



COLUMBIA | SIPA
Sustainable Investing Research Initiative

**Sustainable Business Stewardship Academy
Executive Education**

Columbia University
August 2024

Intended Audience

Corporate directors, executives, and senior managers of large firms

The 21st Century Corporate Leadership Challenge: Showing Sustainable Business Stewardship – Aligning Companies' Policy Engagement with their Social and Environmental Business Practices and Corporate Strategies

The 21st century has brought with it profound challenges to our economic, social, and planetary wellbeing. We now face an accelerating pace of change and disruption to our social and political institutions as well as increasing global systemic-level threats, from global warming to pandemics and poverty. In addition to its financial and human capital resources, the private sector brings experience in management innovation that is critical in addressing these 21st century societal challenges. As governments face obstacles in tackling these systemic challenges alone, it is not surprising that large firms are now looked to by the public and stakeholders, from activist investors to workers and customers, to take much greater responsibility for their impact on society, to take public positions on contentious social issues, and to engage with government and others to shape policy and address pressing systemic challenges like climate change, biodiversity loss, social inequality, and poverty. Sixty-eight percent of respondents in the 2021 Edelman Trust Barometer survey believe that CEOs should step in when the government does not fix social problems and 65% say that CEOs should hold themselves accountable to the public and not just to the board of directors or stockholders. These expectations for leadership are even greater among employees, with 86% saying that it is important for the CEOs of the companies they work for to speak out on issues like climate change, discrimination, income inequality, and immigration.

These rising expectations have thrust business into a public role on social, environmental, and political issues that are well beyond the traditional bounds of business management and a world in which the business of business was business. Even a decade ago, it would have been hard to imagine business leaders on the front lines of the fight to preserve democracy, efforts to remove a president from office or speaking out against legislative actions that restrict voting rights. It would have been equally hard to imagine a leading American business organization, the Business Roundtable, committing its members to a new era of accountability to stakeholders and not simply

shareholders, or institutional investors taking the lead on pushing companies to address the climate change challenge.

It is fair to say that few of today's corporate leaders and board directors were trained or prepared for a world in which their license to operate and business success now depends on the ability of leadership to lead their organization through these turbulent times. To respond to the increased expectations and pressures by their various constituencies, to leverage opportunities, and to build shareholder value, corporate executives and directors need to understand how to align their portfolio of market and non-market strategies to help address the systemic challenges we face today. That is, they need to understand how to integrate and align their corporate social, environmental, and policy engagements with their business strategies to sustain their competitiveness and firm value. Moreover, they need to understand whether and how corporations can act as stewards of systemic change by actively engaging with policymakers to improve industry-wide business practices that level the playing field and mitigate systemic challenges such as climate change.

The Sustainable Business Stewardship Academy (SBSA) is designed to help inform and train corporate leaders and directors for this task. Based at Columbia's School of International and Public Affairs and in partnership with High Meadows Institute, the SBSA provides participants with both academic- and practitioner-based insights on effective and practical strategies for managing stakeholders' expectations and focusing and aligning the company's policy engagements with their social and environmental business practices and corporate strategies.

Format

The SBSA is structured around a combination of in-person and virtual sessions over a two-month period. This includes six 90-minute virtual sessions followed by a 1.5 day in-person meeting.

Methodology

The program is designed to blend academic insights with practitioner-based peer learning. The course begins with a series of 90-minute virtual sessions that examine the key business leadership and management challenges faced in today's world. Each of these sessions provides overview insights on the challenges (and opportunities), with case studies of how these challenges have been experienced and addressed by leading firms. As an emerging domain of corporate management, much of the most valuable insights to be gained are from practitioners participating in the program. In that context, program participants are asked to keep a journal on how the issues explored in the virtual sessions are being experienced by their firms and the strategies being used to address them. At the end of the virtual learning sessions, applicants will be surveyed to identify specific concerns, strategies and practices that participants would like to explore further. This input will be used to identify the issues that will be explored in greater depth in the closing in-person workshop.

Tentative Course Schedule

Session	Topic and Description	Learning Goals	Format
Part I – Introduction			
1	<p>Course outline</p> <ul style="list-style-type: none"> Provides an overview of the course and its goals, methodology, expectations, resources, and work assignments for participants. <p>Systemic challenges and the changing role of business in society</p> <ul style="list-style-type: none"> The rising risks and costs of systemic challenges (e.g., climate change, social inequality, poverty) A failing social contract The growing influence of business in society Rising expectations for business responsibility and leadership The need for companies to show sustainable business stewardship 	<p>Understand the purpose of the course, its goals, methodology and key components.</p> <p>Understand the key drivers behind rising public, stakeholder and shareholder expectations for companies and the need to show sustainable business stewardship, aligning the firm’s policy engagement with their social and environmental business practices and corporate strategies to help mitigate systemic challenges</p>	1.5-hour virtual
Part II – Mastering the 21st Century Corporate Leadership Challenge: Developing a Sustainable Business Stewardship Strategy			
2	<p>Step 1: Reviewing the key foundations of an effective Sustainable Business Stewardship Strategy</p> <ul style="list-style-type: none"> Review /renew corporate purpose statement Review/renew corporate statement of values Review corporate legal and fiduciary duty considerations Identify firm’s exposure to systemic challenges 	<p>Understand the key elements underlying business before developing a sustainable business stewardship strategy</p>	1.5-hour virtual

	<ul style="list-style-type: none"> Map the domestic policy risk landscape from products and services to operations Map the geopolitical risk landscape from products and services to operations 		
3	<p>Step 2: Identifying material systemic challenges and priorities</p> <ul style="list-style-type: none"> Identify the key systemic (social and environmental) challenges that pose material risks and opportunities to your company and set priorities 	<p>Adopt a systems perspective to identify material systemic (social and environmental) issues and priorities with respect to firms' CSR and CPA through engagement with key stakeholders</p> <ul style="list-style-type: none"> Investors Employees Customers Suppliers Coalitions and policy advocacy groups Government <p>Build a decision matrix that the board and executives can use in making decisions on which issues to act on</p> <ul style="list-style-type: none"> Does the issue pose material risks and opportunities to your company? Does the issue align with your corporate purpose and values? Does the issue align with your corporate strategy? Can you meaningfully influence the systemic issue by aligning your CSR and CPR strategies? Will your stakeholders support you taking CSR/CPR actions and speaking out? 	1.5-hour virtual

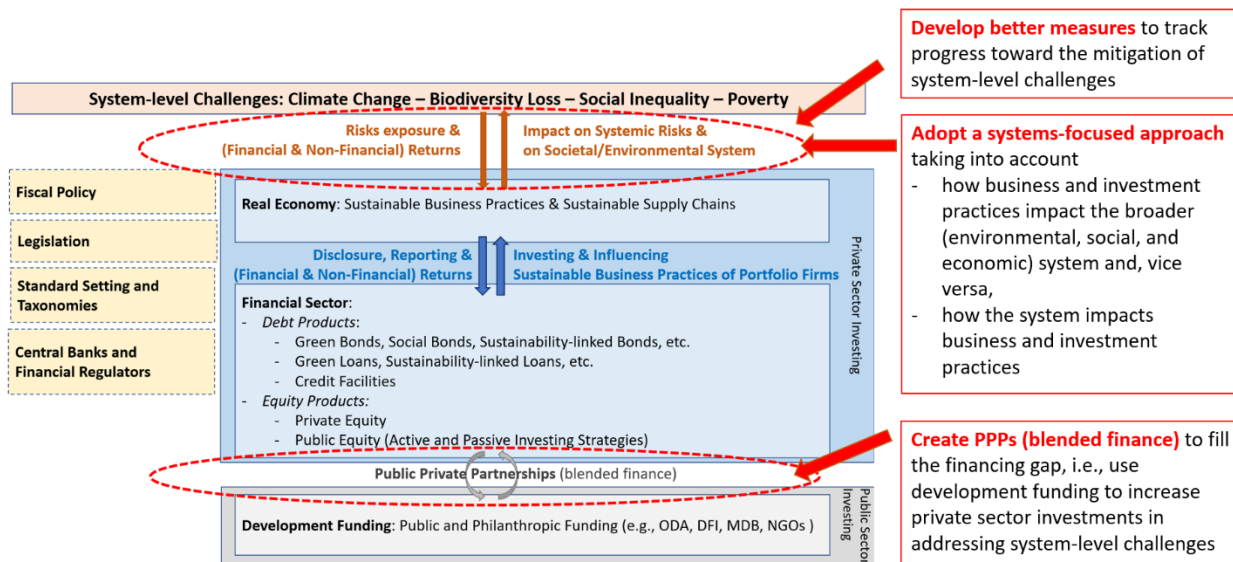
4	<p>Step 3: Developing and implementing an effective corporate social and environmental responsible (CSR) strategy that helps address material systemic challenges</p> <ul style="list-style-type: none"> • Integrate and align their CSR with their business strategies to sustain their competitiveness and firm value • Continued communication and engagement with investors • Continued communication and engagement with stakeholders • Focus group testing 	<p>Understand whether and how companies can incorporate environmental, social, and governance considerations into their activities to enhance their competitiveness while strengthening—instead of undermining—the very system in which they operate.</p> <p>Develop and implement an effective CSR strategy that helps address material systemic challenges while sustaining the firm’s competitiveness and firm value.</p>	1.5-hour virtual
5	<p>Step 4: Developing and implementing an effective business stewardship strategy that aligns the companies' policy engagement with their social and environmental business practices</p> <ul style="list-style-type: none"> • Integrate and align their CPR (lobbying, campaign contributions) with their CSR and business strategies to sustain their competitiveness and firm value • Continued communication and engagement with investors • Continued communication and engagement with stakeholders • Focus group testing 	<p>Understand whether and how corporations can act as stewards of systemic change by actively engaging with policymakers to improve industry-wide business practices that level the playing field and mitigate systemic challenges.</p> <p>Develop and implement an effective CPR strategy that helps trigger systemic change and is aligned with the firm’s CSR and corporate strategies.</p>	1.5-hour virtual

6	<p>Step 5: Engaging in Collaborative Corporate Stewardship to trigger systemic change</p> <ul style="list-style-type: none"> • Avoiding the perils of acting alone • Coalition building: Collaborating with peers and other stakeholders • Measuring impact • Continuous improvement 	<p>Understand the importance and tools available to engage in collaborative sustainable business stewardship to trigger effective change and effectively address the systemic challenges faced by business and society.</p>	1.5-hour virtual
Part III – Sustainable Business Stewardship in Practice			
7	<p>Sustainable business stewardship in-person workshop</p> <p>Based on feedback from the survey of participants following the virtual sessions, Academy faculty will identify issues of concern to participants to explore further in the workshop.</p> <p>This workshop will provide ample opportunities for peer exchange and learning accompanied by additional input from faculty.</p> <p>Moreover, it will bring together participants from the Sustainable Business Stewardship Academy and Sustainable Finance Stewardship Academy</p>	<p>The goal of this session is fourfold:</p> <ol style="list-style-type: none"> 1) It aims to provide participants with the opportunity to discuss their thoughts on the issues and steps in integrating and aligning their CSR and CPR strategies with their business strategies, and in acting as corporate stewards to trigger systemic change and sustain their firm value. 2) It allows participants to learn from their peers how they have experienced systemic challenges and aimed to address them through their sustainable business stewardship. 3) It provides a valuable networking opportunity to participants that allows them to strengthen their ties within and across industries. 4) It brings together participants from the Sustainable Business Stewardship Academy and Sustainable Finance Stewardship Academy to foster dialogue, learning, and collaboration. 	Day and half in person workshop
	Academy alumni peer learning network	Following the completion of the Sustainable Business Stewardship Academy, participants will be given the opportunity to join an alumni peer learning network that will be maintained by the SBSA, which will also provide	Ongoing

		updates on new developments in the corporate stewardship field.	
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BACKGROUND INFORMATION ON SIRI AND THE DIRECTOR

The Sustainable Investing Research Initiative ([SIRI](#)) was launched in 2022 to foster research, education, and dialogue on system-level investing. Its focus is on the nexus between corporations, investors, policy, and system-level challenges such as climate change, biodiversity loss, poverty, and social inequalities. In particular, the following figure reflects SIRI's key focus areas:



(Source: siri.sipa.columbia.edu)

SIRI is structured around the following five pillars:

- 1) fostering academic research on investment and systems-level challenges;
- 2) developing better measures to track progress on addressing those challenges;
- 3) promoting dialogue through conferences and other activities that convene leaders from academia, public policy, and the private sector;
- 4) curriculum development and extra-curricular activities for graduate students to educate the future leaders in finance, business, and policy; and
- 5) corporate training and executive education to educate the current leaders in finance, business, and policy.

These five pillars aim to complement, inform, and mutually reinforce each other in helping to finance a more sustainable world that ensures the long-term health and resilience of individuals, communities, the natural environment, and economies.

SIRI draws from the faculty's research expertise from the [School of International and Public Affairs \(SIPA\)](#) and across campus (including the [Climate School](#), [Columbia Business School](#), [Columbia Law School](#), the [Faculty of Arts and Sciences](#), and the [Fu Foundation School of Engineering and Applied Sciences](#)). SIPA and the broader Columbia academic community have extensive global expertise in understanding the challenges faced by society and the natural environment, and developing solutions drawn from their expertise in the areas of finance, sustainable development, climate change, energy and environmental sustainability, social inclusion, economic empowerment

and poverty alleviation, human rights, economics and financial policy, urban and social policies, and many other areas. SIPA has a global reputation as a leading source of independent, rigorous, and evidence-based analysis of timely, relevant, and actionable matters. Columbia University is located in New York City and hence in immediate proximity to the institutions that are central to the advancement of sustainable investing: Wall Street, international organizations (notably the United Nations), large and small businesses and NGOs, and policymaking agencies. SIPA, and Columbia University more generally already work with all these communities to utilize new insights in academic knowledge to foster positive change in the world.

The Director of SIRI, [Caroline Flammer](#), serves as the Program Director for the Sustainable Business Stewardship Academy. She is the A. Barton Hepburn Professor of Economics at Columbia University with joint appointments at the School of International and Public Affairs (SIPA) and the Climate School, and a secondary appointment at Columbia Business School. She currently serves as the Vice Dean for Research and Faculty Affairs at SIPA. Caroline is also a Research Associate at the National Bureau of Economic Research (NBER), a Research Fellow at the Center for Economic Policy Research (CEPR), and a Research Member at the European Corporate Governance Institute (ECGI). She is an expert in sustainable investing and the recipient of numerous prestigious awards. Her research examines whether and how sustainable finance and impact investing can help finance a more sustainable world. Moreover, her research examines how, and under which conditions, firms can incorporate environmental, social, and governance (ESG) considerations into their activities to enhance their competitiveness while strengthening—instead of undermining—the very system in which they operate and hereby play a critical role in addressing climate change, inequality, global health, and other grand challenges related to society and the natural environment. The Web of Science ranked her among the top-100 Highly Cited Researchers in the economics and business profession in terms of impact over the past 10 years. At Columbia, she serves as the Director of SIPA’s Sustainable Investing Research Initiative (SIRI) which aims to foster scholarship, education, and dialogue on system-level investing—the interplay and interdependencies between investment and major challenges such as climate change, biodiversity loss, poverty, and social inequalities. Among other roles, Caroline serves as the President of the Alliance for Research on Corporate Sustainability (ARCS), a global multi-disciplinary network of scholars fostering rigorous academic research on corporate sustainability, as a Council Member of the World Economic Forum (WEF)’s Global Future Council on the future of responsible investing, and as a Trustee at Domini Impact Investments. She also serves as Department Editor at *Management Science*.