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# Boards Tackling Geopolitical Challenges

## Dynamic Briefing

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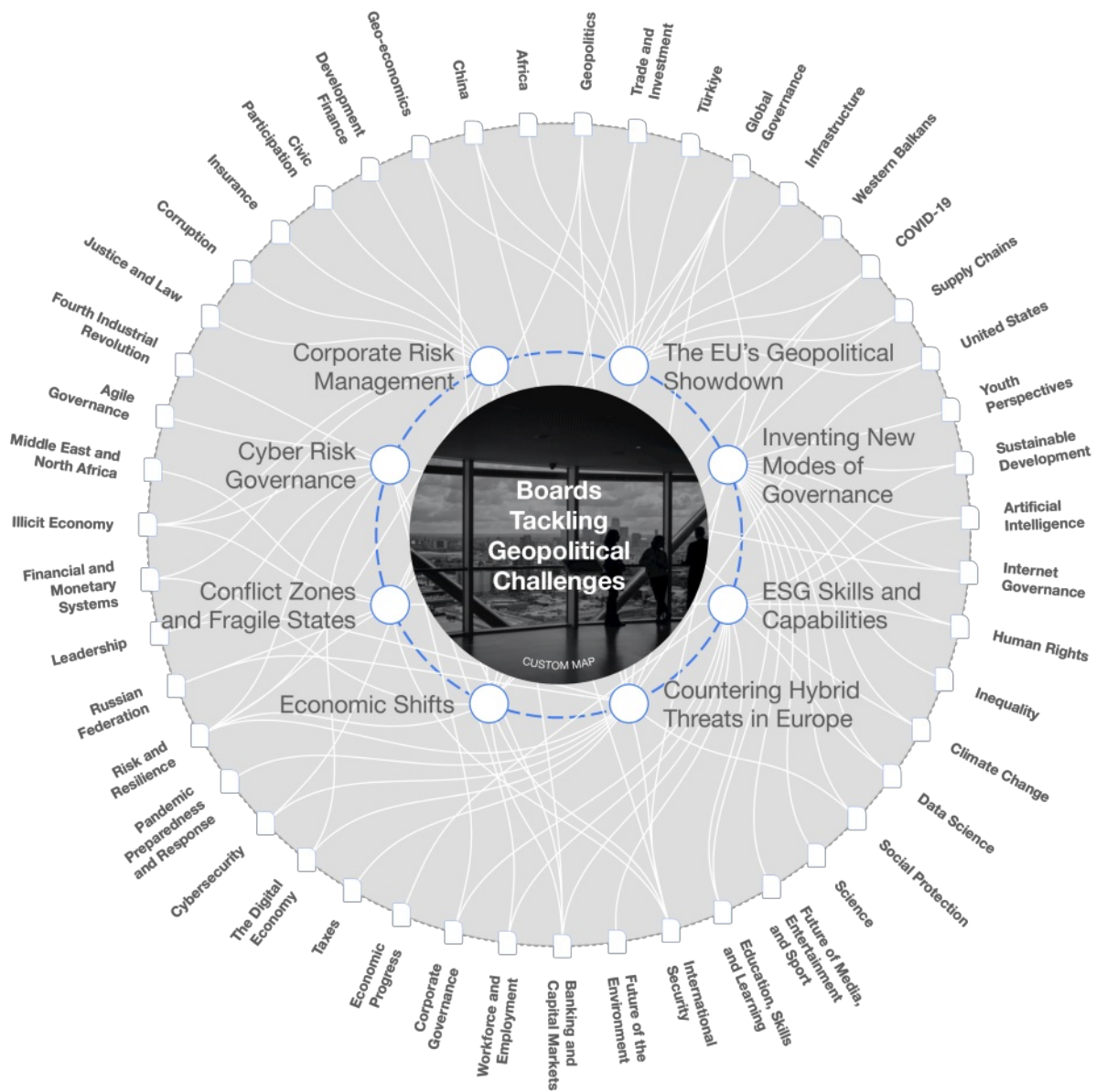


# Boards Tackling Geopolitical Challenges

Last review on Sat 05 March 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

Insights for Boards tackling Geopolitical challenges including the war by Russia on Ukraine. For individuals exploring to make a difference more insights can be found here <https://supportukrainenow.org>

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# The EU's Geopolitical Showdown

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## A 'geopolitical' European Commission must guide Europe while the risk of a global great-power standoff increases

The Russian invasion of Ukraine has raised the stakes in an intensifying global great-power competition. While the US and China vie for influence in terms of standard-setting, trade, and infrastructure - both physical and digital - Russia has applied blunt force to subjugate a sovereign state. As Russia and China call on NATO to stop enlargement, they have moved closer to a united front against the West; China has shied away from backing Russia militarily, but those who fear Chinese military intervention in Taiwan or the South China Sea are watching its positioning closely. Meanwhile a self-declared "geopolitical" European Commission aims to make the European Union a strategic global player capable of advancing its interests with one voice. COVID-19 laid bare the difficulties and opportunities for positioning Europe between the US and China. The EU has established its leadership in science and desire to forge cooperation, but its supply chains for energy, raw materials, and strategic health and digital products have created dependencies. With geopolitical tensions heating up and the ideological chasm growing between Western democracies and authoritarian regimes, balancing security interests with economic ties becomes more difficult.

In Europe's favour: The united Euro-American response to Russia's aggression in the form of economic sanctions and military support for Ukraine testifies to a revived transatlantic partnership. On the other hand, Europe has yet to find unity on strategic questions such as energy security, or its common approach to China. One way the EU has chosen to direct its geopolitical efforts is through a focus on regions. Its "Strategy with Africa" aims at advancing economic, political, and security cooperation - not least to counterbalance Chinese influence in Africa. In its more immediate neighbourhood including the Western Balkans, Eastern Europe, and North Africa, the "geopolitical" EU needs to provide more convincing answers on how to best address growing instability. Emerging powers in South Asia and elsewhere demand attention, which is acknowledged by the EU strategy for the Indo-Pacific - though it has yet to translate into action. In a world where a peaceful, rules-based globalization is on the backfoot and power politics is on the march, Europe must continue to advocate for democracy and multilateralism, and to serve as a laboratory (and model) for successful trans-national governance.

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Related insight areas: [Geo-economics](#), [China](#), [Africa](#), [Geopolitics](#), [Trade and Investment](#), [Türkiye](#), [Global Governance](#), [Infrastructure](#), [Western Balkans](#), [COVID-19](#), [Supply Chains](#), [United States](#)



Centre for European Policy Studies (CEPS)

## Are we about to see a big bonus for Europe's low-carbon ETS producers?

12 December 2022

The EU's legislators are in the final stages of deciding on updates to some of the most important EU climate policies – the EU Emissions Trading System (ETS) and the new Carbon Border Adjustment Mechanism (CBAM). High energy prices have led to anxiety about Europe's industrial future. More than ever, safeguarding industrial competitiveness is at forefront of policymakers' minds. But equally, Europe's industrial future must be climate neutral. However, the EU's innovation funding framework is better suited for early-stage R&D and demonstration funding, than for scaling up the deployment and commercialisation of low-carbon technology. By reforming the rules on ETS allocation, an-EU wide framework for sustained low-carbon technology financing could be within reach.

# Inventing New Modes of Governance

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## The traditional institutions spawned after World War II are increasingly irrelevant

Growing inequality, the social and economic fallout from COVID-19, climate change, and migration all present increasingly thorny governance challenges. The climate crisis demands coordinated answers at the local and global level. However, governance structures largely inherited from the 19th and 20th centuries - like patriarchal institutions, political parties, or intergovernmental negotiations - are being questioned as they reach the limits of their usefulness. Voting, long the preferred mechanism for choosing decision-makers, has been undermined by low turnout and the interference of authoritarians. The pandemic spurred governments to restrict freedom of movement and pursue vaccination efforts, triggering reactions. Many countries have seen demonstrations against pandemic restrictions and mandates (even as other people have pressed for stronger measures to better help protect populations). The pandemic has also diverted attention and funding from other public health issues, reduced the capacity of civil society organisations to function, and generated geopolitical tensions. This has only further pressured a multilateral system mostly formed after World War II. The friction between the US and China is a symptom of this deterioration, as is Russia's invasion of Ukraine.

However, new means of global cooperation are emerging. Multi-stakeholder efforts like the Internet Governance Forum are demonstrating that open platforms for discussion are not only possible, but also useful. Efforts formed around the United Nations' Sustainable Development Goals are also promising. Many international civic-participation movements are being powered by digital coordination and make decision making more inclusive. At the national level, the French Citizens' Convention for the Climate (2019-2020) demonstrated the power of embedding such a deliberative process in traditional decision making, and inspired similar processes in other countries. At the European level, the Conference on the Future of Europe has brought citizens from all EU member states together to discuss topics such as the economy, social justice, climate change, and migration. This marked the first time citizens' panels discussed and participated in political debate with decision makers in 24 different languages. At the global level, platforms like Avaaz and Change.org are gaining traction, and initiatives like the Global Citizens' Dialogues on the future of the Internet are connecting the informed views of citizens with decision-makers. Slowly but increasingly, deliberative democracy is scaling.

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Related insight areas: [Youth Perspectives](#), [Sustainable Development](#), [Global Governance](#), [Artificial Intelligence](#), [Internet Governance](#), [Human Rights](#), [Inequality](#), [Climate Change](#), [Data Science](#), [Social Protection](#), [Science](#), [Future of Media](#), [Entertainment and Sport](#), [Education](#), [Skills and Learning](#), [International Security](#)



INSEAD Knowledge

## Americans Underestimate the Impact of Voter Suppression

18 October 2022

Casting one's vote is the defining act of a participatory democracy. But states in America have passed a variety of restrictions, including limiting polling place access, imposing stricter voter identification requirements, adding administrative burdens for mail-in voting and a litany of other rules, restrictions and regulations. All these will make voting more difficult for some eligible voters heading to the polls in November for the pivotal US midterm elections. Such hurdles dampen voter turnout. While calls for more secure voting could be seen as deliberate attempts by conservatives to suppress voting, our research suggests an additional, less cynical reason: Americans greatly underestimate how much these policies limit the ability of legitimate voters to vote.



# ESG Skills and Capabilities

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## The employees required to assess new layers of corporate performance need a blend of competencies and skills

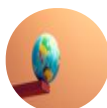
As the Environmental, Social and Governance marketplace grows, every firm involved is in need of people equipped with up-to-date sustainable business and investment skills. Banks and asset managers have been staffing up their ESG departments to help them analyse the non-financial performance of firms, and integrate that information with more traditional financial data in order to more comprehensively inform their investment decisions. Entirely new financial firms are also emerging, to supply the market with sustainable investment products like green bonds and access to activist shareholder funds and clean technology-focused venture capital investments. Their employees need a combination of foundational financial analysis skills and fluency in the language of carbon emissions, living wages, political activity, and other ESG matters - as well as an ability to critically consume related information. Non-financial firms need sustainability departments capable of measuring and monitoring firm performance, and communicating in an accurate and timely way to the capital markets and other stakeholders. The necessary related skillsets include an ability to engage and collaborate with business leaders while bringing a broader set of stakeholder concerns to the table.

To better connect businesses and disparate stakeholders, there is a growing industry of data providers, analytics and artificial intelligence firms, rating agencies, and other services designed to help process new layers of information about corporate performance. The necessary skillsets for this combine data analytics, computer science, and consulting with a deep understanding of sustainability. To develop a new generation of professionals equipped with these skills, business schools can further integrate sustainability into their curricula, and collaborate with operational and financial disciplines. Meanwhile academic programs in the environmental and social sciences can prepare people to apply their expertise to capital markets. Professional associations of investors, auditors, and accountants can provide continuing ESG education via organizations like the CFA Institute. Because ESG skills are often hybrid, the necessary certification and credentialing has been idiosyncratic - MBAs and Master of Finance degrees appear in credentials alongside degrees in environmental science or labour economics. While some people may have dual degrees covering such fields, others pursue specific sustainability certificates. As the ESG field matures and solidifies, employers may begin to seek more such harmonized certifications and credentials.

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Related insight areas: [Sustainable Development](#), [Education, Skills and Learning](#), [Future of the Environment](#), [Data Science](#), [Banking and Capital Markets](#), [Workforce and Employment](#), [Artificial Intelligence](#), [Corporate Governance](#), [Economic Progress](#)





**Harvard Business Review**  
**2022: A Tumultuous Year in ESG and Sustainability**

21 December 2022

Overlapping environmental, social, and political crises — from flooding and wildfires to the first war in Europe in 80 years — have made the jobs of leaders that much harder.



**Kellogg School of Management**  
**5 Takeaways on the State of ESG Investing**

20 December 2022

ESG investing is hot. What does it actually deliver for society and for shareholders?.



**Eco-Business**  
**2022: The year ESG took a beating**

14 December 2022

Some say ESG is in need of a rethink. There are others who have outrightly called it a 'scam'. In 2022, ESG investing made the headlines for all the wrong reasons. But might there still be value in defending the concept?.



**Eco-Business**  
**Lego and the Toy Makers: How Sustainability Comes to Play Land**

14 October 2022

In this report, we aim to research LEGO's ESG performance when compared with other toy makers in the industry by examining their environmental (including carbon emissions), social and governance initiatives. We evaluated LEGO's ESG performance by referring to our ESG framework, which covers 18 initiatives of ESG reporting. Overall, we found LEGO takes the lead in ESG reporting. In particular, LEGO has voluntarily published its sustainability since 2007 and started following GRI (Global Reporting Initiative), and assured its reports by a third party since 2009. We also found LEGO has an ambitious goal of reducing GHG emissions and controlling landfills. However, we do find that its disclosure on pollutants and risk management is missing, and overall disclosures on corporate governance are weaker than other sections.



**LSE Business Review**  
**How an accounting tool can help us move beyond environment, social, and governance reporting (ESG) to action**

10 October 2022

Environment, social, and governance reporting (ESG) has failed to produce a reduction in the negative impacts of business activity. Companies produce reports, but reporting has become a goal in itself—not addressing the issues. Harpinder Sandhu writes that for the goal to shift to “action for sustainable development”, companies must incorporate the true cost accounting (TCA) tool, ... Continued.

# Countering Hybrid Threats in Europe

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## Russia's war on Ukraine reinvigorated Western security cooperation and may be a turning point in Europe's defence policy

When Russian forces invaded Ukraine in February 2022, war as a geopolitical instrument returned to Europe. Over the previous decade, illegal annexations, humanitarian crises, cyberattacks, and disinformation campaigns had already created a volatile security environment. Terrorism, trafficking, instability in Europe's neighbourhood, and the climate crisis all broadened the spectrum of potential threats, and made the notion of Europe as a continent at peace ring increasingly hollow. Russia's war of aggression inadvertently revived transatlantic security cooperation and emboldened the European Union to take unprecedented steps regarding its Common Security and Defense Policy. Under the leadership of US President Joe Biden and at the urging of East European allies, NATO massively stepped up its troop presence at the eastern flank. While NATO remains adamant about not becoming a party to the war, it has supported sanctions against Russia and provided military support to Ukraine. After years of simmering disagreement, NATO's new "Strategic Concept," due in summer 2022, is expected to show a new resolve in terms of strengthening collective defence and deterrence. Meanwhile the EU has coordinated with the US on its most far-reaching sanctions package ever imposed on a foreign country.

The bloc also decided for the first time to purchase weaponry and military equipment for a country under attack, and as of March 2022 planned to spend up to €1 billion out of the European Peace Facility. The EU also pledged to increase defence expenditures, expand capabilities and joint projects, and strengthen the industrial defence base. The EU's "Strategic Compass" reflects ambitions to increase Europe's strategic autonomy and make a stronger contribution to global and transatlantic security cooperation. Individual member states have stepped up related commitments, with the most noticeable change occurring in Germany. Challenges remain, however. The EU is not a global security player on par with China, the US, or Russia. It will take time and compromise to increase Europe's defence capabilities, and reformed modes of collective decision making. COVID-19 added an additional layer of complexity, as it laid bare vulnerabilities in strategic supply chains and in health security. Future threats related to energy and food security, as well as to cyber security - and multilateral security cooperation within the United Nations or NATO will remain a priority, as the EU has yet to demonstrate its capacity to act on its own.

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Related insight areas: [COVID-19](#), [Taxes](#), [China](#), [The Digital Economy](#), [Global Governance](#), [Cybersecurity](#), [Pandemic Preparedness and Response](#), [International Security](#), [Risk and Resilience](#), [Russian Federation](#), [Leadership](#), [United States](#), [Social Protection](#), [Geopolitics](#)



Stockholm International Peace Research Institute

**Delivering the Compact: Towards a  
More Capable and Gender-balanced  
EU Civilian CSDP**

10 November 2022

European Union (EU) member states established a political compact in 2018 to strengthen the civilian dimension of the Common Security and Defence Policy (CSDP). Among other things, they committed to raise the number and share of seconded personnel in civilian CSDP missions to at least 70 per cent and to promote a better representation of women at all levels.

# Economic Shifts

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## There has been a resurgence in the use of economic and financial sanctions

The tightened integration of the global economy has rebalanced power and created complex new financial interconnections. In the two decades leading up to 2017, the share of global economic output accounted for by developing countries jumped to 59.3% from 42.8%; much of that increase is attributable to China, which progressed from contributing 6.6% of total global output on its own to 18.7% over the two-decade period (China's dramatic integration into the global economy has been one of the most significant international developments since World War II). Increasingly, governments reach for economic and financial policy levers to advance national ambitions (or hinder others'), in both the economic and political realms. The dividing line between economics and national security has therefore blurred, sometimes as a matter of policy - as illustrated by the US Department of Commerce's strategic plan for 2018-22, which states that "economic security is national security." Meanwhile the increasingly domestic lens through which states assess their international economic policies and priorities has weakened support for the global economic governance framework that has been in place more than half a century.

Economic ties are now seen as a tool for advancing geopolitical goals through "weaponized interdependence." COVID-19 further underlined the fragility of supply chains, and global economic governance itself has long shown signs of systemic fragility; the US's blocking of appointments to the World Trade Organization's Appellate Body is one such sign (the body was crippled in late 2019 when it fell below the minimum number of members required to hear appeals). Some countries take relatively mercantilist approaches to trade, and see bilateral relations as a geopolitical zero-sum game - the tariffs levied by the US and China on one another during 2018 and 2019 provide an example. Trade is not the only means used to advance national ambitions; there has been a resurgence in the use of economic and financial sanctions (most prominently targeting Russia after its invasion of Ukraine), and foreign direct investment has also been affected. China's massive Belt and Road infrastructure-building initiative is a controversial example of outward investment with geopolitical ramifications, while on the flipside a growing number of countries are creating barriers to inward investment perceived as threatening.

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Related insight areas: [Geo-economics](#), [Risk and Resilience](#), [International Security](#), [Banking and Capital Markets](#), [Trade and Investment](#), [Supply Chains](#), [Financial and Monetary Systems](#), [Global Governance](#), [COVID-19](#)



[Harvard Kennedy School - Belfer Center for Science and International Affairs](#)

### Let the WTO Referee Carbon Border Taxes

29 November 2022

Efforts to reduce global greenhouse-gas emissions must overcome the free-rider problem, and carbon border adjustment measures are the most effective way to level the playing field. But only a revived World Trade Organization could ensure that such a mechanism is applied fairly.



[Institut Montaigne](#)

### What Can the New Italian Government Achieve Politically and Economically?

09 November 2022

This article, belonging to the Observatory of Populism, is part of Institut Montaigne's new partnership with the Illiberalism Studies Program at George Washington University, which will extensively cover populist voices, whether in Brazil, Europe, or in the crowded US midterm election landscape.



[Project Syndicate](#)

### The Age of Megathreats

04 November 2022

For four decades after World War II, climate change and job-displacing artificial intelligence were not on anyone's mind, and terms like "deglobalization" and "trade war" had no purchase. But now we are entering a new era that will more closely resemble the tumultuous and dark decades between 1914 and 1945.



[Project Syndicate](#)

### Why Deglobalization Makes US Inflation Worse

07 October 2022

While globalization reduced production and labor costs, the current trend toward deglobalization is characterized by high tariffs and geopolitical tensions that threaten to make surging prices a fixture of the global economic landscape. Beating high inflation in the US and elsewhere requires a coordinated global response.

# Conflict Zones and Fragile States

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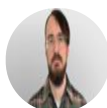
## **Nuclear material and reactors in parts of the world prone to conflict are particularly vulnerable**

The theft of nuclear material dates back at least to 1957, and the pilfering of uranium-235 from a nuclear scrap recycling plant in Pennsylvania at the height of the Cold War, according to the Nuclear Age Peace Foundation. During any period of conflict, there is an increased risk of the theft of nuclear material and weapons. Due to the proliferation of nuclear technology in recent years and heightened global instability, related risks have spread to some of the world's least stable territories. Reports made to the Nuclear Security Summit held in the US in 2016, for example, noted that conflict between Azerbaijan and Armenia, and within Ukraine, have ratcheted up the risk of nuclear material being smuggled across borders. Fragile or breakaway states like Transnistria, between the Dniester River and Ukraine, and South Ossetia (officially a part of Georgia), provide both a safe haven for smugglers and sources of illicit nuclear material; significant amounts of highly enriched uranium have gone unaccounted for in the region since the breakup of the Soviet Union. In 1995, the International Atomic Energy Agency began compiling related information about unauthorized movements of nuclear or other radioactive material, by establishing a dedicated Incident and Trafficking Database.

Nuclear reactors have become key targets. According to media reports, an aborted Islamic State attack in Belgium in 2016 was likely meant to target a nuclear power plant, and suspected state-sponsored Russian hackers targeted nuclear facilities in the US in 2017 - as tension mounted over alleged Russian meddling in American elections. Live conflict zones add another layer of danger, as nuclear reactors can become targets of direct attacks. In 2014, Hamas, the Palestinian group that controls Gaza, launched three Iranian-designed rockets that targeted but narrowly missed the Dimona reactor in Israel. Amid renewed exchanges of violence during 2018 between Israel and Iranian proxies in Lebanon and Syria, and civil unrest in Gaza and the West Bank, a repeat attack became increasingly possible. The ongoing conflict in Syria is also a major risk factor, as nuclear material generated by the country's former nuclear weapons programme is largely unaccounted for. A March 2018 report published by the Institute for Science and International Security suggested that this material may include enriched uranium and related equipment, potentially providing the necessary elements for a so-called dirty bomb.

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Related insight areas: [Illicit Economy](#), [Russian Federation](#), [Geopolitics](#), [International Security](#), [Risk and Resilience](#), [Human Rights](#), [Middle East and North Africa](#), [Global Governance](#)



ETH Zürich

### The Nuclear Reality is Unsettling

21 November 2022

Stephen Herzog is researching how nuclear weapons could be better controlled and eventually eliminated. For him, Putin's threats are a reason to fundamentally question the nuclear "balance of terror."



Harvard Kennedy School - Belfer Center for Science and International Affairs

### The Final Hurdle: How to Secure the Iran Nuclear Deal

12 November 2022

Analysis & Opinions - The National Interest The Final Hurdle: How to Secure the Iran Nuclear Deal Without the JCPOA restrictions in place, Iran's nuclear program will expand and continue to acquire irreversible technical knowledge and competencies. Despite optimism that a breakthrough was imminent in the talks to revive the Iran nuclear deal, formally known as the Joint Comprehensive Plan of Action (JCPOA), indirect talks between Washington and Tehran have stalled again. While the parties disagree on the extent of sanctions relief and what legal and political mechanisms are necessary to ensure the revived agreement's durability, many observers consider Iran's insistence on the settlement of the International Atomic Energy Agency's (IAEA) probe into its past nuclear activities as the main roadblock to the restoration of the nuclear deal.



Project Syndicate

### The New Nuclear Era

19 October 2022

For many years, scholars and officials have believed that the nuclear problem was a relic of the Cold War. To the contrary, the world is moving closer to a new era that could be defined even more sharply by nuclear weapons, as Vladimir Putin's threats against Ukraine demonstrate.



Harvard Kennedy School - Belfer Center for Science and International Affairs

### Beyond Nuclear Deterrence

14 October 2022

In October 1962, the United States and the Soviet Union squared off in what game theorist and Nobel laureate Thomas Schelling described as a nuclear game of "chicken" that threatened humanity's survival. The Cuban Missile Crisis spurred six decades of efforts to limit the spread of nuclear weapons and inspired a generation of scientists to think critically about reducing atomic risks. Russian President Vladimir Putin's recent nuclear threats during the war in Ukraine are an unambiguous reminder that such dangers have outlived the Cold War. A new wave of scientific research is urgently needed to understand conditions for making global nuclear disarmament desirable and feasible.



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



Geneva Centre for Security Sector Governance  
(DCAF)

## **#CyberSecMonth is in full swing to build cybersecurity awareness**

06 October 2022

Ninety-five percent of cybersecurity breaches are caused by human error. Last year that meant some 22 billion records were exposed by data breaches, with harmful consequences on personal lives and the smooth running of businesses and institutions ( World Economic Forum and Risked Based Security ). The first step to prevention is to be aware of the risks and learn how to avoid them. For ten years, #CyberSecMonth has offered a full range of tools and resources to do so. Each year in October, hundreds of activities take place across Europe to promote digital security and cyber hygiene, including conferences, workshops, training, and more.

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



Kellogg School of Management

## Tesla Deserves an A for Its Financial Management

02 November 2022

Finance & Accounting Nov 2, 2022 Tesla Deserves an A for Its Financial Management Elon Musk should be commended for being in the position to even think about stock buybacks right now. Yevgenia Nayberg In Tesla's earning call last week, Elon Musk said that the company could pursue a \$5 billion to \$10 billion share buyback.

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## 7. Cyber Risk Governance

- #CyberSecMonth is in full swing to build cybersecurity awareness, Geneva Centre for Security Sector Governance (DCAF), [dcaf.ch](http://dcaf.ch)

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## Acknowledgements

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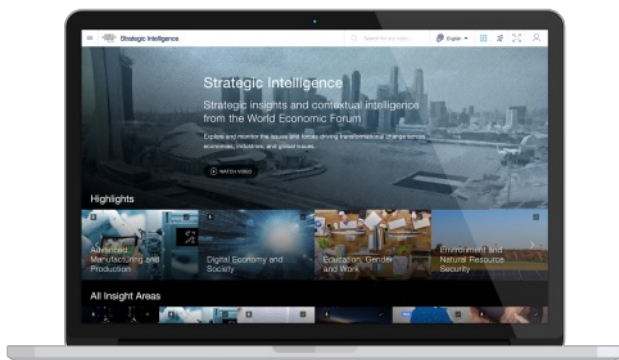
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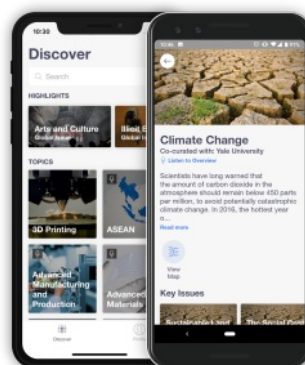
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World Economic Forum  
91-93 route de la Capite  
CH-1223 Cologny/Geneva  
Switzerland  
Tel.: +41 (0) 22 869 1212  
Fax: +41 (0) 22 786 2744  
contact@weforum.org  
[www.weforum.org](http://www.weforum.org)