong. Pablo Mis, a Q'eqchi Maya of Belize, explains this generations-long connection to the forest and land his people call home, and how REDD+ funding has allowed him to map their land. He also discusses the long but successful fight to have their land rights legally recognized, and how the Indigenous Technical Desk he set up made this possible. Featuring Indigenous Peoples and local communities working on REDD+, Get REDDY shares accessible, easily understandable information and knowledge about climate change, REDD+, and results-based climate finance to help communities in their engagement with REDD+ programs and activities.



International Monetary Fund (IMF)

## Responding to Global Shocks and Managing Uncertainty

19 April 2022

IMF Managing Director Kristalina Georgieva joins World Bank Group President David Malpass for to discuss how to respond to global shocks and manage uncertainty.



United States Institute of Peace

## What Russia's Invasion of Ukraine Means for African Governments

15 April 2022

As Russia's war in Ukraine advances into its second month, the conflict's effects continue to ripple across the world. In Africa, the conflict is upending long-term trends across the continent and eliciting mixed reactions from governments. As increased sanctions push the Kremlin to further explore relationships with countries outside of Europe and the United States, African countries are currently left with impending shortages in food and financing for energy projects. While some see this as an opportunity to build economic capacity from within the continent, others have opened the door for the Russian government to re-shape its approach toward Africa.

# ESG Shareholder Engagement

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## Environmental, Social and Governance-based engagement can help drive climate action and address public health issues

In addition to shaping their portfolios through ESG integration, investors may choose to actively drive related improvements at companies through greater shareholder engagement. Evidence suggests this is a far more effective way of shaping corporate behaviour than simply buying and selling stock. The ways in which investors can approach this depends on asset class, however. Private equity investors, for example, are likely to have relatively large ownership stakes and therefore more direct access to management teams (large PE funds like KKR and TPG regularly engage with senior and middle managers, as well as front line workers, to identify ESG issues and encourage development of related strategies, measurement, disclosures, and operational practices). For buyers of public equities, the style of engagement depends on their scale and objectives. Large asset managers with long-term investment styles are likely to have greater and more prolonged access to management teams, similar to what is afforded to private equity backers. Meanwhile activist hedge funds tend to take large stakes in firms for short periods of time, through leveraged capital and borrowing - and then use that time to mount aggressive campaigns.

Examples of ESG-centred shareholder engagement include Aviva Investors' push for Apple to address youth smartphone addiction, and Engine No. 1's campaign to drive stronger climate action at Exxon Mobil by replacing board members. Smaller, socially-responsible asset management firms like Boston Trust Walden, and values-based asset owners like religious pension funds, often engage firms by initiating shareholder proxy votes that call for stronger ESG strategies. Individual retail investors can join campaigns mounted by larger activists, though most delegate their voting power to index fund managers like BlackRock or Vanguard (which tend to follow shareholder voting guidance from firms like ISS and Glass Lewis). ESG shareholder action tends to focus on three objectives: disclosure, target setting, and governance. Disclosure, the most common, relates to the frequency of, quality of, and auditor assurances behind ESG information. Target setting can occur once ESG data is made available, and can be used to improve things like greenhouse gas emissions. In terms of governance, investors may simply ask for more rigour from a firm - both for its own sake, and as an enabler of the greater good through instruments like aligning executive compensation with sustainability goals.

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Related insight areas: [Climate Change](#), [Global Health](#), [Private Investors](#), [Institutional Investors](#), [Digital Communications](#), [Corporate Governance](#), [Youth Perspectives](#), [Banking and Capital Markets](#), [Sustainable Development](#)



Frontiers

## Does ESG Disclosure Help Improve Intangible Capital? Evidence From A-Share Listed Companies

10 May 2022

With the disclosure of ESG, the investment related to ESG disclosure has increased, and the trend of changes in intangible capital has shown an “inverted S-shaped” curve. The research shows that, in the initial stage of investment in ESG construction, new ESG investments increase intangible capital. With the increase in ESG investment and the advancement of time, the positive effect of the increase in ESG scores on intangible capital begins to appear and gradually offsets the cost of ESG investment. However, when the ESG score of a company is raised to a certain level, the marginal effect of continuing to increase ESG investment will reduce the increase in intangible capital.



Wharton School of the University of Pennsylvania  
- Knowledge@Wharton

## Making the Business Case for ESG

04 May 2022

Witold Henisz is a Wharton management professor, director of the Wharton Political Risk Lab, and founder of the Wharton ESG Analytics Lab. He's also a subject-matter expert on one of the most pressing issues in business today, which is ESG. Many investors want to put their money into socially conscious companies that proffer environmental, social, and governance criteria, but actually measuring a company's ESG impact is an imperfect science at best.



GreenBiz

## State lands open for carbon crediting, but how good are those credits?

02 May 2022

Last year, the global carbon offset market hit a record \$851 billion, according to analysts at Refinitiv. In the u.s., there are millions of acres that haven't been available for carbon projects — located on federal and state land. Indeed, there are currently only two carbon projects generating carbon credits on state land; there are none on federal land.



London School of Economics and Political Science

## Pink Tax: The gender bias in product recommendations and corporate social responsibility

29 April 2022

The conceptual underpinning of the ‘pink-tax’ refers to the profit-maximizing techniques adopted by companies based on psychological trends, shopping behaviour and interests, to promote the sale of products marketed towards female consumers at substantially higher prices than those promoted to male consumers. Far from being a “traditional” tax, these marketing strategies take advantage of women by increasing the price they pay. This difference results in a significant reduction in the opportunities and services available to women, augmenting deeply entrenched inequalities. Advertisements and the media impose physical standards and encourage society to adhere to gender-stereotypes that push women to purchase beauty products despite higher prices.



GreenBiz

## The Future of Sustainability Management Platforms

14 April 2022

The call to focus on climate change and track greenhouse gas emissions has never been louder. However, rules, guidelines, standards and regulations are constantly changing, including the potential new SEC reporting requirements, and companies still have siloed or missing data, making carbon accounting a daunting task — especially for Scope 3 emissions.



Brookings Institution

## Five trends to expect in Africa for the rest of 2022

13 April 2022

Ryan Short, a partner at Genesis Analytics, explores five trends to look for in Africa's business world for the rest of the year 2022. He touches on achieving “net zero” in greenhouse gas emissions, ESG and impact, the EU's green taxonomy, and more. He concludes giving some advice to African negotiators ahead of the COP27 climate summit in Egypt.

# Long-Term Vision, Short-Term Needs

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## **Balancing short- and long-term pressures is one of the most difficult business leadership challenges**

There is a commonly-held view that investors pursue short-term profit at the expense of long-term value. According to the results of a survey published by the Rock Center for Corporate Governance at Stanford University in 2019, 70% of CEOs and CFOs at S&P 1500 Index companies were facing pressure to maximize short-term returns at the expense of long-term growth. When firms focus on the short term, it often translates into lower investment in the long-term sustainability of a company at the expense of other stakeholders. Management has to be able to both articulate a long-term strategy and deliver sufficient short-term returns in order to ensure support and continued investment. Consistent metrics for measuring the success of long-term strategies are important. Corporate governance can play an important role in this regard by implementing incentives and pay aligned with these long-term metrics. Another means to tilt the balance towards a longer-term approach has been the increased adoption of Environment, Social and Governance (ESG) criteria in corporate strategies and investment decisions - which can draw the attention of shareholders zeroing in on firms with a longer-term, socially-conscious approach.

According to a white paper published by the World Economic Forum in 2019, quarterly reporting requirements are not the sole reason for short-termism - though corporate leaders describe them as a “necessary evil.” According to the white paper, these leaders must become better storytellers about their companies, by framing each quarter as a step in a longer-term story. Management and their boards must engage in constant conversation about how the company will grow, and the risks it will take to get there. Leaders of global companies have been signing a World Economic Forum compact for responsive and responsible leadership, committing them to ensure that their boards oversee the definition and implementation of corporate strategies that pursue sustainable long-term value creation, to encourage the periodic review of corporate governance, long-term objectives and strategies at the board level, to promote meaningful engagement between the board, investors, and other stakeholders that builds mutual trust and promotes the highest possible standards of corporate conduct, and to implement policies, practices, and long-term strategies aimed at cultivating sustainable growth for the benefit of all stakeholders.

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Related insight areas: [Sustainable Development](#), [Private Investors](#), [Values](#), [Future of the Environment](#), [Family Businesses](#), [Institutional Investors](#), [Corruption](#), [Leadership](#), [Banking and Capital Markets](#)



INSEAD Knowledge

## Don't Kill Share Buybacks

09 May 2022

New proposed restrictions on companies buying back their own stock would likely backfire. Share buybacks are wrongfully under attack. They have long been a punching bag for American politicians, especially left-leaning ones, such as Senators Bernie Sanders and Elizabeth Warren. Critics of share buybacks claim these transactions – which involve a company purchasing its own stock from shareholders – divert resources away from employees, investments as well as R&D. They point to moves like the one recently made by Starbucks' Howard Schultz, who suspended buybacks on his first day back as CEO, to invest in employees and stores.



Harvard Business School Working Knowledge

## Can the Case Method Survive Another Hundred Years?

02 May 2022

The case method pioneered by Harvard Business School has weathered a hundred years of controversy and criticism. However, is the approach the best way to teach people to lead in a world that demands more agility and adaptability? James Heskett asks.



World Economic Forum

## Five 'Monday morning priorities' for private equity investors looking to progress on sustainability

21 April 2022

Private equity investors are under increasing pressure to deliver on environmental, social and governance issues. Sustainable investing offers investors an opportunity to create real financial value, but it requires leadership to drive impact. The industry is at a critical point where it needs to respond to quickly evolving societal goals and expectations. The pressure on private equity investors to deliver real impact on environmental and social issues alongside financial returns – often referred to as 'sustainable investing' – has rapidly escalated. Leadership on this issue will position private equity to drive tremendous social and environmental impact.



World Economic Forum

## The key skills needed to build diversity, equality, inclusion and belonging in the workplace

20 April 2022

Skills and diversity needed to drive innovation, performance and value but many organizations are falling short on both. Study shows there is no single set of skills that make a company succeed at diversity, equality, inclusion and belonging (DEIB). Instead different skills are valued at different levels of an organization, and employers should take these into account when improving diversity. As organizations explore ways to become more diverse and inclusive, what skills might help them be more successful? After all, there is a strong body of research highlighting how diversity in the workplace can lead to increased profitability and creativity, stronger governance and better problem-solving skills.



Istituto Affari Internazionali

## Central Bank Digital Currencies: Governance, Interoperability, and Inclusive Growth

30 March 2022

As economies have become increasingly digitalized, central bank digital currencies (CBDCs) have been at the forefront of the agenda for central banks as a means to enhance payments systems' efficiency (both domestically and cross-border) and increase financial inclusion, and more broadly to support the effective transmission of monetary policy in the digital age (BIS, 2020; Boar and Wehrli, 2021). While the potential of CBDCs to meet these goals is clear, a secure underlying infrastructure and a credible, globally accepted system is of paramount importance.



LSE Business Review

## Demystifying the 'dividend puzzle' and making sense of government regulations in times of pandemics

16 March 2022

In the early days of 2020, when measures to contain the coronavirus pandemic hurt economies worldwide, many publicly listed firms omitted or suspended their dividend payments. For investors across the world, who seek for or solely rely on dividend income, this situation caused great difficulty. By the end of 2021, dividends had bounced back. Globally, 90 ... Continued.

# Governing Disruption

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**Organizations must be able to evolve and adapt, as the COVID-19 crisis has illustrated**

A board of directors has the responsibility to drive the continuous reinvention of an organization - in a way that ensures it is fit for purpose relative to shifting customer demands, social expectations, and unexpected calamities. Technological innovation at the core of the Fourth Industrial Revolution is changing the way we live, work, and relate to one another - and forcing the decision-makers guiding organizations to rethink how they can create value and reinvent the ways they function. As the global economy weathers the impact of the COVID-19 pandemic, for example, many organizations that had previously focused on maximizing resilience through technologies like cloud computing may find themselves in better shape than others. Innovation impacts many of a board's core responsibilities, including long-term planning, fostering a corporate culture, executive compensation, setting strategy, and making investments and acquisitions. While established incumbents are at risk of lacking sensitivity to evolving technology needs and responsibilities, younger players need the financial resources and data enjoyed by their older counterparts - and each can gear their corporate governance efforts towards sharing resources in a way that creates value.

New collaborative models may require entirely new corporate governance approaches that are much less based on traditional vertical control and siloed mechanisms - while still maintaining accountability to shareholders. The United Nations has emphasized the critical potential for breakthrough innovation to help achieve the Sustainable Development Goals, which are designed to enable a more sustainable global economy by 2030. It is a matter of corporate governance to consider how this innovation can both enable sustainable economic growth and help fulfil a specific organization's purpose. In terms of investor stewardship, for example, shareholders must be engaged on the topic of innovation in order to better understand long-term prospects both for the business and for society as a whole. Some organizations have specific board committees dedicated to technology and innovation, while others bring on consultants or other external advisors. Boards at the most forward-looking companies consider the long-term prospects of a business alongside its internal capabilities - essentially looking into the future in order to assess whether a company might be impacted by a paradigm shift in technology and business models, or a global crisis, and whether there are related opportunities and risks.

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Related insight areas: [Fourth Industrial Revolution](#), [COVID-19](#), [Internet Governance](#), [Leadership](#), [Digital Identity](#), [Sustainable Development](#), [The Digital Economy](#), [Mobility](#), [The Digital Transformation of Business](#), [Private Investors](#), [Institutional Investors](#), [Data Science](#), [Diversity and Inclusion](#), [5G](#)

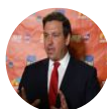


MIT Sloan Management Review

### What's Lost When We Talk 'ESG' and Not 'Sustainability' | Andrew Winston

05 May 2022

Our expert columnists offer opinion and analysis on important issues facing modern businesses and managers. More in this series Over the 20 years I've worked at the intersection of business and society, I've seen many terms applied to this part of the business agenda: compliance, eco-efficiency, corporate social responsibility, socially responsible investing, green, clean, sustainability, regenerative, net zero, net positive, and many more. Some variation in how we talk about all of this is helpful, but we also need some common language that's both relatively easy to comprehend and interesting.



The Tokenist

### Gov. DeSantis Supports Musk's Twitter Bid, State Pension Fund Owns 946,960 Shares

21 April 2022

The State of Florida, which invested in Twitter through its state pension fund, may side with Elon Musk and his attempt to take ownership of Twitter. The post Gov. DeSantis Supports Musk's Twitter Bid, State Pension Fund Owns 946,960 Shares appeared first on The Tokenist .



The Tokenist

### After Making \$156M with Delayed SEC Filing, Elon Musk Wants Twitter's HQ to be a Homeless Shelter

11 April 2022

Elon Musk delayed disclosing his stake in Twitter by 11 days, potentially buying the shares at an artificially low price. The post After Making \$156M with Delayed SEC Filing, Elon Musk Wants Twitter's HQ to be a Homeless Shelter appeared first on The Tokenist .



Electronic Frontier Foundation

### Day of Action for Antitrust: Our Rights Are Tied to Having Choices

04 April 2022

Today, EFF joins a diverse coalition of civil society and tech companies to call on Congress to pass strong anti-monopoly rules for the Internet.



Harvard Kennedy School - Belfer Center for Science and International Affairs

### How Nuclear Material Accounting Can Contribute to Nuclear Security

31 March 2022

Like its predecessor summits, the recently concluded Nuclear Security Summit in The Hague acknowledged the role that nuclear material accounting can play in securing materials from unauthorized use. The emphasis of this and past initiatives, however, has been on improving national laws and regulations—and primarily in states without nuclear weapons. States have yet to develop comprehensive requirements that address the full scope of nuclear risks and that are meant to be adopted by all states—including nuclear weapons states.



GreenBiz

### The ESG bar is high this proxy season: Is your board prepared?

07 March 2022

Last year saw a record number of ESG and climate-focused shareholder proposals winning majority support in 2021. Therefore, we can only expect the same for 2022 as shareholders' and stakeholders' expectations continue to rise. The success of hedge fund Engine No. 1 in securing board seats at Exxon Mobil in 2021 was a major warning sign for what will come. So, what can companies and their boards expect this year and are they prepared?.



VoxEU

### The private equity industry in the new interest rate environment

24 February 2022

As interest rates shift from a decades-long decline to hovering at the zero lower bound and potentially increasing significantly, the private equity industry will face new pressures. The inflow of capital to the asset class will decelerate, leading to an increased scrutiny of costs and an opportunity to shift bargaining power to limited partners. The first LTI Report argues that while the private equity industry has made promising steps towards innovation to preserve momentum, the adverse macroeconomic pressures will likely still prevail, affecting the industry's growth and, subsequently, its cost structure, which remains a controversial subject.

# Economics of Environmental Sustainability

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## Climate change and rising temperatures promise to severely hinder production and health

In late 2018, the UN's Intergovernmental Panel on Climate Change issued an alarming report noting that global temperatures are on track to be 1.5°C higher than the preindustrial era as soon as 2030. Currently, at 1°C warmer than the preindustrial era, we are already experiencing severe consequences of climate change including forest fires in the Arctic, and the increased intensity of hurricanes. A 1.5°C increase would mean more rapid sea level rise, hot extremes in most inhabited parts of the world, a higher probability of drought, and other risks to human security and economic growth, according to the UN report. Climate change, pollution, and resource depletion have been impacting the economic productivity of both countries and private companies. These forces also disproportionately impact the poor, exacerbating socio-economic inequality. According to an edition of the International Monetary Fund's World Economic Outlook published in 2017, the per capita GDP in a typical low-income country will be 9% lower by 2100 than it would have been in the absence of climate change-related temperature increases. A subsequent edition of the outlook published in late 2018 noted that robust global economic growth will require better buffering low-income countries against the effects of climate change, with things like climate-smart infrastructure.

While weather shocks tied to climate change have an immediate impact on agricultural production, they also have broader impacts related to labour productivity, mortality, health, and conflict - as threats to food security aggravate already-simmering issues in fragile states. According to IMF calculations, a temperature increase of 1°C to the median, low-income developing country temperature of 25°C can reduce crop production and agriculture value added (the processing of raw materials) by between 1% and 2% annually. Agriculture and farming in the oceans also face significant climate-related challenges. Climate change-related changes in marine fisheries production may be just as large as those in crop agriculture, according to a report published by the Food and Agriculture Organization of the United Nations in 2018; primary production of the global ocean is expected to decline by 6% by 2100 (and by 11% in tropical zones), according to the report. Economic policies and business practices need to better take environmental constraints into account, in order to make stable growth and freedom from conflict realistic possibilities for future generations.

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Related insight areas: [Global Health](#), [Agriculture](#), [Food and Beverage](#), [Future of the Environment](#), [Green New Deals](#), [The Ocean](#), [Agile Governance](#), [Forests](#), [Health and Healthcare](#), [Sustainable Development](#), [Air Pollution](#), [Climate Change](#)



VoxEU

## Widespread food insecurity is not inevitable: Avoid escalating food export curbs

04 May 2022

Ukraine and Russia play an outsized role in global markets for key crops. Disruption to food prices and supplies arising from the conflict is being felt thousands of miles away, and not only in net food-importing countries. This column shows that governments are exacerbating matters through unilateral resort to export curbs. Bans on wheat exports alone are responsible for a 7 percentage point increase in world wheat prices (roughly one-sixth of the observed price surge) and risk igniting a multiplier effect. Assurances of adequate food supply must be provided by other suppliers.

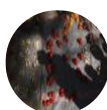


RAND Corporation

## Pathways to Retirement Among Dual Earning Couples

21 April 2022

This paper examines the transition from full-time work to fully retired among dual earning couples, which we call joint retirement trajectories. We analyze 12 waves of the Health and Retirement Study to map out the distribution of potential pathways that couples undertake when retiring.



Brookings

## Institutions, informality, and conflict in the Sahel: The case for Mali

12 April 2022

Ahmadou Aly Mbaye and Nancy Benjamin integrate the latest governance research with original survey-based results from the Sahel region in order to improve on policy approaches to increasing economic resilience.



Asian Development Bank

## Asia's Developing Countries Need Bold Tax Reform to Rebound from the Pandemic

07 April 2022

It's been said taxes are the price we pay for a civilized society. Without taxes governments simply don't have the resources to pay for the public goods and services that everyone depends on. Despite Asia's stellar progress in reducing poverty and improving living standards, governments across the region often struggle to generate sufficient revenue. Consequently, many countries in the region spend comparatively little on public education, healthcare, and social protection. Spending shortfalls in these areas were vividly illustrated by the severe impact of the COVID-19 pandemic, evident in strained education infrastructure, overflowing hospitals, and limited financial assistance to the poor.



Asian Development Bank (ADB)

## SEADS 2022: Sustainable Solutions for Southeast Asia's Recovery

15 March 2022

The coronavirus disease (COVID-19) pandemic hit Southeast Asia, and the rest of the world, hard, reversing the region's hard-won gains in reducing poverty, creating jobs, and enhancing health and well-being. But the seeds of recovery are starting to take root. To help address COVID and other development challenges, in 2020, ADB launched the Southeast Asia Development Symposium or SEADS. The first two SEADS took place amidst the onset of the COVID-19 crisis, and accordingly focused on helping Southeast Asian countries counter the immediate impacts of COVID-19. As countries continue to grapple with the severe economic, health, and social impacts of the pandemic, SEADS 2022, "Sustainable Solutions for Southeast Asia's Recovery," will focus on innovative solutions to build back better and rebound from the COVID-19 crisis.



Institute for New Economic Thinking

## Paper: Digital Access and Economic Transformation in Africa

14 March 2022

This document provides an overview of the current digital access landscape in Africa. It considers the intersections between digital access, rights, economy, and transformation, using evidence from a series of country case studies that illustrate the various themes, and depict the dynamics faced by different countries when it comes to the digital landscape. To understand the state of digital access in Africa, one has to delve into the key interests driving investment in this sector. The World Summit on the Information Society (WSIS) in 2003 was one of the early global platforms where internet access and its potential were discussed. The WSIS sought to inform and address the issues raised by information and communication technologies (ICTs).

# A New Understanding of Economic Growth

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## Prioritizing people and ecological systems can create more sustainable economies

Traditional economic systems and growth expectations generate unhealthy tension by being extractive by design. On one hand, such linear, extractive approaches have generated unprecedented economic gains and prosperity - by 2015, a record low 10% of the global population was living in extreme poverty, according to the World Bank. And, these approaches have generally spurred the provision of natural resources and workers in ways designed to achieve optimal profitability and productivity. On the other hand, any extractive economy will eventually be faced with potentially dire threats to biological and cultural diversity, an inevitable increase in the intensification of resource exploitation, and an ever-present threat of resource scarcity. There is also no guarantee that the short-term gains afforded by this model will be equally shared and accessed. Its trajectory usually involves simply regenerating itself by shifting focus to a new type of resources to be extracted and exploited - which by definition is not sustainable. This pattern often results in periods of relative short-term abundance, followed by periods of progressive scarcity prior to the identification of new resources to tap.

It is important to understand exactly how a circular economy approach can break the vicious cycle inherent in linear and extractive economies - and forge a new way forward. According to the United Nations, the conception and application of a circular economy has the potential to positively impact the progress made on several of its Sustainable Development Goals, which provide a framework for putting the global economy on a healthier, more sustainable path by 2030. The potential for a circular economy to limit the extraction of resources and instead regenerate the material necessary for further production can bolster Sustainable Development Goal 12, ensuring sustainable consumption and production, not to mention SDG 6 (ensuring the availability of water and sanitation for everyone), SDG 8 (promoting sustainable economic growth and decent work), SDG 11 (making cities more inclusive and sustainable), SDG 13 (taking urgent action to combat climate change), SDG 14 (sustainably use the ocean and seas), and SDG 15 (halting and reversing land degradation biodiversity loss). Ultimately, the circular model also has positive implications for SDG 10 - reducing inequality.

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Related insight areas: [Inequality](#), [Biodiversity](#), [Sustainable Development](#), [Workforce and Employment](#), [Cities and Urbanization](#), [Economic Progress](#), [Climate Change](#), [The Ocean](#), [Social Justice](#), [Global Health](#)

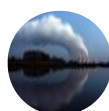


Yale Climate Connections

### Living in energy-efficient homes can improve people's health

21 April 2022

Home energy efficiency upgrades can cut carbon pollution and help people save money on utility bills. For Kevin Kennedy, director of the environmental health program at Children's Mercy Hospital in Kansas City, Missouri, there's an even bigger pay-off. "Really it's the health benefit and the long-term outcomes for the people living in the home that in my mind matter most," he says. For more than 20 years, Kennedy has helped families identify and address environmental health hazards in their homes. For example, mold, dust, and dander can trigger asthma attacks, which send about a million children in the U.S. to the emergency room each year.



Rocky Mountain Institute

### Funding Our Future: Creating a One-Stop Shop for Whole-Home Retrofits

31 March 2022

Decarbonizing the US building stock must start by ensuring that low-income residents have easy access to affordable, healthy, safe, and climate-aligned housing. The post Funding Our Future: Creating a One-Stop Shop for Whole-Home Retrofits appeared first on RMI.



Centre for European Policy Studies (CEPS)

### Climate change, ageing societies and the sustainability promise

30 March 2022

Will 2050 mark a turning point in human history when the human population has reached its peak and innovation has allowed us to put fossil fuels and mining in the past? Technology optimists make the case that high-performance products can be made by recycling scrap metal. Will the drive towards climate neutrality ensure prosperity for all, including developing countries? Will our decarbonisation and carbon neutrality objectives be a catalyst for this transformation or are they a pre-condition for it?



Mott MacDonald (RSS Feed)

### Healthy Buildings: how we can improve our hospitals and homes through healthy infrastructure

24 March 2022

Healthy Buildings: how we can improve our hospitals and homes through healthy infrastructure "In terms of cost impact of healthy buildings, it is important to be careful in choosing a baseline against which 'extra over' costs are being benchmarked. Often baseline costs are established for a minimally compliant building and compared to that, every enhancement is considered 'extra over'," says Eszter.



World Economic Forum

### This is how to ensure sustainable alternatives to plastic

09 March 2022

In trying to solve the plastic pollution problem, we may have created another problem: we are replacing plastic with materials that have a carbon footprint up to 3 times higher than plastics themselves, some of which are not even biodegradable in real-life conditions.



Project Syndicate

### Governing an Ocean of Plastics

02 March 2022

The ocean provides livelihoods for millions of people around the world and absorbs up to a third of global carbon-dioxide emissions. But with the health of maritime ecosystems threatened by plastic pollution, a new international treaty is urgently needed.



UN Environment

### A participatory approach towards a new global agreement on marine litter and plastic pollution

02 March 2022

This event is available in English only. .

# ESG Reporting, Comparability and Assurance

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## Environmental, Social and Governance reporting occurs too infrequently to keep up with evolving expectations

Corporate sustainability reporting has become common practice for large firms, and is the most widely used source of information about ESG performance. A KPMG survey in 2020 found that among 5,200 top-earning firms in 100 different countries, 80% were doing sustainability reporting - which rises to 96% for the world's 250 largest firms. However, generating sustainability reports can be labour-intensive and costly. The internal data collection necessary often requires dedicated staff and consultants, making it prohibitive for smaller firms. Even firms that do report on ESG factors only do so on an annual basis, even as quarterly reporting of financial results remains the norm. This lower frequency ESG reporting may be insufficient to keep up with rapidly increasing social and regulatory expectations on matters like greenhouse gas emissions. Another issue stems from the varying definitions of and expectations for ESG and sustainability. A firm may decide an issue is not worth disclosing, though investors and other stakeholders might disagree. As a result, if the only source of ESG data is corporate reporting, markets may not be able to react to some critical issues and stakeholders may seek out greater innovation in related data collection.

Another challenge is related to inconsistencies in data pulled from corporate reports, due to the different ways firms measure and reflect ESG factors. For example, firms might count greenhouse gas emissions only from their direct operations, or more comprehensively from their supply chains; those that are more rigorous and inclusive in their measurement might appear to be doing worse than those reporting in a more cursory way. For this reason, standards have been essential for the development of ESG reporting - such as the GHG Protocol, CDP, GRI, SASB, and IFRS. There is also the issue of reliability and trustworthiness, given the incentive firms have to indulge in greenwashing that makes their operations appear less risky and more virtuous. One key related development has been an increase in the auditing and assurance of corporate sustainability reporting. The KPMG survey found that 2020 was the first year in which a majority of large firms had invested in the independent assurance of sustainability reports (51% of the 5,200 top firms in 100 in countries, and 71% of the world's 250 largest). As regulatory requirements for ESG reporting increase, these figures are also likely to increase.

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Related insight areas: [Institutional Investors](#), [Data Science](#), [Corporate Governance](#), [Values](#), [Economic Progress](#), [Small and Medium Sized Enterprises](#), [Financial and Monetary Systems](#), [Private Investors](#), [Innovation](#), [Future of the Environment](#), [Supply Chains](#)



Asian Development Bank

### Debunking Viet Nam's Credit Rating Misconceptions

04 May 2022

There have been growing concerns that Viet Nam's fast-growing corporate bond market is harboring financial risks. The single most important step that the government could take to improve the transparency, safety, and sustainability of the corporate bond market is to mandate public credit ratings for all publicly and privately traded bonds. Under the 2019 Law on Securities, the government introduced some mandatory ratings. However, the regulations were tightly scripted and would mandate few, if any, issuers to be rated. Expanding the regulations to encompass all bonds is controversial, and opponents raise several objections.



GreenBiz

### Corporate GHG emissions need to move beyond 'best-guess' territory

02 May 2022

Historically, companies looking to calculate their greenhouse gas (GHG) emissions have had to rely on self-reported data and estimates rather than primary data from supply chain partners. These best-guess estimates lead to inconsistencies and a lack of clarity about what is really being emitted, where. That lack of visibility and transparency has made it challenging to establish credible and achievable goals for GHG emissions reductions in this decisive decade. RMI's Horizon Zero project aims to enable companies and brands to take much greater strides toward their net-zero goals by providing clarity on where emissions are happening throughout their supply chains, and specific guidance for their supply chain partners to decarbonize manufacturing processes.



GreenBiz

### Definitive Guide to ESG

02 May 2022

This Definitive Guide to Getting Started with an ESG Program is a comprehensive resource full of tips, advice and examples to help companies implement and manage ESG as a part of a complete risk and compliance strategy. By proactively addressing impacts of ESG, like climate change, companies can better predict future innovation to avoid supply chain disruption by advancing ways in which materials are sourced and ensuring the global economy drives value creation with ESG elements in mind. For anyone responsible for: ESG program management or creation What you'll learn: What ESG is and why it's growing in importance ESG regulatory drivers and the risk of non-compliance The necessity and value of an ESG program and how to get started.



Harvard Business School Working Knowledge

### What Role Do Individual Leaders Play in Corporate Governance?

19 April 2022

From 1997 to 2012, Scott Tucker built a nationwide network of payday lending businesses, becoming a pioneer in online lending along the way. Many of his borrowers could not access credit from commercial banks and depended on payday loans as a financial lifeline to cope with emergency expenses. But in 2012 federal prosecutors indicted Tucker on several criminal charges that he violated disclosure requirements. He was later convicted on 14 charges, including racketeering, misleading disclosures, and fraud. Associate Professor Aiysha Dey discusses how the case, "Scott Tucker: Race to the Top," examines the role of individual leaders in the corporate governance system, as well as their responsibility for creating a positive corporate culture that embodies ethics, self-restraint, and a commitment to serve.



CGAP Blog

### Regulating Platform-Based Finance: Seeing the Big Picture

14 April 2022

The scale and scope of platform-based finance extends beyond the powers of a single regulator — cooperation across agencies will be essential. Platforms combine technology, customer data and network effects across diverse markets. This brings in regulatory agencies covering a wide array of domains such as finance, competition, labor, consumer and data protection, telecoms and myriad commercial sectors. For financial regulators to act strictly within traditional silos framed in terms of financial institutions and services would be to ignore the multi-faceted nature of platforms, including risks that arise beyond the regulatory perimeter. How can financial regulators widen their perspective and take account of the big picture?



Chatham House

### How countries can regulate investment screening

13 April 2022

To attract investment, certain regulations can help countries understand the size of the garden (where investors can play) and the height of fence (to keep out malign actors). Investment screening has become an important component of the policy toolbox of nations, with the objective of blocking inward investment by foreign actors over concerns of national security and retaining competitiveness.

# Defining Corporate Purpose

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**An organization's reasons for being should extend well beyond financial gains**

The Business Roundtable, an association of CEOs of the largest American companies, has departed from a longstanding view that corporations exist solely to serve their shareholders. In 2019, the organization declared that companies should benefit all stakeholders, including customers, employees, suppliers, and communities - in addition to shareholders. This strongly reinforced the idea that profits are not the sole purpose of a business, and that corporations should exist to solve problems and provide services. If they are successful at doing this, long-term shareholder returns can increase, as society in general is better served. Establishing purpose is not an abstract exercise; it has proven to be essential for guiding decision making and for establishing priorities. London Business School Professor Alex Edmans has noted that as virtually all of the major decisions a company makes involve trade-offs, one of the main benefits of having a strong purpose is to guide these trade-offs. Purpose must not only be explicitly defined, however - it must also be implemented. Shareholders must understand the organization's purpose, and be able to identify the metrics (both quantitative and qualitative) related to delivering on it.

Some of these metrics incorporate the traditional concepts behind corporate social responsibility (CSR), such as maintaining positive working conditions and employee satisfaction, cultivating workforce diversity, and focusing on client satisfaction and product quality. But purpose can go well beyond CSR - one example is the clothing company Patagonia, which states that its reason for being is to help protect life on Earth. This is (presumably) understood by its investors, and implemented by designing, producing and selling products in the most environmentally sustainable way possible, and by building its supply chains and customer service around the circular economy ideas of repairing, reusing, and recycling. Responsible corporations create value for society and are motivated by the desire to do so. Survey results published by researchers at Stanford Graduate School of Business in 2018 showed that 65% of Americans believe CEOs at large companies should use their positions to address broad social, political, and environmental issues. That is to say, most Americans realize that corporations need to be committed to providing solutions and value to everyone - and that businesses have a responsibility to society.

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Related insight areas: [ESG](#), [Leadership](#), [Sustainable Development](#), [Future of Consumption](#), [Emerging-Market Multinationals](#), [Justice and Law](#), [Supply Chains](#), [Circular Economy](#), [Taxes](#), [Values](#), [Institutional Investors](#), [Financial and Monetary Systems](#)



World Economic Forum

## How startups drive economic recovery while growing responsibly

12 May 2022

Startups are crucial in bringing about societal change as well as driving economic recovery and responsible growth. Ahead of Davos 2022, we asked the CEOs of Global Innovators and Technology Pioneers on how they are helping to drive economic recovery and reach new levels of growth in a sustainable and responsible way. A number of Technology Pioneers and Global Innovator Unicorns will join the Annual Meeting to bring their perspective to the biggest global challenges. Startups are a catalyst for economic growth both globally and locally. The value that startups create is nearly on par with the GDP of a G7 economy and the amount of startup funding in 2021 surpassed \$600 billion, shattering funding records.



GreenBiz

## The temperature is rising on heat as an ESG issue

02 May 2022

I've become reasonably immune, for better or worse, to most mind-numbing headlines. They seem to happen daily. The full plate of issues that comprise my daily media diet has been overflowing with dispiriting news as we humans seem to gorge ourselves on a smorgasbord of conflict and controversy.



Rocky Mountain Institute

## How Australia is Decarbonizing Its Premium Commercial Buildings: A Story of Ambition Loops

02 May 2022

Currently, more than half of the largest commercial property management companies in Australia have climate goals that are fully or closely aligned with the country's net zero by 2050 target.



Harvard Business School Working Knowledge

## Dick's Sporting Goods Followed Its Conscience on Guns—and It Paid Off

18 April 2022

After the 2018 school shooting in Parkland, Florida, Dick's Sporting Goods' CEO declared: "I don't want to be part of the story anymore." Two new case studies by George Riedel go inside the retailer's decision to remove certain firearms from stores and restrict gun sales.



GreenBiz

## It's time to comment on climate risk disclosure

06 April 2022

The noise in the sustainability space has gradually grown louder over the past few years, most often via forward-looking aspiration: bold commitments, proclamations of renewed corporate purpose, even a (nominal) redefinition of the corporation's role in society.



The Conversation

## Corporate sanctions against Russia indicate a new level of social responsibility

31 March 2022

The war in Ukraine has resulted in many of the world's biggest companies deciding to stop doing business with Russia. McDonald's, IKEA, Apple are just some of the well known corporations making a stand. Why have they done this? After all, a famous rule of economics states that the social responsibility of business is to "increase its profits". Surely by closing themselves off from such a large country, these companies will take a financial hit?



GreenBiz

## Will just transition agendas reshape supply chain sustainability goals?

30 March 2022

The concept of supporting a "just transition" is becoming more visible in sustainability circles, and if it gains ground, it could become part of corporate pledges akin to those that commit companies to net-zero operations by a certain year. Such an outcome has significant implications for supply chain sustainability. Is just transition another short-lived buzzword that will have minimal impact on supply chain operations or is it something more substantial? Will just transition's star fade after it rises? There are various interpretations of just transition.

# Building Future-Ready Business Models

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## Business model choices and strategies will shape long-term growth and success-being

Successful companies look beyond linear value chains and industry boundaries, to create dynamic value “maps.” They use technology to encourage collaboration, and create shared value in broader digital ecosystems. Instead of well-defined value pools and homogenous competitors, these companies thrive in networked, overlapping value pools with heterogeneous competitors. They invest in creating value that delivers for both the business and all of its stakeholders.

A Forum report published in 2020 highlighted the accelerating shift to “digital-at-the-core” business models - adaptive, data-led, asset-light, and based on services rather than products. Instead of extending traditional models and channels (such as brick-and-mortar stores) while enabling digital channels, companies are orchestrating entirely digitally-enabled platforms and marketplaces.

### KEY INSIGHTS FROM THE DISCUSSIONS

For many firms, there has been more change over the past 12 months than over the previous decade. What has occurred is an acceleration of trends that were already underway, rather than entirely new concepts. Organizations that were already planning for the future were well positioned to quickly adapt.

Platform or ecosystem approaches to value creation require a mindset shift for most firms, which were not built to collaborate and share. At the same time, the speed of digital transformation during the pandemic has highlighted the importance of organizational cultures that foster innovation, and education on new tech and business models across organizations - especially at senior levels.

Future-ready organizations are enabling greater flexibility and upskilling across workforces. For example, Publicis launched an internal “gig marketplace” that has enabled greater mobility for the organization and cross-skilling for employees.

In order to avoid disruption, one approach is to view compliance as an opportunity for innovation. NatWest, for example, has seen complying with open banking data-sharing requirements as a strategic opportunity to rethink how products are designed and delivered.

Increasingly, countries will need to bridge the digital divide to build inclusive economies (through initiatives like the EDISON Alliance). They will also need policy and regulatory frameworks that can quickly adapt to new technologies and business realities.

Across industries there is a desire to retain cultural habits that

have emerged over the past year, such as greater collaboration and moving at speed. ESG and purpose have also come to the forefront and the hope is for them to remain there. Additionally, there is a strong sentiment that this is the time to double down on investments, not the time to withdraw, in order to properly invest in the future.

When asked about business model opportunities, more than 63% of participants selected “alignment with environmental sustainability goals,” 56% selected both “increased value from digital platforms and marketplaces” and “value from data-sharing and collaboration,” 53% selected “expanding digital ecosystem and partnerships,” and 34% chose “data/AI-driven customer insights and personalization.”

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Related insight areas: [Fourth Industrial Revolution](#), [The Digital Economy](#), [The Digital Transformation of Business](#), [Innovation](#), [Data Science](#)



Harvard Business School Working Knowledge

### Empower Your Employees to Make Better Decisions

27 April 2022

The impact of wise decisions can ripple out in an organization. In the book *Decision Leadership*, Max Bazerman and Don Moore explore how the choices of influential leaders, such as athlete Colin Kaepernick and Humu's Jessica Wisdom, motivate others to do better.



World Economic Forum

### Here's why the world of work urgently needs to put skills first

30 March 2022

The pandemic has led to unprecedented change in the world of work, with the skills required for many jobs changing. Employers need to change their approach to recruitment, focusing less on degrees and more on skills. Employers who invest in training and upskilling find it easier to retain staff. In the last two years, many of us have had to rethink not just how and where we work but also why we work. This moment of unprecedented economic and behavioral change has led to a complete reset in the relationship between employers and employees, with higher expectations and aspirations for work.



Harvard Business School Working Knowledge

### How Racial Bias Taints Customer Service: Evidence from 6,000 Hotels

28 February 2022

Hotel concierges provide better service to white customers than Black and Asian customers, says research by Alexandra Feldberg and colleague. They offer three strategies to help companies detect bias on the front line.

# Building Climate Coalitions

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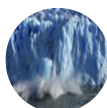
## Effective action requires engagement with many different stakeholders

Effective climate action will require commitments from a wide variety of players - businesses, national governments, international organizations, cities and regions, just to name a few. Businesses, regions and cities in particular took centre stage during the past few years, after the announcement that the Trump Administration planned to withdraw the world's largest economy from the Paris Agreement on climate change. While that withdrawal effort was later reversed, it provided an opportunity for others to step forward. The We Are Still In coalition, which includes investors, companies, and cities, gathered thousands of signatures in support of a pledge to uphold the Paris Agreement. Meanwhile We Mean Business, a coalition of non-profit organizations dedicated to partnering with the private sector, has engaged more than 1,500 companies (representing nearly \$25 trillion in market value) to act on climate change. More than 150 of the companies affiliated with the effort have committed to a goal of 100% renewable power, and many have committed to establishing science-based targets for reducing emissions of greenhouse gases in their operations.

Public-sector coalitions engaging local and regional governments are also becoming more prominent. The C40 Cities Climate Leadership Group, for example, is made up of more than 90 cities that have committed to 10,000 distinct "actions" to combat climate change. C40 cities represent about one quarter of the global economy and roughly 8% of the world's population, and aim to stir a global conversation that hastens progress towards a low-carbon economy. The Global Covenant of Mayors for Climate & Energy provides a similar platform for more than 9,000 cities that in total comprise about 10% of the world's population. Climate Action 100+ is yet another example of a global initiative systematically engaging with major corporate greenhouse gas emitters around the world. In addition, the World Economic Forum's Alliance of CEO Climate Leaders has sought to foster public-private collaboration that can support the Paris Agreement and the United Nations' Sustainable Development Goals. By joining forces with these coalitions, policy-makers, organizations, and companies can demonstrate a real commitment to climate action, share best practices, and demonstrate leadership.

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Related insight areas: [Development Finance](#), [Cities and Urbanization](#), [Agile Governance](#), [Sustainable Development](#), [Global Governance](#), [Geopolitics](#), [Civic Participation](#), [United States](#), [Social Justice](#)

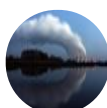


Asian Development Bank (ADB)

## Climatic Ep 4.2: Building a Green and Resilient Grid

04 May 2022

With countries stepping up their efforts to combat climate change, the need for an adaptable, greener, and more resilient energy supply has never been greater. In this episode of Climatic, Pradeep Perera from the Asian Development Bank and Anders Hove from the Oxford Institute of Energy Studies lay out the necessary conditions for a green and resilient grid. Climatic is ADB Ventures' series about the innovators decarbonizing Asia and the Pacific. It is produced by the Asian Development Bank and ADB Ventures with financial support from the Climate Investment Funds' Clean Technology Fund program.



Yale Climate Connections

## How a Wisconsin woman ditched natural gas

02 May 2022

In September, 2021, Susan Millar of Madison, Wisconsin, called her utility company. "And I said, 'Would you please turn off my gas?' And they were like, 'Well, are you moving?' And I was like, 'No, I just am not going to be using gas anymore,'" she recalls. She says she'd converted her 90-year-old home to run entirely on electricity instead of natural gas. Her commitment to going all electric started after she installed rooftop solar panels and learned that they were generating more electricity than she was using. She still had a stove, water heater, and furnace that ran on gas.

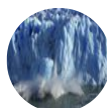


Frontiers

## Urban Climate Informatics: An Emerging Research Field

02 May 2022

The scientific field of urban climatology has long investigated the two-way interactions between cities and their overlying atmosphere through in-situ observations and climate simulations at various scales. Novel research directions now emerge through recent advancements in sensing and communication technologies, algorithms, and data sources. Coupled with rapid growth in computing power, those advancements augment traditional urban climate methods and provide unprecedented insights into urban atmospheric states and dynamics. The emerging field introduced and discussed here as Urban Climate Informatics (UCI) takes on a multidisciplinary approach to urban climate analyses by synthesizing two established domains: urban climate and climate informatics.



Frontiers

## Environmental, Health, and Equity Co-benefits in Urban Climate Action Plans: A Descriptive Analysis for 27 C40 Member Cities

02 May 2022

Many actions to reduce greenhouse gases (GHGs) in cities have benefits for environmental quality, public health, and equity. These local and immediate "co-benefits" can include cleaner air, expanded green space, improved physical activity, and reduced noise. However, progress incorporating co-benefits assessments into climate mitigation planning has been limited. Here, we capitalized on the new availability of climate action plans (CAPs) from dozens of C40 cities to explore the stated role of environmental quality, health, and equity in urban GHG mitigation planning. Specifically, we qualitatively reviewed how four topics—equity, exposure to environmental risk factors, health effects of climate change, and health co-benefits of GHG mitigation—were addressed in CAPs from 27 C40 member cities.

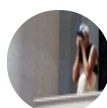


Nature

## Macron win relieves French researchers

26 April 2022

Scientists cheer defeat of far-right candidate Marine Le Pen, but say that the President Emmanuel Macron's plans for research are vague. Scientists cheer defeat of far-right candidate Marine Le Pen, but say that the President Emmanuel Macron's plans for research are vague.



Wired

## Extreme Heat Is a Disease for Cities. Treat It That Way

25 April 2022

For millennia, cities have thrived by attracting people with diverse backgrounds and talents. As the world warms, urban areas are attracting something less desirable: heat. A city's roads, buildings, and other infrastructure absorb the sun's energy, raising temperatures far above those in surrounding rural areas. This "urban heat island effect" varies dramatically not only from neighborhood to neighborhood, but from block to block and even house to house.

# Delivering on ESG Goals

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## Companies are reorienting business strategies and operating models to deliver on their goals

A clear consensus is emerging: for a company to enjoy sustainable value creation and long-term success, it must clearly understand who its key stakeholders are, engage with them, and bring their voice into decision-making. According to the Forum's Future of Corporation 2021 white paper, recent years have seen a clear shift towards greater stakeholder activism. Certainly, the pandemic has changed the rhetoric from "returns" to "value creation," and investors and shareholders are demanding more transparency and meaningful engagement with boards on environmental, social, and governance (ESG) issues.

The white paper also emphasizes that for a corporation to maintain its licence to operate, it must gain and retain the trust of its material stakeholders: those who can reasonably be expected to be significantly affected by its activities, products and services; and those whose actions can reasonably be expected to affect the ability of the corporation to implement its strategies and achieve its objectives.

### KEY INSIGHTS FROM THE DISCUSSIONS

When asked to rank their company on its ESG journey, 38% of participants said it is in "advanced deployment" (10+ metrics), while 25% said it is at a "moderate" deployment level (5-10 metrics), and 25% described it as being in "initial" deployment (1-5). Only one participant saw his/her organization at an early stage with no deployment. 45% described their company's adoption of ESG metrics as strategically driven, while 26% deemed it culturally driven, 24% saw it as functionally driven, and only 5% as "ad hoc."

When it comes to implementing and delivering on ESG goals, companies should not wait to be perfect – but instead get started now and evolve. It is also important not to get distracted by competition over ratings. What is key is to focus on the purpose of the effort, and to communicate that effectively.

Smart incentive plans can be instrumental in the acceleration of ESG integration processes. Individual employee targets can be personalized through variable compensation.

Companies must engage with peers and join coalitions, as many contemporaries are working through the same challenges.

As companies embrace ESG-related goals, the most important issues for strategy are: diversity and inclusion, employee mental and physical health, an internal ESG narrative to get everyone on board (and explain the influence their organization can exert

on these issues). Companies also need to ensure that they are credible - and deliver on their commitments.

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Related insight areas: [Institutional Investors](#), [Corporate Governance](#), [Economic Progress](#)



MIT Sloan Management Review

## How Organizations Can Balance Authenticity With Propriety

09 May 2022

It has become a common complaint that I hear from executives and HR teams in my consulting practice: inappropriate, sometimes even disturbing, behavior at work in the name of “authenticity.” One employee was rude to a colleague, and when a supervisor stepped in, the employee snapped back, insisting that they were simply being authentic. Another employee announced, “I don’t trust White people,” and explained that that was her “authentic self.” When I recently hosted a conversation about this idea on the social audio platform Clubhouse, every manager in the virtual room said they were facing this challenge. At a corporate event, executives told me the last thing they want to do is encourage employees to be even more authentic. Get Updates on Transformative Leadership.



Harvard Business School Working Knowledge

## How to Avoid the 'Ethical Slide' That Leads Companies Astray

17 April 2022

Building strong ethics requires continuous effort from everyone in an organization. In the book *Business Ethics: What Everyone Needs to Know*, J.S. Nelson offers practical advice for cultivating a “speak-up” culture.



Wharton School of the University of Pennsylvania  
- Knowledge@Wharton

## How to Have More Successful Conversations

30 March 2022

Whether negotiating a salary increase or chatting with a co-worker, people have more productive conversations when they identify their motives and goals. New research co-authored by Wharton’s Maurice Schweitzer offers a tool for doing just that.



Harvard Business School Working Knowledge

## Effective Leaders Share the Spotlight with Their Teams

07 March 2022

Many executives make decisions alone and take credit for every win. Research by Yuan Zou and Ethan Rouen shows how leaders—and their companies—directly benefit when they engage and elevate colleagues.

# Corporate Risk Management

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## For boards, the volatility of risk scenarios is only increasing

Every organization is confronted with some type of risk - operational, financial, technological, environmental, regulatory - which can have devastating consequences. Effective corporate governance requires continuous and systematic management of all types of risk, both current and anticipated. First, risks must be prioritized, and here the board of directors can play a key role by deciding in what priority they should be addressed, what is to be deemed simply unacceptable, and how they should be addressed from a structural perspective. For example, evidence gathered from the 2007 global financial meltdown indicates that banks with boards that had identified a need to establish a separate risk management committee managed the crisis better than those with integrated committees. The benefits of this type of separation have become only more evident as fiduciary duties have come to include oversight of a broad range of matters, including compliance with international accounting rules and stability measures that require banks to set aside capital in case of potential losses. Implementing a robust risk management system requires the integration of different parts of an organization, including the board's risk committee, internal auditing, finance, legal, and operations.

Increasingly complex and rapidly changing economic, environmental, social, and technological conditions have multiplied potential risk scenarios. Worsening climate change, geopolitical tensions, trade wars, and social upheaval like the protests that spread in Hong Kong in 2019 require corporate governance that is proactive when it comes to identifying risks and addressing them. Determining an appropriate board structure and approach to risk management will depend upon both a company's industry and stage of its life cycle; risk exposure is very different for financial institutions than it is for petrochemical firms. Even within the financial sector, different approaches are required - from insurers exposed to extreme weather events related to climate change, to retail banks making loans to small businesses during volatile periods. Organizations are dealing with complexity and litigiousness like never before, forcing their boards to assess current and past organizational exposure. Still, there are some strategic advantages to taking risks; after all, achieving sustained growth requires some degree of risk-taking. Incorporating risk management into corporate strategy is therefore crucial.

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Related insight areas: [Risk and Resilience](#), [Development Finance](#), [Financial and Monetary Systems](#), [Corruption](#), [Insurance](#), [Civic Participation](#), [Banking and Capital Markets](#), [Cybersecurity](#), [Climate Change](#), [Justice and Law](#), [International Security](#), [Illicit Economy](#)

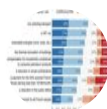


World Economic Forum

### Businesses are contributing to the Paris Agreement for nature. Here's how.

04 May 2022

The latest round of negotiations on the Post-2020 Global Biodiversity Framework was recently concluded in Geneva. For the first time at a United Nations Convention on Biological Diversity (CBD) meeting, leading businesses turned out in force in support of more ambition. Leading businesses must step up and speak up to ensure a meaningful global agreement on nature is reached. It has been a tough start to 2022. The war in Ukraine has shaken global geopolitical order and brought immense grief while disrupting supply chains and global economic stability.



VoxEU

### Public support for carbon taxation

01 May 2022

While many economists are in favour of carbon taxation, the public often opposes this climate policy. This column uses data from a survey of 3,000 people in France to show that rejection of a carbon tax is driven by pessimistic beliefs regarding the properties of the tax. Even when revenues from the tax are redistributed to households so as to make the policy progressive, most people think that they and low-income households would lose out, and that the policy would not be effective at reducing emissions. Public investments and standards could help foster support for an ambitious climate policy.



World Economic Forum

### Why private companies need to catch up on sustainability

08 April 2022

Public companies are leading private companies in three interlinked areas: environmental sustainability, corporate social responsibility and people sustainability. A diverse and inclusive culture attracts and retains the best talent, which leads to competitive advantages for those companies that have inclusive cultures. We call for improved transparency from private companies and their owners for better ESG and DEI insights to ensure that proper progress is being made. Sustainable businesses are focusing on three interlinked areas: environmental sustainability, corporate social responsibility and people sustainability. Their investors (i.e.



University of Chicago

### Universal basic income policies don't cause people to leave workforce, study finds

31 March 2022

New research from the University of Chicago Harris School of Public Policy suggests that a universal basic income would not cause people to leave the workforce. Such proposals, including one considered by Hillary Clinton during her 2016 presidential campaign, include direct payments that ensure each resident has a baseline of income to provide for basic needs. While previous research has focused on the effects of these unconditional cash transfers at the micro level—for example, winning the lottery—this study examined their large-scale impact by looking at a government program that has supported Alaska residents for the past 25 years. In a working paper released Feb. 12 by the National Bureau of Economic Research, Assoc. Prof. Damon Jones of Harris Public Policy and Asst.



Eco-Business

### Asian banks — good at selling green finance, 'falling short' on decarbonisation efforts: report

30 March 2022

The region's banks have been more actively launching green finance products than aligning their lending policies to meet decarbonisation targets, a study by Asia Research & Engagement finds. Singapore's DBS Bank emerges on top of the study.



Duke Fuqua School of Business

### Untangling the Risk Management Paradox

09 March 2022

"You might think that the firms that are more constrained can least afford to bear these various risks, but in fact, something makes them choose to forego this type of financial hedging," Rampini said. "The paradox is that a firm's financial constraints are both the reason they should be hedging and the reason why they don't do it." Rampini and colleagues have examined hedging in many contexts, from how people use household insurance policies to how airlines hedge fuel expenses. Their insights have prompted new questions about the foundations of risk management theory. Using data from airlines, the authors also developed a model to predict when a financially constrained firm is likely to abandon hedging and use its resources to finance investment or to avoid downsizing and focus on staying operable.

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- Some URLs have been shortened for readability. Please follow the URL given to visit the source of the article. A full URL can be provided on request.

# Continue the experience online

## Explore the collective intelligence of the World Economic Forum

In today's world, individuals and organizations can find it difficult to keep up with the latest trends or to make sense of the countless transformations taking place around them.

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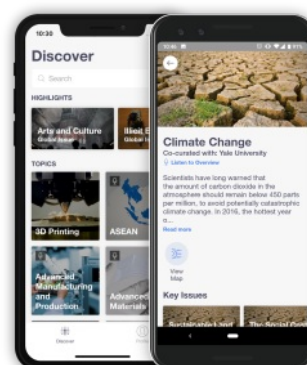
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