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COUNCIL on BUSINESS & SOCIETY

GLOBAL VOICE MAGAZINE

N°36

HOW MANY STUDENTS DOES IT TAKE TO CHANGE THE WORLD?

The winners, runners-up, and finalists of the 2026 CoBS CSR-Sustainability Case Development Competition!

THE COUNCIL ON BUSINESS & SOCIETY

Recognising the enormous role business can and must play in helping solve large-scale, global issues facing the world, twelve business schools from around the world have formed an alliance: The Council on Business & Society. Through our individual and collective efforts, we strive to create and disseminate knowledge about those issues and train future business leaders capable of and committed to solving them.

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A warm thank you to all the representatives who through their coordination and management enabled the 2026 CoBS Case Development Competition to be a success.


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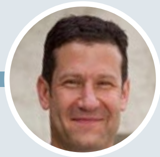

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/EDITORIAL

Across centuries and civilizations, societies have always asked themselves the same question: how should we educate those who will shape the future?

During a recent visit to the ancient Imperial College in Beijing, I was reminded that this question is far older than our modern universities. For centuries, young scholars traveled there aspiring to become officials of the Emperor. There, preserved in stone, are the Thirteen Confucian Classics engraved during the Qing Dynasty — texts that formed the intellectual and moral foundation of generations of civil servants around everlasting values such as justice, honesty, integrity, and service to the common good.

Walking through those courtyards also brings to mind an extraordinary encounter between cultures. Among the visitors to imperial China centuries ago were the Jesuit scholars Matteo Ricci and Diego de Pantoja, who built a fruitful dialogue between East and West through learning, science, and mutual respect. Their presence reminds us that education has long been a bridge between civilizations and cultures.

Today, the Imperial College is a historical site visited by students and travelers from around the world. Yet the underlying idea remains strikingly relevant: education is ultimately about forming people capable of contributing to society.

Of course, our world is very different from that of imperial China. The challenges are global, interconnected, and rapidly evolving. That is why the title of this issue matters so much: How Many Students Does It Take to Change the World?

This edition of Global Voice showcases the winners, runners-up, and finalists of the CoBS student case development competition, now integrated into the CoBS Certificate Module 2. Since its creation in 2016, the competition has grown into a truly global initiative, bringing together talented students from our member schools.

A first for the annual competition is its evolution from writing and submitting a CSR-oriented article based on a given set of themes, to a far more ambitious assignment: identifying a company or organisation recognized for its CSR, Sustainability, or ESG impact; interviewing stakeholders about their challenges and successes; and producing not only an article, but also a case study and a video presentation. This enhanced assignment is now integrated into the CoBS Advanced International Certificate in Responsible Business Practices as Module 2 of the four-module certificate — an important milestone in the continuing development of experiential and globally connected learning within CoBS.

We are especially proud to witness the evolution of this competition over the years — from a promising initiative in 2016 to an integral component of the CoBS Certificate today. More importantly, we are proud of the students themselves: their curiosity, their commitment, and their belief that business can and should contribute to a better world.

Congratulations to all the students and schools that took part. The quality of the submissions was consistently high, and the professionalism of the deliverables equally impressive. Our sincere thanks also go to the staff and faculty teams across the CoBS schools for their expert coordination, mentorship, and adjudication throughout the process.

The scholars of the Imperial College once studied texts carved in stone. Today's students work in classrooms, teams, digital platforms, and global networks. The context has changed. The mission has not.

Professor Adrian Zicari, ESSEC Business School, Academic Director of the Council on Business & Society

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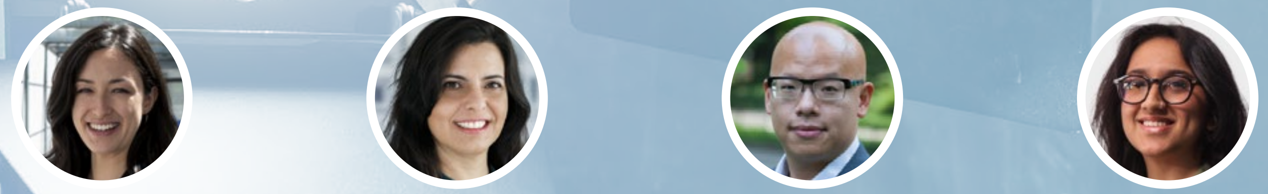

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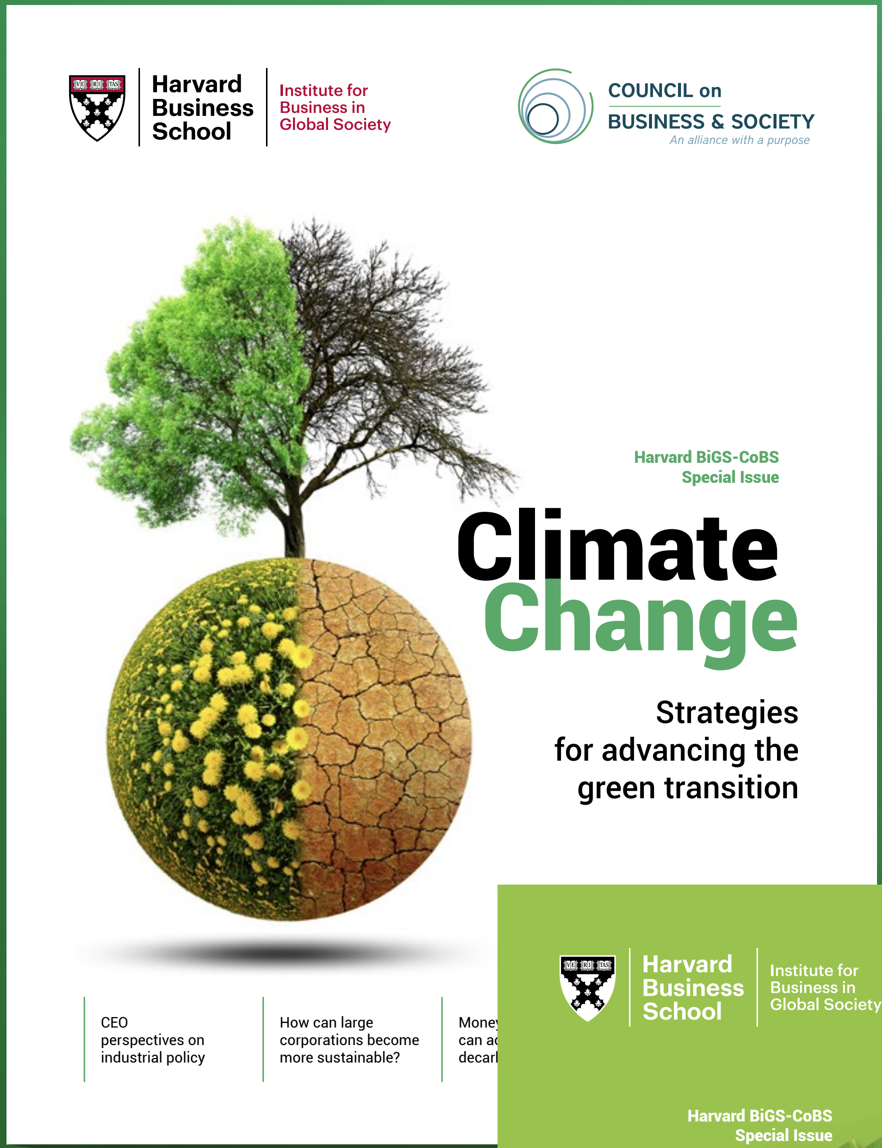

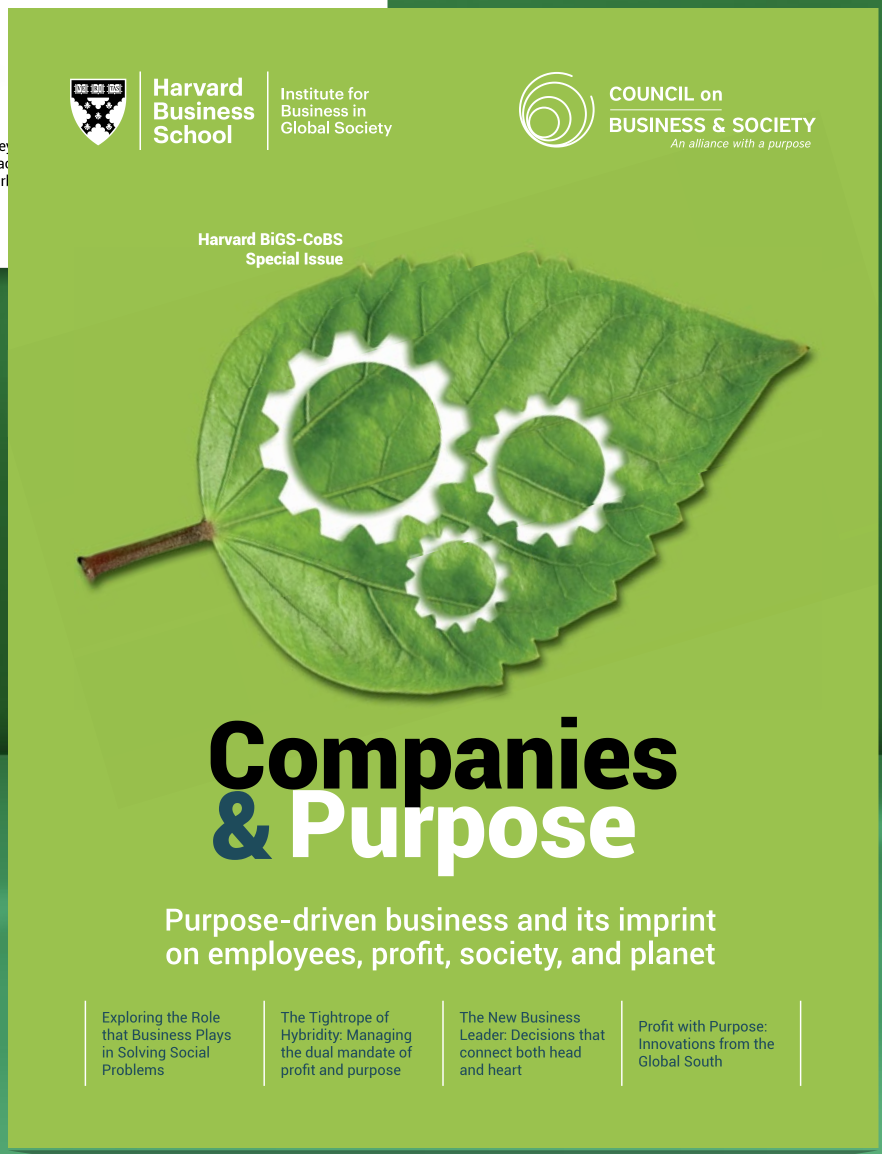

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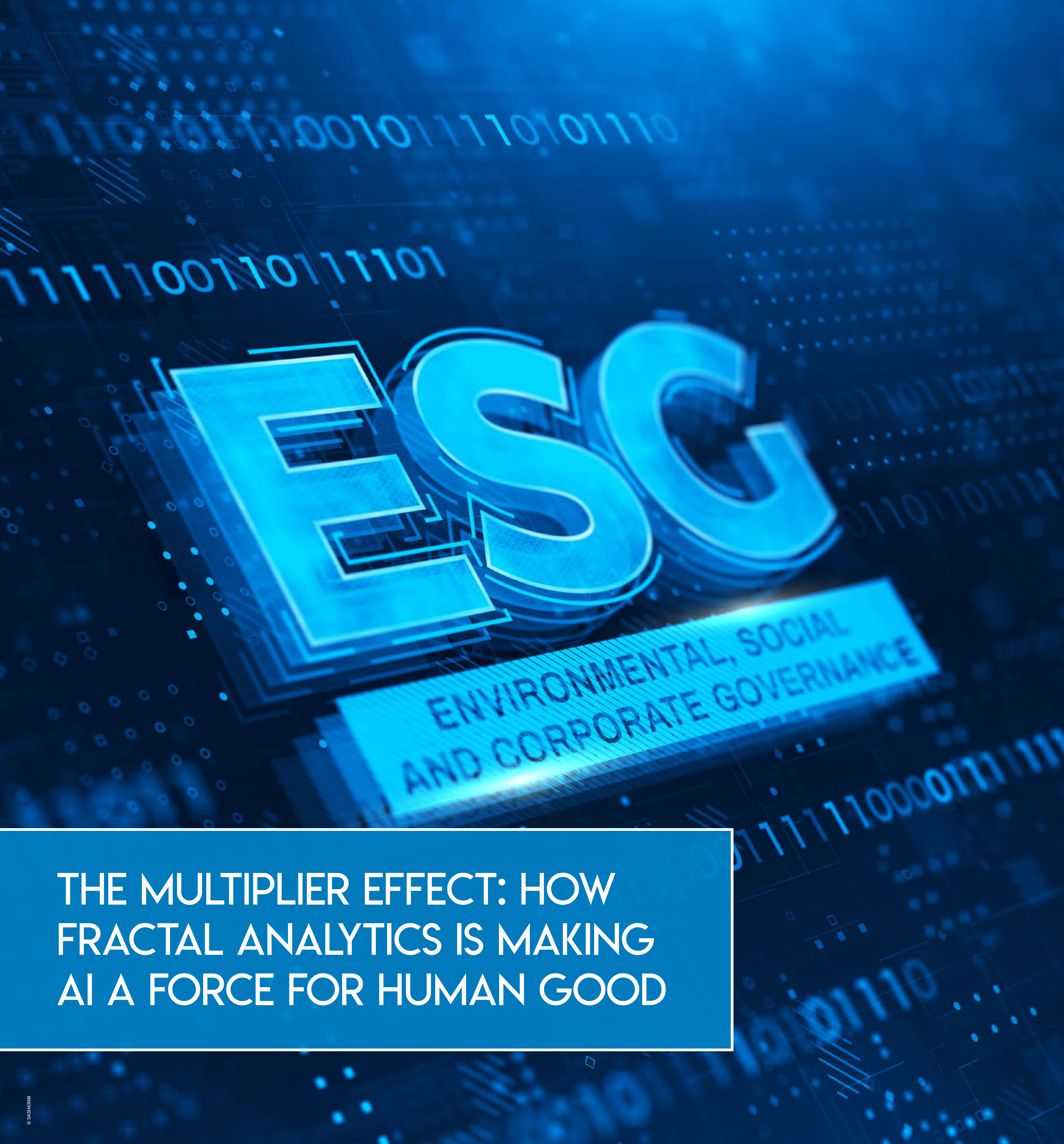
WINNERS



THE MULTIPLIER EFFECT: HOW FRACTAL ANALYTICS IS MAKING AI A FORCE FOR HUMAN GOOD

> **Sustainability is as much about high-quality program management as it is about anything else.**
>
> **Chetana Kumar, CSO at Fractal Analytics**

Harneet Kaur Narang and **Gisele Urujeni, ESSEC Global MBA** candidates, focus on the case of Fractal Analytics, a global provider of consulting services and AI to Fortune 500 companies and its journey to ESG.

A VAN IN THE PHILIPPINES.

On a Monday morning, a mobile X-ray van leaves Manila. It carries an X-ray machine, a team of health workers, and an AI algorithm trained on millions of chest scans. It has screened hundreds of people for tuberculosis, a disease that still kills more than a million people every year. The AI reads each scan in seconds, flags abnormalities, and works even where internet connectivity is unreliable. No radiologist required. No weeks-long wait for results.

This is Qure.ai, an AI healthcare company incubated at Fractal Analytics, now operating across more than 4,800 sites in over 100 countries, and reaching around 32 million people. And it raises a question worth sitting with: what kind of company builds something like this and why?

SUSTAINABILITY IS A JOURNEY. THE DESTINATION WAS NEVER IN DOUBT.

Fractal Analytics is a global provider of consulting services and AI to Fortune 500 companies, employing over 5,000 professionals across 10 countries worldwide. It listed on Indian stock exchanges on 16 February 2026, but the responsible business story at Fractal did not begin with the listing. It began at the founding.

"Compliance is a non-negotiable. We make every effort to understand, be informed, and be compliant, and then we go further", says Chetana Kumar, the company's Chief Sustainability Officer.

That commitment is visible in the infrastructure Fractal has built around it. A board-level CSR and ESG Committee oversees strategy. ESTA, the ESG Task Force, brings together C-suite leaders from different verticals for quarterly reviews. The company holds ISO certification for environmental

management, occupational health and safety and energy management. Its Scope 1 and 2 emissions are independently assured by a third party, and has earned a CDP 'B' rating, the highest achievable for a company disclosing privately, for three consecutive years.

Mrs. Kumar adds, "Sustainability is a journey. You start in a phased manner. Your maturity grows over time, which does not mean you are not committed to a high standard of excellence from thebeginning".

WHEN REPORTING MORE EMISSIONS IS ACTUALLY GOOD NEWS

A telling moment in Fractal's ESG journey came when in one recent reporting year, its reported emissions increased, simply because the company chose to report them more accurately.

Fractal decided to expand the depth and breadth of its Scope 3 reporting, the indirect emissions running through supply chains, employee commutes, and more. She adds, "We decided to report even deeper and broader. Sometimes categories become relevant to you at a later point in time. There's nothing wrong with that, you make a plan and you report it transparently."

This approach reflects that the credibility of any ESG programme rests on the quality of its data. To measure employee commute emissions, Fractal runs an annual company-wide carbon survey. To build awareness, it runs green champions programmes, hackathons, and GHG inventory training

across all levels of the organisation. It works directly with their suppliers to help them understand and measure their own footprints.

THE MULTIPLIER EFFECT: WHEN AI SAVES A LIFE, COUNT IT

One side of the public debate on AI and sustainability focuses rightly on aspects like the energy required to train large models, the water consumed by data centre cooling systems and the lined emissions. These are real concerns, and Fractal takes them seriously. It has a maintained a responsible AI policy for more than five years now.

But there is another side to this calculation that almost nobody attempts to quantify. Fractal's CSO says, "It is also good to measure the huge multiplier effect of what high-quality, responsible AI can save, in terms of planetary resources, as well as healthcare, and saving lives."

Qure.ai is the clearest expression of this argument. TIME Magazine named it as one of the Most Influential Companies of 2025. It reads a chest X-ray in under a minute and detects abnormalities in the lungs, pleura, mediastinum, bones, diaphragm, and heart. The AI interpretation from qXR

can prioritize workflow and get pre-read assistance with contoured marking in lung and pleural

abnormalities, thus reducing the radiology workload. Qure.ai's FDA cleared indications now total 26 across 9 products for X-ray and CT, exceeding 65 CE certified indications and other global validations. And it operates offline, which is precisely what makes those Monday morning vans possible.

"If you can prevent poaching using image and video analytics, if you can help predict flooding before it happens and protect livelihoods," she reflects, "I don't think too many people attempt to quantify that in lives, not just in dollars."

FIND YOUR ALLIES IN UNEXPECTED PLACES

Fractal's listing means what was once a private commitment is now a public one. SEBI mandates that listed Indian companies treat climate risk as part of enterprise risk management. European clients subject to CSRD are pulling Fractal's sustainability performance into their own supply chain disclosures. The company has already completed a voluntary BRSR report, and has just finished its second double materiality assessment, aligned to the European Sustainability Reporting Standards. In many ways, it's the same values as before, just more visible now.

When asked what advice she would give to a young professional hoping to build responsible business from the inside of a company, Fractal's CSO offers something more useful than inspiration.

"The energy and resources in any organisation are finite. Being respectful of that, mindful of that, and taking care to design your strategies and your communication keeping this factor in mind, that is very helpful. Put yourself in the shoes of other stakeholders. Lay out the facts so that people can come to their own evidence-based decisions. And sometimes, you can find allies in the most unexpected places, if you have done a good job of educating them, and of building trust carefully over time."

She adds one final thought, "Sustainability is as much about high-quality programme management as it is about anything else."

The gap between companies that talk about sustainability and those that actually deliver on it isn't usually about intent. It comes down to execution, discipline, and treating responsible business with the same seriousness as any other core part of the business.

Fractal, it seems, has always understood this. The van leaving Manila on a Monday morning is the proof.

Harneet Kaur Narang and Gisele Urujeni are MBA students at ESSEC Business School, Paris, participating in the Council on Business & Society's Advanced International Certificate in Responsible Business Practices. This article is based on an original interview conducted with the CSO of Fractal Analytics. ///

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1. Qure.Ai Technologies | MTEC
2. Interview with Chetana Kumar, CSO (Fractal Analytics)
3. Qure.ai wins Gates Foundation grant for AI ultrasound TB diagnostics | StartupNews.fyi
4. Qure FY24-25 Impact Report: Global AI Healthcare Innovations
5. Radiology artificial intelligence firm Qure.ai among Time Magazine's 'Most Influential Companies in the World' for 2025
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7. Qure.ai nets six new indications cleared by the FDA
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Disclosure: Gemini was used for stylistic rephrasing. All content is original. No material has been reproduced without attribution. Sources of information used are listed above (for quoting technical information about Qure.ai)

KEY TAKEAWAYS

- Responsible business works best when it is a founding value, not a response to external pressure. Expanding emissions reporting, even when it means disclosing higher numbers, is a sign of integrity. Shared ownership across every function of an organisation is what makes ESG culture real.
- The full value of responsible AI must be measured on both sides: the environmental costs, and the human lives it saves.
- Regulation, whether India's BRSR, the EU's CSRD, or SEBI's ESG mandates, is a tool for raising standards, not just a compliance burden.
- Sustainability is as much about programme management as it is about ambition.
- Trust-building and education, with colleagues, suppliers, and unexpected allies, are the most underrated skills in responsible business leadership.

WHEN FEEDING A CITY FEEDS EVERYTHING ELSE: THE VIRTUOUS CYCLE OF PRICEPALLY

> **Less waste means better margins, which feeds back into more competitive pricing, attracting more customers.**

Ari Ljunggren and **Joshua Tolsdorf, Master in International Management students** at **FGV EAESP**, Brazil, explore how the social enterprise Pricepally scaled from an idea to a 212-employee venture to enable the needy to access food at cheaper and ethical prices.

THE WEIGHT OF A SHOPPING LIST

It is the first Saturday of the month in Lagos, Nigeria. Omoni, a 34-year-old private school teacher, sits at her kitchen table before sunrise. She works through her budget with the focus of someone who has done this too many times to get it wrong. Her monthly salary is roughly ₦200,000 ($145). Before she pays rent or any other necessity, she must set aside ₦104,000 ($75) for food. More than half her income is gone before the month has properly begun.

Omoni is far from an outlier. The average Nigerian household spends over 50% of its income on food, placing the country among the top five globally on that measure.[1] For reference, in Germany and the United States, that share is roughly 10% and in Brazil, it is 25%. For Omoni, the budget leaves almost nothing for emergencies, savings, or aspirations. What makes this harder to accept is that Nigeria is not a country without food. It has 36.8 million hectares of arable land and 38 million smallholder farmers.[2] The problem is not the harvest; it is everything that happens between the field and the table.

1. U.S. Department of Agriculture, Economic Research Service, "Food Prices and Spending," *Ag and Food Statistics: Charting the Essentials*, accessed from: www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/food-prices-and-spending
2. R.N. Mgbenka and E. N. Mbah, "A Review of Smallholder Farming in Nigeria: Need for Transformation," *International Journal of Agricultural Extension and Rural Development Studies 3*, no. 2 (2016): 43–54.

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A BROKEN SYSTEM

Nigeria's food supply chain fails in stages, and each failure compounds the next. Smallholder farmers, who produce 98% of the country's domestically consumed food, sell into a web of middlemen that inflates costs long before produce reaches a market stall.[3] By the time Omoni buys her tomatoes, they have passed through several hands, traveled roads where drivers pay informal tolls at multiple checkpoints, and sat in conditions ill-suited to keeping food fresh.[4]

Seasonality amplifies the struggle. When a crop is off-season, prices spike. When macroeconomic shocks hit, such as the 40.9% Naira devaluation and the 39.84% spike in food inflation seen in 2024, the entire supply chain is sent into a convulsion.[5,6] Transport costs surge, and farmers find that the cost of seeds and fertilizer has moved beyond reach.

THE FLYWHEEL BEGINS

Pricepally was founded in 2019 by Luther Lawoyin, a serial entrepreneur who believed this problem was solvable if approached structurally. His strategy was simple: remove any link in the supply chain that did not provide clear, corresponding value.[7]

3. R.N. Mgbenka and E. N. Mbah, "A Review of Smallholder Farming in Nigeria: Need for Transformation," International Journal of Agricultural Extension and Rural Development Studies 3, no. 2 (2016): 43–54.
4. Luther Lawoyin, personal communication, March 15, 2026.
5. Naira Depreciated by 40.9% per Dollar in 2024 — Report, The Guardian (Nigeria), January 25, 2025, https://guardian.ng/business-services/money/naira-depreciated-by-40-9-per-dollar-in-2024-report/
6. National Bureau of Statistics, «Highlights of Consumer Price Index (CPI) Rebasing February 2025,» Nigeria National Data Archive, accessed from: microdata.nigerianstat.gov.ng/index.php/catalog/154.
7. Luther Lawoyin, personal communication, March 15, 2026.

When COVID-19 arrived in 2020, informal markets collapsed. Pricepally, granted permission to operate as an essential service, became indispensable. While six digital competitors failed by treating the market as a source of extraction, Pricepally embedded itself within wholesale networks, hiring staff who understood the language and relationships of the traders at the core of the system. As Mr. Lawoyin reflects: "We make plans, then Nigeria edits the plans."[8]

Today, the company operates across four cities with 212 employees, and prices run 15–20% below market rates. When Omoni opens the PricePally app, she orders tomatoes, three types of pepper, onions, rice, yam, and protein. She blends and freezes her stew base, rationing it across five weeks. Her average order saves her roughly 20% compared to her local market.[9] For a teacher on her salary, that is the difference between the month working and the month failing.

EVERYONE RISES

The most striking thing about Pricepally is how its interventions reinforce one another. We see this as a cycle running on four interconnected loops:

Starting on the farm, guaranteed offtake agreements allow farmers to borrow against the certainty of a buyer. By accessing Mastercard-backed credit at rates far below local alternatives, farmers can afford better seeds and inputs. This leads to higher yields; the farmer earns more, and Omoni pays less.

As order volumes grow, forecasting improves. Pricepally can tell a farmer in June what demand will look like in September, enabling planned harvests. Less waste means better margins, which feeds back into more competitive pricing, attracting more customers.

8. Luther Lawoyin, personal communication, March 15, 2026.
9. Luther Lawoyin, personal communication, March 15, 2026.

Scale enables B2B contracts with major chains like Chicken Republic. These provide "anchor volume" that keeps farmer agreements viable year-round, steadying prices for individual consumers even during the volatile off-season.

There is also an equity loop. During a 2024 seasonal surge, when contracted drivers abandoned routes for higher-paying work, Mr. Lawoyin noticed the female drivers stayed. That observation became the HER Programme. Pricepally now recruits and trains women, providing tricycles on a lease-to-own basis. The "last mile" became a source of employment and asset ownership, turning a logistics vulnerability into a pillar of reliability.

IMPACT UNDER PRESSURE

No virtuous cycle runs without friction. Mr. Lawoyin has navigated two Naira devaluations, a pandemic, and record inflation, and the business has held together.

Their upcoming Series A seeks approximately $10 million, split between grant funding for farmer infrastructure and equity for growth. While the business has demonstrated the ability to reach profitability in intervals, this capital injection targets a transition into sustained, long-term profitability within 18 months of investment.[10]

However, outside capital introduces a classic tension: the challenge of mission-alignment. As investor timelines enter the picture, there is a risk that the "flywheel" could be pressured to spin toward high-margin consumer goods, potentially loosening the farmer-link that gives the model its integrity. To preempt this, Mr. Lawoyin is building governance into the foundation: formalizing impact measurement, pursuing ISO 26000 certification, and integrating the HER Programme into the core expansion plan rather than treating it as a side-car initiative.[11]

A MODEL WORTH WATCHING

Pricepally's approach has earned international recognition, including the WFP Zero Hunger Sprint and selection for the UNDP Growth Stage Impact Ventures.[12,13] With plans to enter Nairobi by 2027, the company is proving that food insecurity, youth unemployment, and urban inflation are symptoms of one structural failure.

10. Luther Lawoyin, personal communication, March 15, 2026.
11. Luther Lawoyin, personal communication, March 15, 2026.
12. Six Nigerian Entrepreneurs Clinch WFP Zero Hunger Sprint Competition, *Independent Nigeria*, July 30, 2021, https://independent.ng/six-nigerian-entrepreneurs-clinch-wfp-zero-hunger-sprint-competition/.
13. UNDP, EU Announces 17 Finalists for Nigeria Growth Stage Impact Ventures (GSIV) Programme, United Nations Development Programme, accessed from: www.undp.org/nigeria/news/undp-eu-announces-17-finalists-nigeria-growth-stage-impact-ventures-gsiv-programme

None of that, however, is what Omoni thinks about on the first Saturday of the month. She just knows that her order arrives the next morning, the tomatoes are fresh, and the numbers work. For a teacher running a household on $145 a month, that is enough. ///

Note: The authors conducted two primary interviews with Mr. Luther Lawoyin, CEO and founder of Pricepally, in 2026. AI tools were used for stylistic editing; all content and analysis are the authors' original work.

KEY TAKEAWAYS

- Food insecurity in Nigeria is not a production failure, but is rather a distribution failure, compounded at every step between farm and table.
- Resilience comes from embeddedness. Where competitors saw a market to disrupt, Pricepally saw a physical network to navigate, and survived because of it.
- Fix one node, move the whole chain. Direct sourcing, smarter forecasting, less waste, and lower prices compound.
- Impact rarely lands where you aim. Pricepally's most meaningful gender empowerment initiative wasn't designed, it was discovered inside a logistics crisis.
- Mission drift is the quiet tax of scaling. Governance mechanisms matter, but only if they're built before growth makes them inconvenient to enforce.

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BEYOND ESG: WHY PRADA GROUP TREATS SUSTAINABILITY AS A SYSTEM OF VALUE CREATION

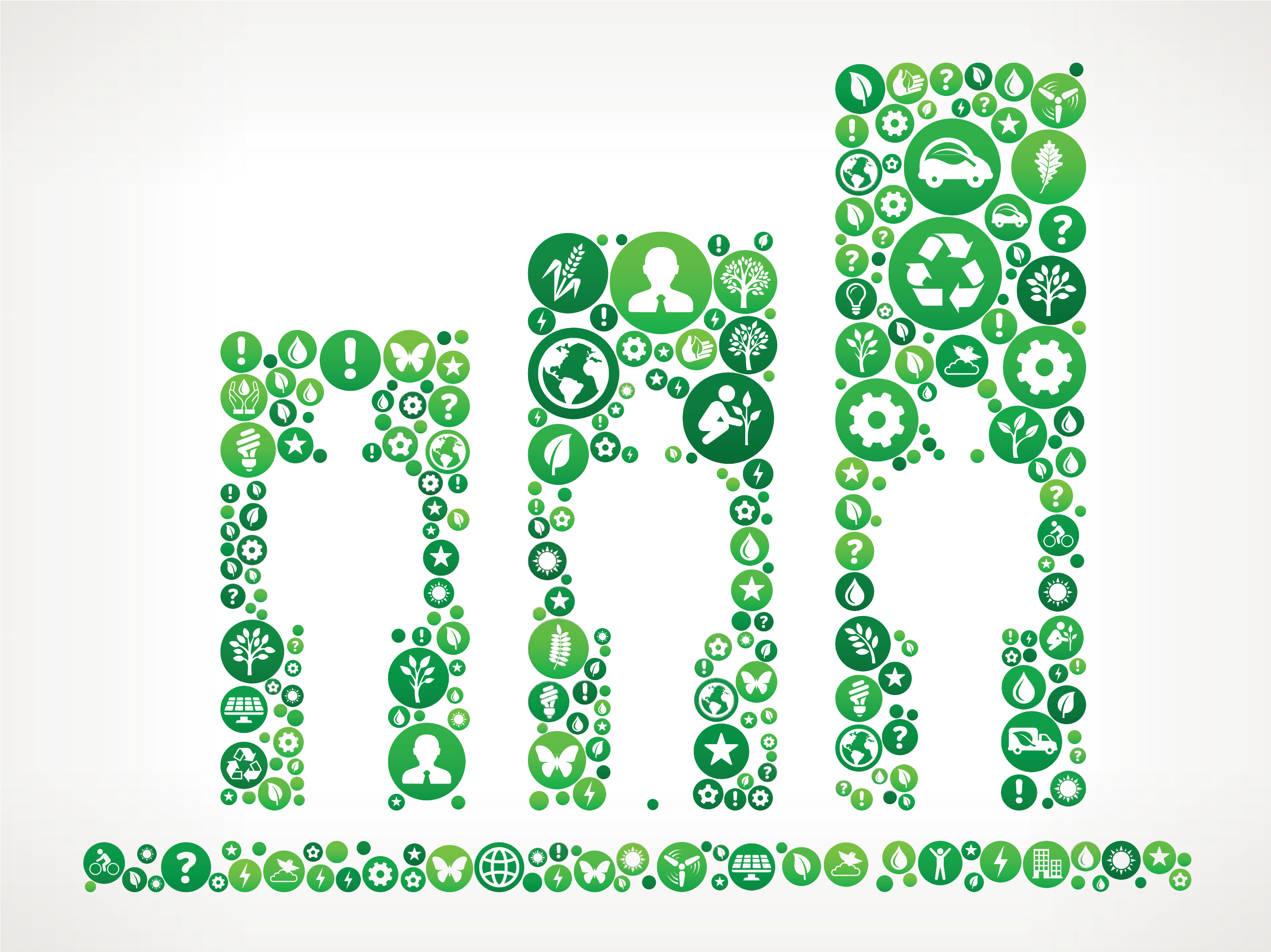
> **The next competitive edge may lie less in saying the right things than in building systems—and stories—that make sustainability credible.**

Yanyan (Sasha) Wu & **Junjie Luan, MBA** students at **School of Management Fudan University,** explore how the Prada Group brings together its people, culture, innovation strategy and operational discipline to crystalize its sustainability strategy.

LUXURY'S SUSTAINABILITY PROBLEM

Luxury has long sold craftsmanship, desirability and permanence. Sustainability, by contrast, was often treated as a constraint: necessary, visible, but secondary to the business of making beautiful things. That logic no longer holds. In a sector facing rising environmental scrutiny, tougher expectations and pressure to justify its social role, the real question is no longer whether luxury should respond. It is whether sustainability can become part of long-term value creation rather than a parallel track of compliance. Prada Group is an instructive case because it approaches that question as a strategic one, not a cosmetic one.

What makes Prada Group interesting is not simply the breadth of its sustainability activity. Many firms can list projects. Prada Group's distinctiveness lies in treating sustainability as an integrated system across three pillars—Planet, People and Culture—rather than as a loose collection of ESG initiatives. In the company's own framing, the three pillars guide governance, action and future targets; since 2023, that approach has been supported by a formal three-year action plan and internal KPIs. The shift suggests a move from aspiration to execution.



FROM VISIBLE PRODUCTS TO LESS VISIBLE SYSTEMS

The visible part of Prada Group's sustainability strategy lies in materials' innovation. Initiatives such as Prada Re-Nylon and Miu Miu Upcycled make circularity legible to consumers and show that lower-impact approaches can still sit within a luxury proposition. Yet Prada Group does not present Planet as a single flagship story. It frames the pillar as a broader operating agenda combining decarbonisation, renewable energy and electrification, lower-impact raw materials, chemical and water management (with a formalized water stewardship programme), circularity, and traceability across the supply chain.

These efforts contributed to a CDP A- rating in the Climate Change questionnaire for the second consecutive year.

The group also introduced new traceability targets across its raw material supply chain, further strengthening transparency and accountability within its sourcing practices.

In luxury, this matters because sustainability becomes credible only when it reaches the upstream tiers that shape a product's real footprint. Prada Group's Planet pillar therefore reflects not only operational discipline, but also the importance of communicating sustainability efforts clearly and credibly to consumers.

WHY PEOPLE BELONG AT THE CENTRE

If Planet is about systems, People is about capability. Luxury goods depend on skill, judgement and continuity; craftsmanship is not an accessory to the business but one of its foundations. Prada Group's People pillar reflects that logic by linking diversity and inclusion, talent development, craftsmanship preservation, and employee wellbeing as interconnected rather than separate priorities. Inclusive workplaces help talent thrive; training and leadership development support resilience; and craftsmanship remains a living asset only if know-how is passed across generations.

That people-first logic became more visible in 2025. Prada Group marked the 25th anniversary of Prada Group Academy, underscoring its effort to preserve know-how and transmit craft across generations. It also highlighted Gender Equality Certification in Italy, training tied to its global DE&I roadmap, and Top Employer recognition in China. Taken together, these measures show how Prada Group treats human capital as part of long-term competitiveness rather than as a support function sitting outside strategy.

CULTURE IS NOT DECORATION

Prada Group's most distinctive move lies in its Culture pillar. The company describes culture as the part of its sustainability strategy closest to its identity. Many firms treat culture as reputational garnish: welcome, visible, and largely peripheral to operations. Prada Group takes a different view. Its position is that long-term change cannot be achieved through operational action alone; it also requires knowledge, awareness, and shifts in consumer mindset.

That logic helps explain why Fondazione Prada, SEA BEYOND, and Forestami Academy matter in this case. They are not merely philanthropic gestures. They are ways of extending sustainability beyond the factory and into education, public discourse, and environmental literacy. SEA BEYOND, launched in 2019 with the Intergovernmental Oceanographic Commission of UNESCO, has reached more than 38,000 students worldwide. As of July 2023, 1% of the proceeds from the Prada Group Re-Nylon for SEA BEYOND Collection benefit SEA BEYOND, linking product innovation back to educational impact. In 2025, Prada Group expanded that agenda through a SEA BEYOND Ocean Literacy Centre in Venice, a Multi-Partner Trust Fund connecting people and the ocean, and an educational exhibition centered on ocean preservation at Prada Rong Zhai in Shanghai.

As highlighted in a recent Vogue interview, Prada Group CMO and Head of CSR Lorenzo Bertelli makes this logic explicit: if consumer mentalities do not change, behavior will not change either. Prada Group is therefore making a broader claim about luxury. Sustainability is also about contributing through education to this change.

GLOBAL FRAMEWORK, LOCAL TRANSLATION

China offers a useful test of whether this model can travel. Prada Group does not appear to communicate sustainability there primarily through abstract ESG language. Instead, it localizes the message through education, community engagement, and culturally grounded experiences. The Ocean & Climate Village exhibition in Qingdao in 2023 included a dedicated China case-study section and local scientific partners. In 2025, Prada Rong Zhai in Shanghai was used as an educational space combining art, ocean literacy, and heritage, while related outreach extended to inland provinces such as Guizhou and Yunnan. The elements resonating most strongly in China appear to be education, community engagement, and the integration of culture, science, and creativity.

That is significant because it shows how a global sustainability framework can remain coherent without becoming generic. Local relevance, in other words, is not a dilution of strategy. It is one of the conditions for impact.

WHAT PRADA GROUP'S MODEL SUGGESTS FOR LUXURY

In sustainability, the hardest questions remain: how to scale traceability, how to reconcile growth with resource constraints, and how to sustain consumer change over time. But Prada Group seems to offer a compelling model of responsible leadership. Rather than treating sustainability as an obligation sitting beside the business, Prada Group treats it as a system linking operational discipline, human capability, and cultural influence. For luxury brands, that may be the more durable lesson. The next competitive edge may lie less in saying the right things than in building systems—and stories—that make sustainability credible. ///

KEY TAKEAWAYS

- Prada Group treats sustainability as an integrated system built around Planet, People and Culture, not as a separate CSR add-on.
- Its Planet pillar goes beyond product storytelling to include decarbonization, traceability, responsible chemicals and water management, and lower-impact materials conversion plan.
- Prada Group's sustainability claims are backed by targets, governance structures, and measurable progress, including a second consecutive CDP A- climate score in 2025.
- The People pillar shows that craftsmanship, inclusion, talent development, and wellbeing are part of long-term value creation in luxury.
- Prada Group's most distinctive contribution lies in treating culture and education as part of sustainability, especially where consumer mindset shapes behavior.
- Its China examples suggest that sustainability becomes more effective when global goals are translated into locally relevant educational and cultural experiences.

BUILT, NOT DECLARED: HOW ENVISION ENERGY PRACTICES RESPONSIBLE BUSINESS AT SCALE

> **The energy transition will not be won by any single technology.**

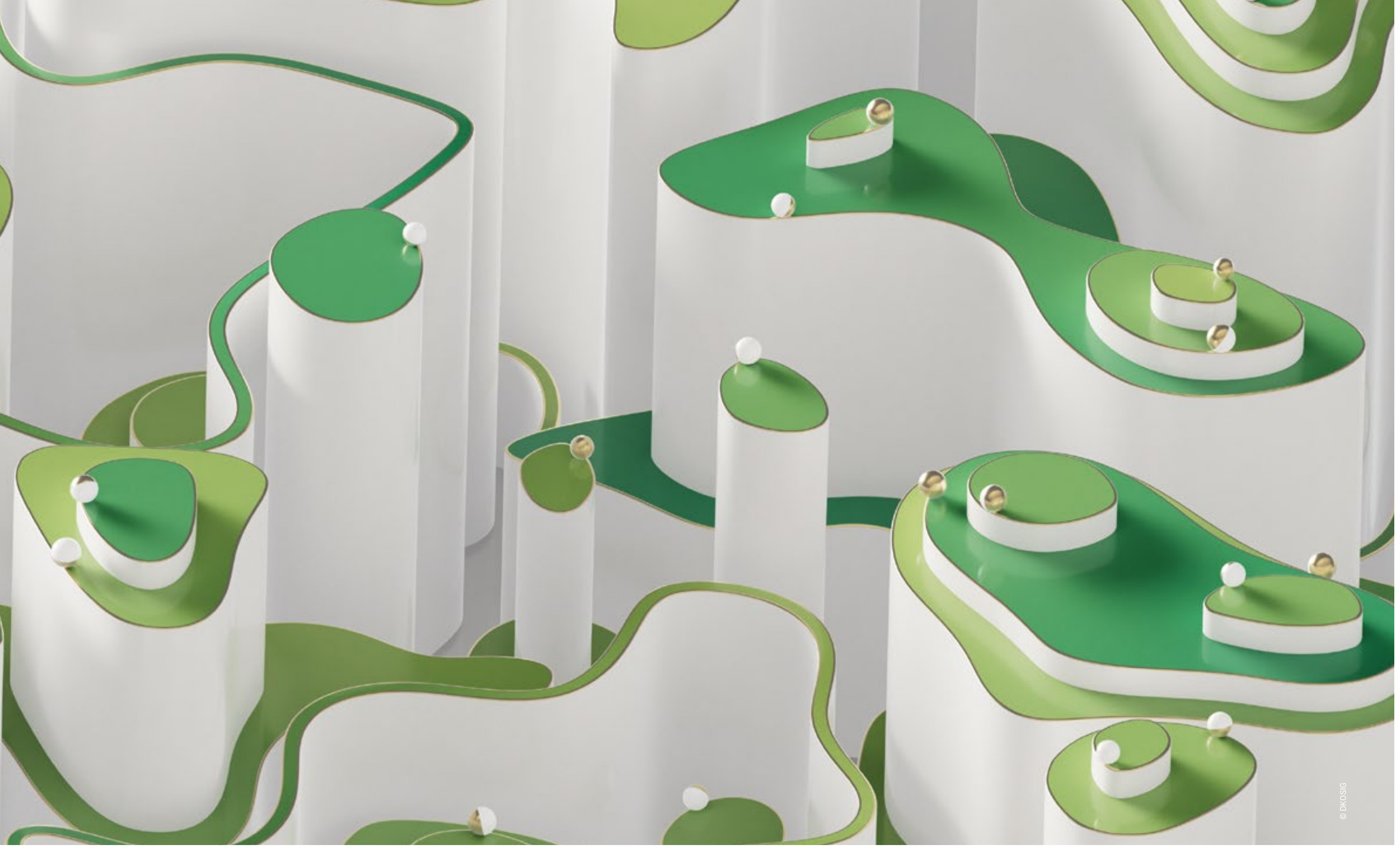
A Chinese clean energy company earned trust in India's most sceptical market not through certifications, but through factories, jobs, and a decade of delivery. It is now a blueprint for responsible industrial expansion worldwide. **Lehit Sai Santhosh, Master in Sustainability and Business Transformation** student, and **Neelansh Bhartia, Master in Management** student at **IE Business School** research the case of Envision Energy.

FROM CONTRADICTION TO CONVICTION

China burns more coal than the rest of the world combined. Envision Energy was founded in 2007 inside that tension, with a clear conviction: sustainability had to be built into industrial processes from the start. Today, China stands as the world's largest builder of renewable energy.

That conviction shaped everything. Envision did not enter renewable energy as a clean-tech brand. It entered as a manufacturer, investing in proprietary technology, global R&D, and production built for reliability, not just price. Today, the company has installed over 80 gigawatts of wind capacity globally and helped avoid an estimated 2.35 billion tonnes of carbon emissions. Its portfolio spans wind turbines, battery energy storage, green hydrogen, and the EnOS platform, an AI-driven system that manages generation, storage, and consumption as an integrated whole. Its ambition: to act as a Net Zero Technology Partner to enterprises, governments, and industrial clusters worldwide.

But ambition without proof is just a claim. For Envision, the proof came from India.



INDIA: WHERE RESPONSIBLE BUSINESS HAD TO BE EARNED

When Envision entered India in 2016, it encountered a challenge that no sustainability certification could solve. The market was price-sensitive and dominated by domestic players. More fundamentally, rising India-China geopolitical tensions meant that a Chinese firm seeking to embed itself in critical energy infrastructure faced a question that cut deeper than commercial due diligence: should India trust you at all?

Envision answered not with messaging, but with commitment. It invested upfront to build 3GW of annual manufacturing capacity in India, establishing nacelle and hub assembly in Pune, blade manufacturing in Trichy, a unit in Chennai and an upcoming plant in Gujarat. The company's headquarters and R&D centre are in Bengaluru, alongside a Remote-Control Centre where turbine monitoring data is stored on Indian servers under full cybersecurity protocols. Across four manufacturing units and over 60 project sites, Envision has created over 3,000 direct jobs, with a wider ecosystem of suppliers and field teams spread across six states.

They are workers in Tamil Nadu assembling blades that will power households in Rajasthan. They are engineers in Bengaluru who joined, as one describes it, "because this company gave me a chance to contribute to a beautiful energy world." Envision India earned the Great Place to Work certification in 2024. In 2026, it won the IAA Olive Crown Award, Corporate Social Crusader of the Year, Gold, for creative excellence in communicating sustainability.

> *"Trust is not built on geography. It is built on delivery, execution, and performance."*
> Mr. R.P.V. Prasad

Mr. R.P.V. Prasad brings over three decades across India's full energy arc to that observation. The result of applying it: roughly 40% market share in India's wind turbine sector, 30+ customers on their decarbonisation journeys. Renewables without storage remain intermittent. With storage, as Mr. Prasad puts it, they become transformational.

THE HONEST SCORECARD

Responsible business, genuinely practised, requires publishing what you have not yet solved. Envision's own operations are tightly controlled: CDP A List 2024, the first Chinese renewable energy company to reach that status; EcoVadis Gold, top 5% globally; RE100 fulfilled a year ahead of schedule; Scope 1 and 2 emissions fell to 7,089 tonnes from 84,000, a 91% reduction sustained over three years of Carbon Neutrality.

> *"Recognition is a mirror, not a compass. It shows you where you stand, but not where you should go."*
> Mr. R.P.V. Prasad

The supply chain is harder. Scope 3 emissions across Envision's supplier network totalled 4.94 million tonnes in 2024, dwarfing its own footprint by a factor of nearly 700. Only 18% of core wind turbine suppliers had achieved 100% renewable electricity by end of 2024. The target is 100% by 2028. For many of those suppliers, the transition is not strategic. It is financial. Envision publishes the gap; closing it will require reshaping incentives across an ecosystem of businesses operating under their own constraints.

To mark its tenth year in India in July 2026, Envision India is commissioning an enterprise-wide greenhouse gas inventory across all four manufacturing units and over 70 project sites. It is a step from group-level reporting to India-specific accountability. And on the question that no company in this sector discusses enough, the displacement of coal workers and the communities built around fossil fuel industries, Mr. Prasad reflects:

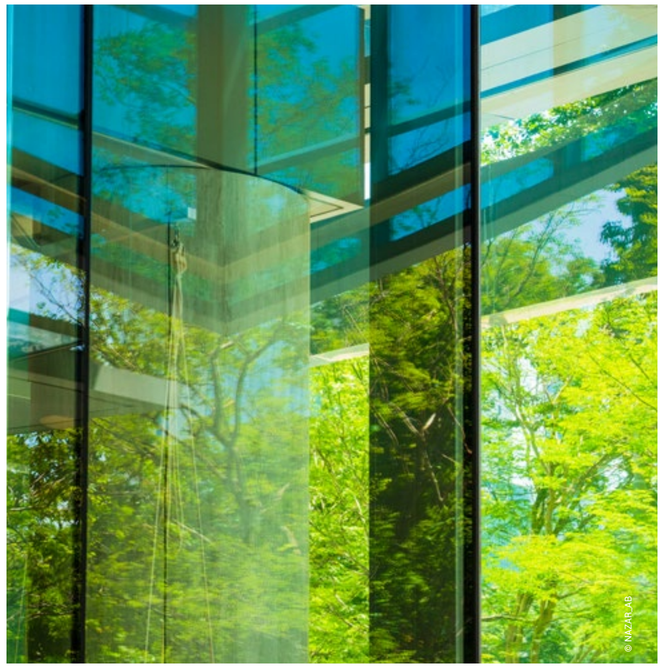
> *"A just transition is not optional. It is essential for long-term sustainability. Industry, government, and society must work together on this."*
> Mr. R.P.V. Prasad

INDIA AS BLUEPRINT

India is not just Envision's largest market outside China. It is the proof of concept on which its global responsible business model rests. A Chinese company, operating under geopolitical suspicion, built scale, jobs, and environmental credibility through a decade of execution. The conditions were among the most demanding in the world. The outcomes are documented and replicable.

Envision is now carrying that model to new geographies: a Net Zero Hydrogen Industrial Park in Spain, a wind equipment joint venture with Saudi Arabia's Public Investment Fund, and expansion into South America. Each new market will test the same proposition that India tested first: that responsible business is not a position you take, but a system you build, project by project, community by community, supplier by supplier.

The energy transition will not be won by any single technology. It will be won by organisations that can earn trust in contested places, integrate systems across generation, storage, and consumption, and be honest about the distance still to travel. Envision has demonstrated the first two. The third will define the next decade. ///



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AI use declaration: AI tools were used for stylistic assistance and document formatting. All content, data, analysis, and interview material is original and sourced as listed above.

KEY TAKEAWAYS

- Responsible business in industrial sectors must be built into operations from the outset, not added as a layer of compliance. Envision's competitive advantage flows directly from this conviction.
- In geopolitically sensitive markets, sustainability credentials do not create trust on their own. Local manufacturing, local hiring, and consistent delivery over time are what earn it.
- Localisation is a social impact strategy as much as a commercial one. Over 3,000 direct jobs created across India show that decarbonisation and economic development can advance together.
- Operational carbon neutrality is achievable with discipline. Scope 3, at 4.94 million tonnes against 7,089 from direct operations, is the real and largely unsolved challenge for industrial companies.
- Publishing sustainability gaps is itself a responsible business practice. Envision's transparency on Scope 3 and its 2028 supply chain target sets a higher bar than most disclosure frameworks require.
- A just transition is not a political obligation. It is a business responsibility. Companies accelerating decarbonisation must actively engage with workers and communities displaced by that transition.

Battery storage is the missing link that converts intermittent renewable generation into reliable, dispatchable power capable of replacing coal rather than supplementing it.

- When a responsible business model works under constraint, it becomes a blueprint. India proves Envision's model is exportable. Its next test is whether it holds across geographies with very different conditions.

BEYOND CHARITY: LEMON TREE'S BUSINESS CASE FOR INCLUSION

> **The real experiment was not hiring differently but testing whether inclusion could survive the unforgiving economics and service expectations of hospitality.**

Anysha Kumar and **Rishi Shrimal, MBA** candidates at **Indian Institute of Management Bangalore,** highlight Lemon Tree, a hotel chain, and how a serendipitous hire of an employee with disabilities led to not only a fully-fledged diversity & inclusion policy but a vision and a business case.

To better understand Lemon Tree Hotel's hiring practices, we sat down for a conversation with Aradhana Lal, SVP of sustainability and the head of their diversity campaign since 2012. When Lemon Tree Hotels was founded in 2002, it entered Indian hospitality with a proposition of quality service without the luxury pricing. Under founder Patu Keswani, Lemon Tree developed a service culture centered around efficiency, but also dignity and opportunity[1].

In 2007, a hearing-impaired employee was recruited into housekeeping as a practical staffing decision rather than a deliberate diversity intervention[2]. There was no blueprint of ESG practices to be followed, yet this incident challenged assumptions inside the company. Managers observed that the employee brought discipline, consistency and ownership to the role. Instead of seeing disability as "can't do" they began seeing it as "can do or can do later."

1. https://www.lemontreehotels.com/aboutus.aspx
2. https://www.peoplematters.in/article/compensation-benefits/redefining-talent-how-lemon-tree-hotels-is-leading-the-change-on-inclusivity-pay-and-performance-43426

Patu Keswani became a strong advocate for pursuing this vision. But the initiative was shaped as much by leadership conviction as it was by frontline managers willing to experiment. They moved from accidental inclusion to diverse by design. Since this initiative emerged from an operational need rather than philanthropy, it was treated as talent strategy, not charity and that distinction gave the move credibility. It fostered the idea that inclusion could create competitive advantage while expanding opportunity.

FROM A SMALL EXPERIMENT TO AN INDUSTRY TRENDSETTER

Turning one successful experiment into a scalable model required more than the right intent. They partnered with NGOs and vocational organizations to source candidates, while internal teams studied hotel roles in granular ways. They broke jobs into tasks, understanding where accommodation was needed and redesigning processes accordingly.

Today, Lemon Tree partners with over 100 NGOs across the country like Action for Autism and Noida Deaf Society[3]. Staff are rigorously trained, put through an internship program and then finally placed into roles aligned to their skillset.

As a group they have witnessed lower attrition, better efficiency and positive guest responses and a myriad of awards from government ministries and corporate platforms alike[4]. What started in just a few roles has now expanded into a workforce-wide hiring initiative.

Importantly, the initiative was never labeled as a peripheral program under CSR. The move made business sense by having more efficient and loyal staff that garner great customer reviews for their meticulous work. Although the staff underwent rigorous training and immersion programs, people with disabilities are not treated differently on the job.

Aradhana Lal, SVP of Sustainability mentions, "if you go over and beyond to make provisions for them and give them special treatment, that is not true inclusion".

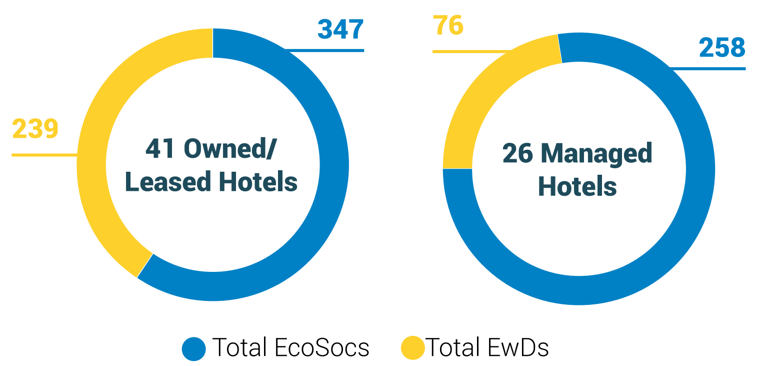
Over the years, the initiative has evolved from focused disability hiring into a broader program for inclusion by providing equitable employment opportunities to Opportunity Deprived Individuals (ODIs), including Employees with Disability (EwDs) and individuals from economically and socially marginalized backgrounds (EcoSocs) such as acid attack survivors, orphans and trans people to name a few. ODIs today make up about 17% of the staff across their properties[5].

Total ODI Workforce in FY25

16%
41 owned/Leased Hotels

17%
26 managed Hotels

Number of ODI Employees in FY25



3. https://www.lemontreehotels.com/factsheet/Policies/LTHL-Integrated-Report-2024-25.pdf
4. https://www.lemontreehotels.com/awards
5. https://www.lemontreehotels.com/factsheet/Policies/LTHL-Integrated-Report-2024-25.pdf

The conversation has surely matured. Earlier, the question was whether such hiring could even work in a service-intensive industry. That debate has been settled, and the focus has shifted to career progression, managerial representation and long-term scalability. As per reports, Lemon Tree Hotels have also had many EwD staff being promoted to Guest Service Supervisors (GSAs) and are all equally eligible to be nominated for further jumps up the managerial ladder.

Managers and peers are also trained to communicate inclusively, support accommodation and lead diverse teams effectively[6]. As of today, every single one of the ten thousand employees at Lemon Tree Hotels from the board of directors to ground staff, know how to communicate In India Sign Language[7]. Staff are also given special tags that enable guests to engage easily with them[8].

This goes to show that inclusion depends as much on workplace readiness as employee capability.

Instead of approaching disability through limitations, Lemon Tree has approached it through role alignment. Jobs are broken down into tasks, and placements are made by considering where capabilities and job requirements intersect the best. Certain disabilities are mapped to certain types of roles. For example, a hearing-impaired person performs better in noisy environments and can focus more than a person with no disabilities. Staff are patiently trained for each sub task and assigned to a relevant department. This serves as a good entry point, and employees are not confined to predefined roles. Constant feedback is taken from the ODI staff and roles are mapped as an iterative process.

THE BUSINESS CASE

The real experiment was not hiring differently but testing whether inclusion could survive the unforgiving economics and service expectations of hospitality. But collective effort made it happen and there were advantages that emerged.

Operationally, Lemon Tree has often associated the model with lower attrition of 47% 9as compared to a 75% industry average and stronger process adherence with EwD staff showcasing 25%[10] better efficiency. When asked by employees why they chose to continue working with them, two key themes emerged. Firstly, it's a fast-growing chain of hotels which offers them fast growth. Secondly, and more importantly, they enjoyed the diverse environment where they learnt something new every day.

Managers describe how communication became more deliberate and inclusion changed those already inside the system too.

There was also strategic value. In a crowded hospitality market, this model created differentiation. Guests noticed it and investors increasingly viewed it through ESG lenses.

LOOKING AHEAD

One challenge to the model is scale. Practices that work well in committed pockets can become harder to replicate in larger systems, especially in fast-growing businesses.

There is a heavy dependence on finding the right NGOs in every city and getting well trained staff for each location. The training period is also slightly longer than usual for these employees and thus pushes the 20% target of ODI workers. Additionally, it is hard to promote them to oversee holistic operations since they have only ever worked in one department.

6. https://www.youtube.com/watch?v=BrLj8f8yN2E&t=13s
7. Aradhana Lal, Senior Vice President – Sustainability, Lemon Tree Hotels, virtual interview with authors
8. Author site visit and field observations, Lemon Tree Hotel, Mumbai
9. https://www.lemontreehotels.com/factsheet/Policies/LTHL-Integrated-Report-2024-25.pdf
10. https://www.youtube.com/watch?v=vZE35FI3wxw

While these are operational challenges, overcoming them would be crucial to sustaining this model.

The next chapter for Lemon Tree is more about deepening the model. Their next target is to reach and sustain 20% ODI staff by 2030[11]. They are also working on a new program to onboard people with Specific Learning Disabilities (SLD) with Orkids Foundation[12].
Ms. Aradhana Lal with Orkids Foundation

They have been a huge influence on the industry and continue to do so. They advocate for diversity hiring, not as philanthropy but because it is genuinely good for business.

Being a leader in this space for the last 19 years, Lemon Tree Hotels have led by example and in doing so, they suggest inclusion may not be the cost of competitive business, but one source of it. ///

KEY TAKEAWAYS

- Lemon Tree Hotels' inclusion initiative began organically in 2007 when a hearing-impaired employee was hired for housekeeping, proving that employees with disabilities could excel operationally rather than being viewed through a charitable lens.
- The company reframed inclusion as a business and talent strategy, not CSR or philanthropy, which gave the initiative credibility and helped embed it into core operations.
- Lemon Tree scaled the model by partnering with over 100 NGOs and vocational organizations, carefully redesigning jobs and training processes to align employee capabilities with specific hotel roles.
- The initiative expanded beyond disability hiring to include "Opportunity Deprived Individuals" (ODIs), such as acid attack survivors, orphans, transgender individuals, and economically marginalized groups, who now make up around 17% of the workforce.
- Inclusion at Lemon Tree focuses on equality rather than special treatment. Employees with disabilities undergo the same professional expectations and are integrated into everyday workplace culture, including opportunities for promotions and leadership roles.

The business outcomes have been significant: Lemon Tree reports lower attrition rates (47% versus a 75% industry average), higher efficiency among employees with disabilities, stronger customer feedback, and differentiation in the hospitality market through ESG recognition.

- Despite challenges in scaling the model—such as longer training periods, dependency on NGO partnerships, and limitations in cross-departmental promotions—Lemon Tree continues expanding its inclusion efforts, aiming for 20% ODI representation by 2030 and pioneering new programs for people with learning disabilities.

Disclosure: These kay takeaways were generated using AI assistance.

11. Aradhana Lal, Senior Vice President – Sustainability, Lemon Tree Hotels, virtual interview with authors
12. Aradhana Lal, Senior Vice President – Sustainability, Lemon Tree Hotels, virtual interview with authors

FROM WASTE TO WINGS: HOW HAFFNER IS SOLVING AVIATION'S DECARBONISATION PARADOX

> **The transition to SAF will be defined less by technological breakthroughs than by execution.**

As Sustainable Aviation Fuel (SAF) seems set to provide a best-as-yet alternative for reducing aviation carbon emissions, **Gursimran Kaur** and **Jahnavi Tushar Trivedi, MSc Management** students at **Warwick Business School,** University of Warwick, take us on a journey to ***Haffner Energy*** and its bid to scale sustainability to industry-level needs.

Every commercial aircraft burns roughly 20,000 litres of kerosene per flight hour. Across millions of monthly flights, aviation contributes about 2.5% of global CO2 emissions-excluding additional warming effects from contrails and nitrogen oxides. The imperative to decarbonise is clear. The challenge is how.

Sustainable Aviation Fuel (SAF) has emerged as the most immediate solution. Unlike hydrogen or electric propulsion, SAF is a drop-in replacement compatible with existing aircraft and infrastructure, offering lifecycle emission reductions of up to 80%. For an industry with long-lived assets, this compatibility is critical.

Yet adoption remains limited. SAF accounted for just 0.6% of EU aviation fuel in 2024, while the ReFuelEU mandate requires 6% by 2030-a tenfold increase in six years. This is not aspirational; it is a binding industrial obligation.

At the centre of this effort is Haffner Energy, a French company with over 30 years of expertise in biomass conversion. Its recent pivot into SAF reflects both technological maturity and market urgency.

THIRTY YEARS IN THE MAKING

Founded in 1993, Haffner Energy specialises in biomass thermolysis-a process that converts organic waste into hydrogen-rich syngas (Hypergas). Over three decades, the company has built a strong patent portfolio and deployed projects globally, primarily in renewable gas and hydrogen. Its move into SAF in 2023 marked a strategic shift.

> ***"The turning point came when aviation's need to decarbonise became urgent and it was clear that SAF could be one of the key solutions. We looked at what we could do within our technology and found great answers."***
> Ms Marcella Franchi, Chief Commercial Officer and Head of SAF, Haffner Energy

Ms Franchi's motivation is not purely commercial. Reflecting on climate change's visible impacts, she frames SAF as one of the few areas where industrial feasibility aligns with environmental urgency-an intersection that increasingly defines competitive advantage.

THE TECHNOLOGY EDGE: BIOMASS FLEXIBILITY

A major constraint in SAF production is feedstock availability. The dominant HEFA pathway depends on used cooking oil and animal fats-resources with inherent supply limits. Other pathways raise concerns around land use and food systems. Haffner's SAFNOCA technology addresses this through feedstock flexibility. Its thermolysis process can convert a wide range of biomass residues-agricultural waste, forestry by-products, municipal waste, and industrial organic materials-into syngas suitable for multiple SAF pathways.

> ***"We can use a wide range of sustainable biomass and residues. This gives us flexibility, enables local sourcing, and significantly expands our geographical reach. It makes projects viable in many more regions globally. I believe in collaboration to move forward quickly. We will be announcing new partnerships soon."***
> Ms Franchi

© NARVO VEXAR

This "biomass-agnostic" approach is strategically significant. It allows projects to be developed wherever waste biomass exists, turning geography into an advantage. Haffner's internal "Biomatch" capability further strengthens this by matching local feedstocks with viable project designs. Partnerships with LanzaTech and LanzaJet, alongside projects such as AeroVerde in Spain, demonstrate how this flexibility can integrate into full SAF value chains at scale.

THE CORE100 GAMBIT: TACKLING COST BARRIERS

Despite technological progress, SAF's primary barrier remains economic. Large-scale plants can cost over €1 billion, creating significant investment risk and slowing deployment. Haffner's response is the CORE100 programme-a modular, standardised approach to SAF production. Instead of bespoke mega-projects, CORE100 offers factory-built units priced between, €2-5 million, enabling smaller, replicable installations.

The impact is substantial:

- Up to 65% reduction in capital expenditure
- Faster deployment timelines
- Lower entry barriers for mid-sized investors

> *"What we need today is standardised, faster-to-deploy solutions, not one-off projects. The challenge is no longer proving SAF works, it is to deploy it at scale, and fast."*

By shifting from infrastructure-heavy projects to scalable manufacturing, Haffner aims to unlock investment and accelerate deployment. The early uptake of the programme suggests strong market demand for this model.

THE MANDATE GAP: AMBITION VS REALITY

Policy is driving demand, but supply remains constrained. The EU mandates a 2% SAF blend today, rising to 6% by 2030, while the UK targets 10%. Yet global production reached only 1.9 million tonnes in 2025-far below required levels. Airlines paid nearly $3 billion in premiums for SAF in 2025, reflecting both scarcity and cost. At the same time, policy design challenges risk raising costs without sufficiently stimulating supply.

THIS CREATES A STRUCTURAL TENSION:

- Airlines need SAF to meet mandates
- Producers need investment to build capacity
- Investors need certainty that only scale can deliver.

Haffner's modular approach is designed to break this cycle by lowering risk and enabling incremental scaling. Importantly, SAF is not a standalone solution. Airlines are also pursuing fuel efficiency, operational optimisation, and fleet renewal.

SAF is essential, but it is not a blank cheque for unlimited growth. This framing reinforces SAF's role as part of a broader decarbonisation portfolio rather than a singular fix.

BUILDING ECOSYSTEMS, NOT JUST PLANTS

Haffner's strategy extends beyond technology into ecosystem development. Its projects prioritise waste-based feedstocks, local sourcing, and stakeholder integration. In Canada, for example, Haffner supports energy hubs where biomass suppliers are also stakeholders. This model distributes economic value locally and strengthens supply chain resilience.

Such ecosystem thinking addresses a persistent critique of biofuels-that benefits are concentrated while environmental and social costs are externalised. By integrating communities into the value chain, Haffner positions its projects as both industrial and socially embedded systems.

SAF AS ENERGY SECURITY

Beyond emissions reduction, SAF has strategic implications for energy security.

> *"SAF can be called sovereign aviation fuel, because any country with the will can produce it locally."*

Traditional aviation fuel depends on global oil markets, exposing countries to geopolitical volatility. SAF, produced from local biomass, offers partial insulation from these dynamics. For countries with abundant biomass resources, this represents not just an environmental solution but a strategic opportunity. In an era of supply chain disruption, this dimension is becoming increasingly relevant for policymakers and investors alike.

THE ROAD TO 2030: EXECUTION IS EVERYTHING

The transition to SAF will be defined less by technological breakthroughs than by execution. The industry must scale production rapidly, secure investment, and ensure stable policy frameworks.

Key risks such as regulatory instability, price uncertainty and slow project deployment still plague the process. Yet, Haffner's strategy-combining modularisation, feedstock flexibility, and ecosystem integration-positions it at a critical intersection of technology, economics, and sustainability.

Success by 2030 would mean:
- Multiple SAF plants operating globally
- Meaningful contribution to aviation fuel supply
- Cost reductions through scale and standardisation

Ultimately, SAF must evolve from a niche solution into a mature industrial market.///

KEY TAKEAWAYS

- Haffner Energy's SAFNOCA technology enables feedstock-agnostic SAF production, overcoming a key scaling constraint.
- SAF adoption must grow tenfold by 2030 to meet EU mandates, requiring rapid and standardised deployment.
- The CORE100 programme reduces costs and accelerates scaling through modular production.
- Feedstock flexibility provides a structural advantage over traditional SAF pathways.
- SAF is part of a broader decarbonisation strategy-not a standalone solution.
- The main challenge is execution: scaling supply, stabilising policy, and achieving cost parity.

SUSTAINABLE LAST-MILE DELIVERY AND PUBLIC TRANSPORT: A NEW URBAN SYMPHONY

> **In the "contemporary age", we often look to the sky for innovation, drones and flying taxis, forgetting the massive, underutilized assets rolling past us every five minutes.**

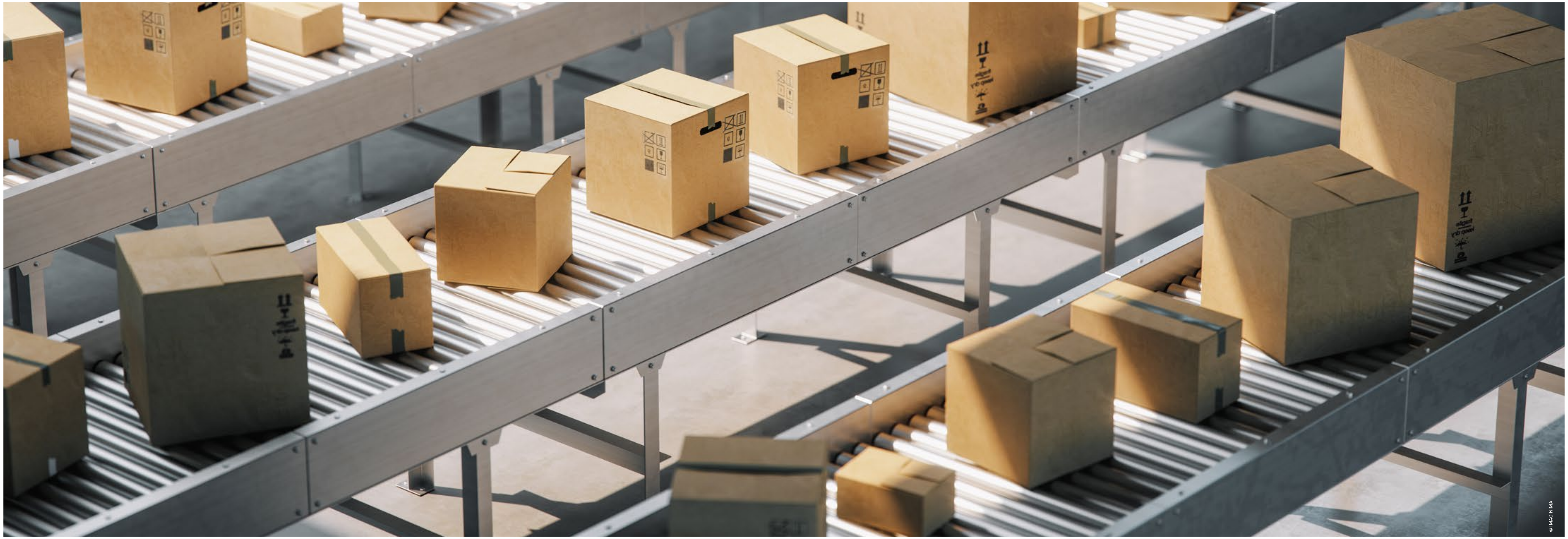
Profs. **Diego Delle Donne, ESSEC Business School, Claudia Archetti, University of Brescia,** and **Prof. Alberto Santini, Universitat Pompeu Fabra,** share research into a pragmatic, immediately scalable solution for transporting the world's packages sustainably through the last-mile to delivery.

Related research: Integrating public transport in sustainable last-mile delivery: Column generation approaches, Diego Delle Donne, Alberto Santini, and Claudia Archetti, European Journal of Operational Research, 2025.

Picture your city at 8:00 AM. While thousands of commuters descend into the subway or board trams to reach their offices, a parallel and much noisier "brown avalanche" is taking place on the streets above. Thousands of delivery vans, idling in double-rows and clogging narrow arteries, are struggling to drop off the latest e-commerce packages within ever-tightening time windows.

We are witnessing a collision of two worlds: a sophisticated, scheduled passenger network running half-empty in off-peak hours, and a chaotic, carbon-heavy delivery scramble that is pushing urban infrastructure to its breaking point.

But what if the solution to our delivery nightmare was already sitting right in front of us, painted in the colours of our local bus or tram? In a recent research study, Profs. Diego Delle Donne, Claudia Archetti, and Alberto Santini propose that the future of the city is not found in adding more vehicles, but in a "three-echelon" symphony that invites the humble parcel to become a passenger on the transit network we already own.



THE DILEMMA OF THE DOORSTEP DELIVERY

The “last-mile delivery” (LMD) is the final leg of a parcel’s journey from a distribution centre to a customer’s home. It has fundamentally changed the nature of our supply chains. Retailers no longer ship in bulk to centralized stores; instead, they ship millions of individual, small parcels directly to consumers.

This shift has created an operational “wicked problem”. Couriers now handle a high volume of small shipments, often requiring delivery during narrow windows when customers are home. The cost of this convenience is high. Beyond the financial burden, the externalities—traffic congestion, CO_2 emissions, noise, and visual clutter—have become unbearable in dense urban environments.

While many propose futuristic solutions like autonomous drones or porters, Delle Donne, Archetti and Santini’s research focuses on a more pragmatic and potentially scalable operational practice: integrating public transport into the delivery ecosystem to leverage unused transit capacity and drastically reduce the number of vans entering our city centres.

PUBLIC TRANSPORT AND LAST-MILE DELIVERY: THE ARCHITECTURE OF FLUIDITY

To turn a public bus into a delivery vehicle, one cannot simply hand a package to a driver. It requires a carefully coordinated “three-tier” (3T-DPPT) system that functions like a relay race.

• The 1st step: Heavy trucks move parcels from large distribution centres located outside the city to strategic public transport stops, known as “in-stops”. Crucially, this study introduces a strict “no-wait” policy: trucks must unload their cargo immediately upon arrival to avoid obstructing public roads or hindering transit operations.

• The 2nd step: This is where the magic happens. Parcels are loaded onto buses, trams, or commuter trains, utilizing “spare capacity”. The parcel effectively “hitchhikes” on existing scheduled routes toward the city centre.

• The 3rd step: At designated “out-stops” in the city centre, zero-emission vehicles—typically cargo bikes—pick up the parcels for final delivery to the customer’s doorstep.

This architecture ensures that heavy, polluting trucks stay on the outskirts of the city, while the “heavy lifting” into the urban core is done by infrastructure that is already moving.

The primary reason this system hasn’t been widely adopted is not a lack of vehicles, but a lack of synchronization. Public transport operates on “fixed itineraries and predetermined schedules”. A bus will not wait for a truck that is stuck in traffic. If the 1st step fails by even a few minutes, the entire chain collapses. This study tackles this “synchronization” through high-level mathematical optimization.

The researchers recognized that the journey of a parcel is “severely constrained both in space and time”. By using By using advanced optimization techniques, in particular column generation approaches combining routing and scheduling decisions, they created a decision-support tool that can that can orchestrate these moving parts efficiently. Their model accounts for the maximum time a parcel can wait at a stop, the capacity of the bus, and the delivery windows of the customer. It turns a logistical headache into a precisely timed urban dance.

One of the most significant reflections of this work is the debunking of the idea that green logistics is more expensive. Through an extensive computational campaign, the authors compared their integrated 3T-DPPT model against traditional delivery methods and simplified heuristics. The results are a wake-up call for the industry.

Their approach identified 16 new “best known solutions” for logistical problems that had previously baffled researchers. More importantly, for the pragmatic manager, the model demonstrated cost improvements of 8.38% on average, with some scenarios reaching over 16% in savings. This proves that leveraging existing public infrastructure is not just an environmental “nice-to-have”; it is a competitive operational strategy that reduces the need for expensive, dedicated van fleets.

IMPLICATIONS FOR URBAN GOVERNANCE: A NEW SOCIAL CONTRACT

The implications of this research extend far beyond the warehouse. It suggests a new way of thinking about urban governance and the “social cost” of delivery.

• Traditionally, public transit authorities and private logistics couriers have operated in separate universes. This study implies that the city must be viewed as a single, integrated network.

  • Municipalities that equip their trams and buses with cargo capacity, like “RegioKargo” in Karlsruhe, Germany, can maximize their ROI on public spending while simultaneously solving the private sector’s congestion problem.

• The study concludes that rather than expanding networks to every possible stop, planners should focus on equipping a limited number of high-capacity vehicles and stops. It is about depth, not just breadth.

• Interestingly, the researchers note that "regulatory aspects, more than technical challenges," often hinder these systems. The math is ready; the technology is ready. What is missing is the legal framework to allow freight and passengers to share the same cabin safely and efficiently.

PUBLIC TRANSPORT AND LAST-MILE DELIVERY: A VISION OF THE BREATHING CITY

In the "contemporary age", we often look to the sky for innovation, drones and flying taxis, forgetting the massive, underutilized assets rolling past us every five minutes. Profs. Delle Donne, Archetti, and Santini remind us that the most sustainable innovation is often the one that makes better use of what we already have.

By integrating public transport into last-mile delivery, we move toward a city that "breathes" again. We see fewer vans, less noise, and a transit system that pays for itself by carrying both people and the products they love. The "urban symphony" is a future where the algorithm serves the citizen, ensuring that our e-commerce boom doesn't have to mean an urban bust. ///

KEY TAKEAWAYS

- Integrating public transport into a three-tier delivery system can reduce urban delivery costs while drastically cutting emissions and congestion.
- Public transit vehicles often run with spare room, especially during off-peak hours; using this space for freight turns a public expense into a logistical asset.
- The success of integrated logistics depends on tight synchronization. Since buses follow fixed schedules, first-tier trucks must operate on a strict "no-wait" basis to keep the system fluid.
- The transition from buses to "cargo bikes" in the third tier ensures that the final delivery to the doorstep remains quiet and sustainable.
- Rather than spreading resources thin, planners should equip a few key transit lines and stops with high-capacity cargo features to maximize impact.

Sophisticated mathematical models (like Column Generation) are now capable of solving the complex "wicked problems" of urban synchronization within reasonable computational times, making them viable for daily operations.

- The primary obstacles to this revolution are often regulatory and legal rather than technical; cities must create frameworks for shared passenger-freight mobility.

MIXING YOUNGER AND OLDER EMPLOYEES AT WORK: WHAT COMPANIES CAN LEARN FROM SOCIAL INNOVATORS

> **The inclusion of mature people between 55 and 70 years old emerges as an opportunity from both a social impact and a business management perspective.**

Profs. **Concepción Galdón** and **Laura McDermott, IE Business School,** together with healthcare consultant **Bárbara Rey** and **City University of New York Prof.** and social innovator **Terry Huang,** research the issue of collaboration between generations, with social innovation proving a model from which for-profit companies can learn.

With kind acknowledgements to Prof. Concepción Galdón, IE Center for Social Innovation.

THE DEMOGRAPHIC TRANSITION AS A CORPORATE AND SOCIAL CHALLENGE

As life expectancies continue to rise, the growth of older segments of the population outpaces younger segments. In many regions, the companies and the societies in which they operate are being impacted heavily in terms of economics, society and health. Companies see how significant portions of their experienced workforce approach retirement while, in parallel, younger and less experienced talent pushes to join the workforce. This talent management challenge co-exists with growing cohorts of mature clients facing their life around the retirement age full of energy and projects for the future. The inclusion of mature people between 55 and 70 years old emerges as an opportunity from both a social impact and a business management perspective. In the face of these challenges, intergenerational collaboration is a powerful lever to unleash the talent of young and mature generations at the same time.

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Researching existing publications on the topic, we looked for trends on how large companies are engaging mature employees. From a high level, it appears that although many companies, thought leaders and consultancies talk about the value and best practices of intergenerational knowledge exchange, few provide a "fuller picture" as to how this has been implemented on the ground. A general theme that has emerged in early stages of our review is that the concept of "intergenerational knowledge exchange" is typically written about as a sub-category of human resource management or diversity initiatives.

In some cases, professionals have published opinion pieces about developing their own informal "mentor-mentee" relationship with colleagues from other generations. Such is the case for Airbnb employee Chip Conley, who openly spoke about his previous challenge in connecting with a predominantly millennial workforce. Conley cultivated a mentor-mentee relationship with a millennial co-worker, an exchange which helped both individuals to develop skills and competencies associated with each other's generation (1). This type of initiative appears to create great impact among the teams, though it appears that many of these stories - at least those published more broadly and in English - come from informal or serendipitous exchanges, as opposed to being formal programs that leverage the wisdom of more senior profiles.

Previous research developed at the IE Foundation by IE's Observatory for Demography, found that there was an increasing demand from European companies to understand how best to cater for senior talent and the later phases of their working lives (2). Subsequent research on European companies shows that there is beginning to be a higher prevalence of formalised programs for intergenerational knowledge sharing, mostly taking the form of mentorship – from senior to junior, from junior to senior or bi-directional. That being said, mentorship is not the only solution for an intergenerational strategy. In fact, there could be many more opportunities that are underexplored but which could add notable value to business and society.

INTERGENERATIONAL COLLABORATION BEYOND MENTORING

There are other interesting strategies that leverage senior talent. For example, in other cases, we see senior-level wisdom being valued by companies in an outsourcing capacity. The Grey Matters Network (GMN) is an example of a business model that has been established to address a gap in the intergenerational knowledge market. According to an interview with GMN in the Irish Times, GMN has "recently been approached by an organisation looking for mature workers for customer-facing positions because its customer base is 50-plus and it wants their customers' queries to be handled by staff with similar life experience (1)." Engaging senior talent, who can better understand and empathise with these customers, is an interesting strategy since those specific needs may not be obvious to a predominantly millennial workforce.

In order to look for more diverse examples of intergenerational strategies that might inspire companies, we have also mapped intergenerational social innovation projects in Spanish-speaking Iberoamerica. Social innovation projects serve as a radar for what those entrepreneurs, who are at the forefront of detecting and solving social needs, identify as problems and potential solutions to them. We have systematized the main qualities of these projects and, finally, we are abstracting from them the lessons learned that might be relevant in the corporate context. We are not suggesting a direct copy of models that work in social innovation to corporations. We are, however, taking the relevant elements of these models and offering those as inspiration for companies in search of ideas.

Looking to both sides of the ocean, there are some systematic differences. In Spanish- speaking Latin America**,** we found it more difficult to find intergenerational initiatives than in Europe. The explanation is twofold. On the one hand, Latin America is not undergoing as accelerated a demographic transition as in Spain, thus social innovators focus their attention on other issues. In Spain, the focus on intergenerational collaboration has emerged in a later phase of the demographic transition, whereas in the initial stages, the focus was on dependency. It seems that, in Latin America, the formal focus on intergenerational collaboration is still not a hot space for social innovators. That said, there are probably many more informal initiatives that cannot be detected due to a lack of web presence. This does not mean that intergenerational collaboration is not happening on the ground, but instead that it is not formally structured or visible. In Spain, the problem is more prevalent, there is more awareness about it and the social innovation/social economy sector is more organized and visible.

From the analysis of the projects we realize that the focus on fostering intergenerational collaboration is a relatively recent phenomenon. Of the 15 projects we identified and analyzed, 12 were founded from 2014 onwards. Another interesting element is that we found an even split of non-profit organizations and for-profit social ventures trying to make a difference by encouraging all generations to work together. In the case of for-profit social ventures, a notable trend is that very young companies, founded by young people, are targeting this kind of strategy as core to their business model. This could be connected to the social innovation background and the will to look for a higher purpose beyond monetization.

Social innovation organizations promoting intergenerational collaboration focus on different areas. We can categorize them in three main groups:

a) Inclusive lifestyle, including leisure, wellness & housing.
b) Work & Training, including employment, senior talent, leadership, etc
c)Research & Education, generating knowledge and awareness about this matter.

Of the projects we have identified, most work towards promoting an inclusive lifestyle. The next most prevalent category is work and training, and the last is research and education.

There is a trend among social innovators to create environments (physical, social and digital) in which mature people can pursue life projects, including leisure activities and hobbies, in collaboration with younger generations. With these contexts they promote knowledge exchange that happens organically in action. In the corporate world, one example of such initiatives is one of the winners of the awards by the *"Observatorio Generación y Talento"* for its generational diversity programs: Danone. This program, *"Dan Match",* connects employees from different ages and backgrounds to exchange knowledge and skills through volunteering as a "Time Bank". In this model, the more hours you give, the more hours you reap for yourself. There is still a great opportunity for companies to explore other topics, such as Intergenerational Education, Intergenerational Entrepreneurship and Intergenerational Coexistence, all of which create spaces for joint projects.

THE IMPACT OF UNLEASHING MATURE TALENT ON SOCIETAL WELLBEING

The growing number of social innovators working in this sector attests to the fact that beyond its direct impact in business, healthy ageing is an increasingly urgent global health challenge. While people are living longer, it is unclear if they are also healthier for longer or what their quality of life is like (3). There is great diversity in how people age and inequities throughout the life course directly contribute to health, social, and economic disparities in elderly adults. Elderly individuals who are the same age may have vastly different health conditions, quality of life and ability to function independently (4). The World Health Organization reports that "about 75% of the diversity of capacity and circumstance in older age is the result of cumulative impact of advantage or disadvantage across the life course (5)."

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Older adults face many impediments to health and wellbeing. As the leading cause of death has shifted towards non-communicable diseases, older adults have a higher prevalence of multimorbidity (6). In the US, 61% of adults 65 years or older have multiple chronic health conditions (7). Social isolation, lack of social activity, and outdated stereotypes about ageing are also detrimental to older adults' health and wellbeing (6,3).

This demographic shift will have many societal impacts. Work force participation, retirement and pension systems vary by region, but all have significant implications for seniors' engagement in society and financial independence. Unpaid caregiving by family members remains the main source of long-term care for seniors, but this can have a high toll on family caregivers and impact their ability to participate in the work force (6). The increasing size and share of the older population will increase long-term care and medical care costs. Most health care systems are not prepared for this demographic shift and their services are poorly aligned to meet the needs of seniors. Many systems focus on cures or the provision of acute care, rather than supporting long-term health or functional ability. Many systems also lack sufficient care coordination, leaving patients or family members to navigate multiple health issues on their own, further exacerbating inequities (3,4).

Mature people who are employed, active and fulfilled in their life projects are a powerful asset for our societies. Indeed, healthy ageing requires a paradigm shift away from a focus on being "disease free" and towards a more holistic focus on functional ability and wellbeing (3,4). We can unleash the upside of mature people's talent and energy while, at the same time, reduce the likelihood of early dependent ageing and morbidity and mortality. In engaging with mature populations, creating employment opportunities that are adapted to their needs and supporting them in life projects, companies are not only serving their own interest but will contribute to this paradigm shift that our society needs and that mature people deserve.

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KEY TAKEAWAYS

- A talent management challenge co-exists with growing cohorts of mature clients facing their life around the retirement age full of energy and projects for the future.
- The inclusion of mature people between 55 and 70 years old emerges as an opportunity from both a social impact and a business management perspective.
- Intergenerational collaboration is a powerful lever to unleash the talent of young and mature generations at the same time.
- Senior employees can find a mentoring role within their organisations and we see senior-level wisdom being valued by companies in an outsourcing capacity.
- The researchers found an even split of non-profit organizations and for-profit social ventures trying to make a difference by encouraging all generations to work together.
- Most social innovation projects work towards promoting an inclusive lifestyle for seniors. The next most prevalent category is work and training, and the last is research and education.
- There is a trend among social innovators to create environments (physical, social and digital) in which mature people can pursue life projects, including leisure activities and hobbies, in collaboration with younger generations.
- The growing number of social innovators working in this sector attests to the fact that beyond its direct impact in business, healthy ageing is an increasingly urgent global health challenge.
- Mature people who are employed, active and fulfilled in their life projects are a powerful asset for our societies.
- We can unleash the upside of mature people's talent and energy while, at the same time, reduce the likelihood of early dependent ageing and morbidity and mortality.

RUNNERS-UP

GREEN ARROW CAPITAL: A CASE STUDY ON RESPONSIBLE LEADERSHIP

The idea of sustainability is not a one-time transformation but a continuous process.

Avi Kumar and **Sveva Munari,** Global BBA students at **ESSEC Business School,** focus on Green Arrow Capital, an independent financial group specializing in alternative investments across Europe through an interview with Edvige Galeardi, Head of ESG.

GAC represents a one-of-a-kind platform and is mainly composed of investment, asset management, and financial advisory companies. They aim to create a solid financial platform to launch and manage investment funds dedicated to alternatives and to the real economy.

Their key differentiation factors and the values that guide the company's operations are: Innovation, Reliability, and Sustainability. They have a strong commitment to sustainability, being at the core of their business decisions, and not as a box to be checked.

They demonstrate a strong commitment to Environmental, Social, and Governance (ESG) principles both at the investment and corporate level. The firm integrates ESG Factors throughout its entire investment cycle, making sure that they are embedded in decision-making, risk management, and portfolio monitoring.

At the organisational level, GAC has an established structural ESG governance system, including an ESG committee, ESG manager, and ESG Champions within each investment team that ensure accountability and consistent implementation of responsible investment practices.

Additionally, the company aligns itself with global sustainability standards as a signatory of the UN Principles for Responsible Investment (UN PRI) and operates as a Benefit Company with a mission to achieve carbon neutrality by 2028, reflecting its long-term commitment to environmental and social impact.

Green Arrow Capital has positioned itself as a driver of sustainable value creation, aiming to create economic as well as social growth by generating financial returns and positive societal impact.

THE CHALLENGE

Despite Green Arrow Capital's strong ESG positioning, it still faced an internal challenge of translating these external commitments into its own operations. Sustainability had been embedded in the firm's investment strategy, but in 2020, it became clear that it did not fully extend to how the organization functioned daily.

The core difficulty was shifting from 'doing sustainable investing to being a sustainable organisation'. This required a fundamental transformation, instead of an incremental change. The most important step in this process was the decision to become a benefit company, which changed the company's legal structure and defined its mission to include environmental and social objectives alongside financial ones.

This transformation was quite complex. It required legal and structural changes, which included having to update the company's articles of association and aligning governance processes with the new mission. It also created internal resistance and uncertainty, since employees and managers had to adapt to new priorities that were not directly linked to traditional financial performance. For a lot of people, ESG was not seen as a core business activity, making it harder to justify the time and cost required.

Setting commitments is a part of the challenge, but the next step was to operationalize them. Goals such as becoming plastic-free, achieving carbon neutrality by 2028, and improving employee well-being had to be made into measurable actions that could be implemented into everyday business activities.

STRATEGIC RESPONSE

In response to this challenge that had been presented to them, GAC focused on building a framework that could help them achieve the goals they had set while still being realistic and measurable.

One of the main changes was the transition towards becoming a plastic-free organisation across all its offices. This included small shifts such as replacing plastic business cards with bamboo alternatives and eliminating single-use plastic in everyday office activities. Even though these changes may seem minor at first, they required employees to adapt their daily habits, which was not always easy, especially in the beginning stages of implementation.

Alongside this, the firm had set a clear target to achieve carbon neutrality by 2028. To reach this goal, one of the main things they had to do was measure their carbon footprint, with particular focus on emissions linked to business travel, which is a major component in the finance industry. Setting the target was relatively straightforward, but tracking and reducing emissions proved to be much more complex and required continuous monitoring and adjustments.

Another important aspect of this approach was the introduction of employee well-being metrics. They implemented regular surveys combining scaled questions and open-ended responses to understand better employee satisfaction, work-life balance, and overall well-being. This data was then used to make gradual improvements, such as introducing more flexible working arrangements.

Finally, these initiatives were supported by the development of internal ESG governance systems. Decisions were not made in isolation but involved coordination between management and the board, ensuring that sustainability goals were aligned with the company's broader strategy. Over time, ESG considerations also became part of performance evaluations, with a portion of employee compensation linked to achieving these targets, helping reinforce accountability.

Overall, what stands out in Green Arrow Capital's approach is the shift from broad commitments to structured, measurable actions. While the process is still ongoing, it shows how ESG can move from being a general intention to something that is actively managed and embedded within the organization.

DRIVING CHANGE: CULTURE, BEHAVIOUR, AND INCENTIVES

While building a structured ESD was an important first step, Green Arrow Capital's transformation largely depended on its ability to influence culture and employee behaviour.
One of the most visible shifts occurred in everyday behaviours. Employees had become more conscious of resource usage, especially when it came to printing and travel.

Printing-wise, the company introduced systems to track activity, which increased awareness and pushed people to be more responsible with paper. Same with travel, there was a growing shift towards questioning the necessity of business travel. Employees were more frequently opting for virtual meetings instead of traveling to meet in person.

Another development was the movement towards a more flexible working environment. Remote work emerged out of necessity because of the COVID-19 pandemic, but later on, it became a permanent feature of the company's operations. It supported environmental goals by reducing commuting and travel, but it also improved employee well-being.

The Council on Business & Society /// RUNNERS-UP

Lastly, the company introduced incentive-based mechanisms to reinforce ESG commitments. A portion of employee compensation, around 10%, was linked to the achievement of ESG targets. Even if it's quite a low percentage, this measure was an important part of aligning individual performance with organizational goals.

LEADERSHIP INSIGHT: THE ROLE OF COMMUNICATION

One of the key takeaways from our conversation with Edwidge was how important communication was in making their ESG transition actually work. While setting targets and building frameworks is possible, their implementation is easier said than done. A plan only works if people are standing behind it. The real challenge, therefore, wasn't making the changes, but getting people across the organization to understand and engage with those changes.

On an internal level, communication played a key role in building employee engagement. Since many of the initiatives required changes in everyday behaviour, it was not enough to simply introduce new policies. Employees needed to understand why these changes were being made and how they contributed to the company's broader goals. This was done through the regular feedback mechanisms they had set up, which allowed the employees to share their concerns and suggestions. Over time, this created a sense that ESG was not being imposed from the top down, but it was something employees could actively participate in.

At the same time, communication was equally important externally, particularly in maintaining legitimacy with investors and stakeholders. In the finance industry, ESG commitments are often closely scrutinized, and there is always a risk of being perceived as superficial or performative. By clearly aligning its internal practices with its investment strategy and openly communicating its policies and progress, Green Arrow Capital was able to strengthen its credibility. This was especially relevant given that many investors now expect transparency and concrete action when it comes to sustainability.

Beyond engagement and legitimacy, communication also helped in building a shared ESG vision within the company. One of the key insights from the interview was that even when individuals are already engaging in sustainable behaviours, these efforts can go unnoticed if they are not communicated. By encouraging more open dialogue, the company was able to make these actions visible and reinforce a collective sense of purpose. This helped shift ESG from being seen as an additional responsibility to something more integrated into the company's identity.

To quote Edwidge, "Communication is key, and without it, even good initiatives fail. You will never have 100% satisfaction, but progress comes from continuous dialogue."

OUTCOMES AND IMPACT

The implementation of all of these initiatives led to many tangible outcomes that helped strengthen Green Arrow Capital's responsible business practices.

At an operational level, the company achieved reductions in resource usage, especially in plastic and paper consumption. The shift towards plastic-free offices and monitoring

printing helped create more sustainable day-to-day operations. Even if the changes are incremental, they reflect a broader commitment to the company bettering its environmental footprint

One of the most significant outcomes was the increase in awareness and accountability across the organization. They introduced measurement systems, such as carbon tracking and employee well-being surveys, which made ESG more visible and actionable. Employees were encouraged to reflect on their own behaviours and understand how they contribute to the company's sustainability objectives.

Another outcome was the strengthening of the company's ESG credibility. It aligned its internal practices and its external investment strategy, which allowed Green Arrow Capital to reinforce its positioning as a genuinely responsible investment firm. It's quite important in the finance industry, since stakeholders expect consistency between what companies promote and how they operate internally.

Lastly, the process contributed to a shift in organisational mindset. ESG wasn't perceived as an additional requirement; it was seen as an integral part of the company's identity and strategy. This shift was less visible than operational changes, but it was critical to ensure that sustainability efforts were maintained and developed over time.

ONGOING CHALLENGES: SCALING ESG IN GROWTH

Even though Green Arrow Capital has made clear progress in embedding ESG into its operations, the process is far from complete.

One of the main challenges going forward comes from growth, particularly with the integration of a newly acquired company. While ESG systems are already in place within GAC, applying these same standards to another organization is not automatic. It requires adapting existing processes, aligning different corporate cultures, and making sure that the new employees understand and engage with the same sustainability objectives.

At the same time, growth also puts pressure on the company's ability to maintain its existing targets, especially the commitment to achieving carbon neutrality by 2028. Expanding operations often means increased emissions, more employees, and more complex activities, which can

make sustainability goals harder to reach. As mentioned in the interview, this may even require adjusting timelines or redefining targets depending on how the integration evolves. This shows that ESG commitments, while important, are not always fixed and may need to remain flexible in practice.

More broadly, the case highlights how ESG should be seen as an evolving strategy rather than a one-time initiative. What worked for a smaller organization may not work in the same way as the company grows and changes. New challenges emerge, priorities shift, and systems need to be continuously updated. In this sense, responsible leadership is not just about setting ambitious goals, but about being able to adapt those goals while still staying aligned with the company's core values.

REDEFINING RESPONSIBLE LEADERSHIP

Despite the significant progress made in aligning internal operations with its ESG commitments, Green Arrow's transformation is continuing. Currently, the key challenge is to ensure that these practices can be effectively scaled as the company grows.

A major development is the integration of a newly acquired company. This presents a new layer of complexity, since the ESG frameworks, systems, and practices have been developed internally and now need to be extended to a larger and more diverse organization.

It also raises questions about the company's existing targets, such as its commitment to achieving carbon neutrality by 2028. If and as it expands, its overall environmental footprint may increase, making it harder to stay on track. This means that the company may need to reassess its timelines or approach.

This reinforces the argument that the idea of sustainability is not a one-time transformation but a continuous process. As highlighted in the interviews, ESG evolves with the organization.

The next stage for Green Arrow Capital is to ensure consistency and coherence as the company scales. ///

KEY TAKEAWAYS

- **From Doing to Being:** Embedding ESG into a firm's investment strategy is only half the challenge. The harder shift is transforming daily internal operations to reflect the same values, a distinction Green Arrow Capital recognised and acted upon in 2020.
- **Legal Commitment as a Catalyst:** Becoming a Benefit Company was not a symbolic gesture but a binding structural change — one that redefined GAC's mission, governance, and accountability framework, making sustainability impossible to sideline.
- **Turning Ambition into Action:** High-level goals such as carbon neutrality and plastic-free offices only gain traction when broken into concrete, measurable steps embedded in everyday routines, from monitoring print usage to rethinking business travel.
- **Incentives Reinforce Culture:** Linking a portion of employee compensation to ESG performance, even at around 10%, helps align individual behaviour withorganisational goals, making sustainability a shared rather than imposed responsibility.
- **Communication is Non-Negotiable:** As Ms. Edvige Galeardi put it directly, without communication, even the best initiatives fail. Transparent dialogue, internal feedback loops, and visible progress helped ESG feel participatory rather than top-down.
- **Growth Tests Commitment:** The integration of a newly acquired company revealed how difficult it is to scale ESG frameworks across different cultures and operations, a reminder that responsible leadership must be designed to travel.
- **Targets Must Remain Flexible:** Commitments like carbon neutrality by 2028 may require recalibration as the organisation grows. Acknowledging this openly, rather than abandoning the commitment, is itself a mark of responsible leadership.
- **ESG Is a Journey, Not a Destination:** Perhaps the most enduring lesson from GAC's experience is that sustainability is never finished. It requires continuous adaptation, honest reassessment, and a culture willing to evolve alongside the organisation.

Disclosure: These key takeaways have been generated using AI assistance.

IMPACT BEGINS AFTER THE CONSTRUCTION: HOW DEVELOPMENT, MANAGEMENT, AND LEADERSHIP SUSTAIN SOCIAL TRANSFORMATION

True social change demands more time, more presence, and more attention to people than most funders are willing to commit to.

***"Not everything that can be counted counts, and not everything that counts can be counted."* - Albert Einstein.**

Beatriz Malachias and **Veronica Park,** BBA students at **FGV EAESP,** Brazil, dive deep into reasons why social projects fail and put the spotlight on **Instituto Votorantim** whose strategy and approach managed to turn around a moribund initiative to improve workers' conditions and modernize the traditional cashew nut industry.

In social investment, this tension is ever-present. What tends to be prioritized is whatever is easiest to measure: tangible deliverables, numbers that are simple to communicate, short-term material benefits. Yet the dimensions that deeply transform realities, which are autonomy, self-esteem and a genuine sense of capability, are harder to capture and, for that reason, too often overlooked. When results and impact are treated as the same thing, the difference gets lost. The case that follows invites us to tell them apart.

A SUBSISTENCE ECONOMY

For decades, the small village of Carrilho, located in Itabaiana, Sergipe, in the Brazilian Northeast, lived off the shelling of cashew nuts, a traditional activity, but carried out under degrading conditions. The work was done under intense heat, in direct contact with smoke, fire, and the acidic liquid of the cashew nut, which damaged their fingerprints permanently. Most profits went to intermediaries, and children worked alongside adults, sacrificing education for a cycle of labor that offers no path forward.

It was a survival economy for these families, anchored in a real local vocation, yet maintained at standards incompatible with dignity, safety, and stable income.

WHEN THE INFRASTRUCTURE IS INSUFFICIENT

In the early 2000s, public investment was channeled into building a small cashew nut processing facility. The intention was legitimate: to improve working conditions and modernize a traditional activity. The outcome, however, fell short. Walls went up, a roof was laid, but the real foundations for operation were never established. There was a lack of machinery, management, productive structure, and commercial organization. In other words, the construction stood; the business never came to life.

This is where many social projects end. The physical structure generates symbolic and reputational returns for its funders, while changing little for those it was designed to serve. A tangible asset was delivered. The impact was not.

FROM DELIVERY TO CAPACITY BUILDING

Only in 2013 did the village receive a response that matched the seriousness of its situation. In partnership with Brazilian National Development Bank (BNDES), Instituto Votorantim, the social arm of one of Brazil's largest conglomerates, relaunched the initiative under a more complete model. While the bank provided the financial resources, the Institute, in line with its focus on education and long-term development, took on the most structural part of the project.

This logic defined the design of the initiative. Instead of being limited to the delivery of infrastructure, the project was conceived to develop local capabilities and create stronger foundations for autonomy. To achieve this, the Institute worked together with a team of consultants specialized in this field, jointly building the proposal and structuring the investment plan. Over more than four years, the consultants maintained continuous engagement with the village, with regular field presence and practical support at every stage. The project only moved forward when members demonstrated a solid grasp of each practice.

The focus was management education in the fullest sense: organization, logistics, production, sales, and financial routines. Yet the deeper goal was not to teach people how to produce, something the group already knew, but to shift how they saw themselves, from workers carrying out tasks to owners fully responsible for the sustainability of their own business. It reflected a principle that is simple but rarely honored in social policy: systemic change demands time, patience, and resilience.

HOW THE TRANSFORMATION TAKES PLACE

The change went far beyond the production floor. By mechanizing the hardest physical tasks and containing the heat and smoke that workers had long been exposed to, the project brought working conditions to a standard that had never been reached before. Its greatest accomplishment, however, was modernizing without losing what made the product special: the traditional processing steps were kept intact, protecting both the flavor and a craft built over fifty years.

Behind the scenes, two other building blocks proved equally important: formalizing the cooperative's legal standing and building a commercial operation. Together, these allowed them to sell directly to markets, capture more value, and operate free from middlemen, because without market access, independence would have remained out of reach.

A decisive lever of the project was the formation of an internal leadership within the cooperative that mobilizes the group and leads day-to-day operations. Her trajectory, having worked in cashew production since the age of seven, legitimizes this leadership and gives the cooperative its identity and credibility.

The results, both social and financial, were striking. Income rose, reliance on aid fell, and child labor ended. Instead of working in cashew processing, the children were able to dedicate their time to their studies, bringing a more favorable outlook for a different future for the next generation.

IMPACT BEYOND NUMBERS

The most relevant impact, however, is less tangible. The cashew produced in Carrilho stopped being just a means of survival and became a source of identity and pride, recognized, in fact, as an intangible cultural heritage of Sergipe. Yet the heart of the story is not the income generated. It is the autonomy that was built.

As Cloves Carvalho, then director of Instituto Votorantim, noted, "***Material benefit is an outcome. Impact is when an activity once associated with hardship comes to represent identity, recognition, and value for society. Money matters, and deeply. But it is only the beginning.***" In a nutshell, true impact is what endures after the funding is gone.

THE SECRET TO LASTING CHANGE

This project was more than a social transformation; it was a systemic shift that continues to unfold. Meaningful change does not come from handing something over but from building something up by development of skills, leadership, and organizational capacity that sustain the process and make autonomy real. Indeed, Carrilho shows that when those elements come together with patient investment, hands-on guidance, and genuine trust in local leadership, it makes the results outlast the project itself.

Notably, the cooperative is still operating today. That fact, more than any metric, captures what lasting impact looks like. It is not measured in deliverables or disbursements, but in the ability of a community to stand on its own feet, steer its own course, and carry its own future forward, long after the original supporters have stepped away.

Therefore, Carrilho is a reminder that true social change demands more time, more presence, and more attention to people than most funders are willing to commit to. Physical assets may open the door, but they will never be enough to keep it open. ///

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Note on Sources

This article is based on primary interviews, internal project documentation, and field case materials related to Instituto Votorantim's productive inclusion programme in partnership with BNDES, including video reporting by Globo Rural on the cashew-processing communities of northeastern Brazil.

AI Disclosure

Generative AI was used in the preparation of this article for some linguistic refinement, grammatical correction, and stylistic polishing. However, all core ideas, original arguments, and the specific analysis of this case "Impact Begins After the Construction: How Development, Management, and Leadership Sustain Social Transformation" were developed and authored exclusively by the students.

Multimedia

To learn more about the Carril community and see the cashew processing facility in action, watch our short documentary here.

KEY TAKEAWAYS

- Human capital sustains impact. Financial capital and material benefits only make it possible.
- Systemic change requires time, patience, and resilience.
- True impact lies in intangible effects, such as autonomy, self-esteem, and future capacity.
- The biggest bottleneck in social projects is rarely technical. It is organizational and behavioral.
- Financial investment without management education tends to create dependence, not autonomy.
- Physical assets are necessary, but never sufficient for social projects.
- The longevity of a social project comes from developing individuals who can stand on their own.

STAY OR LEAVE? A 34-YEAR 'LONG-TERMISM' CASE IN CHINA'S HEARTLAND

> An enterprise's most profound social responsibility is to rise and fall with the land it calls home.

MBA candidates **Wei Deng** and **Yao Shi** from **School of Management Fudan University,** share how the **Henan Jianye Group** chose to "stay local", redefine CSR and provide an example to a new generation of Chinese business leaders.

Around 2010, China's real estate industry witnessed a dramatic "headquarters relocation wave" — large-scale developers rushed to move their headquarters from second- and third-tier cities to first-tier metropolises like Shanghai and Shenzhen, seeking lower financing costs and better access to top-tier talent.

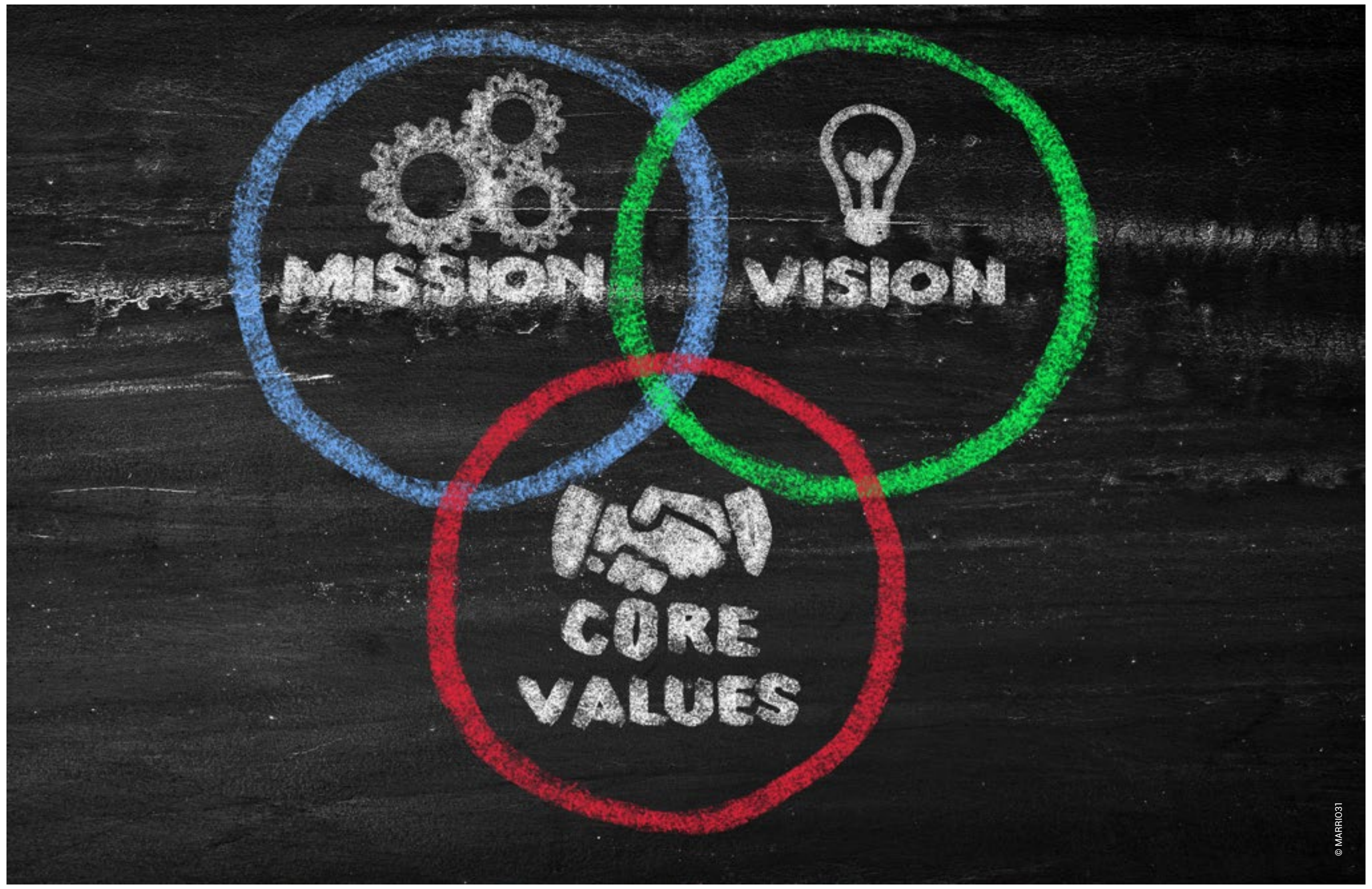
While peers fled to the coast, Henan Jianye Group chose a different path: to stay. Founder Hu Baosen encapsulated the belief behind this decision: "Rooted in Central Plains, Serving the People."

Since its founding in Zhengzhou in 1992, Jianye has spent over three decades proving that corporate success does not have to mean "going global" — deep rooting in a single region can build an unassailable moat. This article explores why Jianye chose to remain in Henan, how this choice redefines CSR, and what lessons it holds for a new generation of business leaders.

Opening Quote: "Why does Jianye always stay in Henan? Because 'Rooted in Central Plains, Serving the People'— this has been our original aspiration for thirty-four years, and our deepest commitment to this land."

THE 'SUBOPTIMAL' CHOICE — WHY STAY WHEN GIANTS MOVE?

When large-scale developers moved headquarters to first-tier cities, Jianye chose a path that was not the "commercial



optimum." In 2002, Jianye established its "provincial deepening strategy," focusing exclusively on Henan and extending to cities, counties, towns, and villages. Hu Baosen's principle: "Act when you should, not when you can," emphasizing that "your radius must be smaller than your capability." He believed that Henan's 100 million population, urbanization dividend, and consumption upgrading provided ample market space.

The decision was not made without rigorous commercial evaluation. Hu acknowledged that relocating to Shanghai or Shenzhen would lower financing costs and enhance talent attraction. Yet Jianye chose to stay because Zhengzhou offered higher returns and stronger profitability — and more importantly, he pursued long-term corporate endurance, not short-term profit. "Covering over 100 counties and cities in Henan — you could work until you die and never finish it," Hu once said, revealing his deep understanding of regional deepening's scale effects.

BEYOND GDP — THE UNTOLD STORY OF A 'STAYING' ENTERPRISE

For Henan, a province with significant outbound migration, a headquarters enterprise's decision to "stay" is itself the most substantial social responsibility — tax revenue, high-end jobs, and urban development remain local. After three decades, Jianye has achieved full coverage of 18 prefecture-level cities and 122 county-level cities in Henan, with a market share consistently above 10%, ranking first among Henan developers. Its cumulative tax payments exceed RMB 58.6 billion (as of end-2024), peaking at RMB 6.492 billion in 2019 and reaching RMB 3.51 billion in 2024.

Jianye directly creates over 32,000 jobs (92% local employees), serves 2.8 million homeowners, and manages over 230 million square meters of property. In Q1 2025, Jianye Real Estate still ranked first in Henan with approximately RMB 1.745 billion in sales. Surrounding its core business, Jianye has driven the growth of over 2,300 local SMEs, fostering a healthy regional industrial ecosystem.

REDEFINING CSR — ROOTEDNESS AS RESPONSIBILITY

Traditional CSR focuses on charitable donations, but Jianye reveals a deeper truth: an enterprise's most profound social responsibility is to rise and fall with the land it calls home. In Henan, Jianye plays three roles: economic anchor, social stabilizer, and cultural engine.

Crisis anchor: During the July 2021 Henan floods, Jianye donated RMB 5 million plus RMB 20 million in supplies, opened 126 sales offices and 382 property service centers as shelters, and mobilized over 2,500 employees for rescue efforts. Amid the industry-wide default wave, Jianye insisted on home delivery. As of March 2025, it had delivered over 358,000 units with a 98.2% delivery rate. Hu Baosen publicly pledged: "No unfinished home."

Cultural engine: Jianye's most visionary project is "Only Henan·Drama Fantasy City" — a 622-acre cultural project with 21 theaters and nearly RMB 6 billion investment, built from scratch on vacant land, now China's largest theater cluster. By March 2025, it had attracted over 46 million visits, with 78.3% from outside Henan and 85.6% post-85s youth, driving over RMB 5 billion in ancillary revenue. Beyond this, Jianye's three-decade commitment to Henan football is equally remarkable — since 1994, it has invested over RMB 3.5 billion and never changed ownership, making it the only club in Chinese professional football history with an unchanged investor, becoming an emotional anchor for millions of Henan fans. Meanwhile, Jianye's Grand Food Hall has revived 58 intangible cultural heritage culinary traditions through a "zero-rent, full-empowerment" model, serving over 12 million customers and becoming a microcosm of "creating shared value" (CSV). Jianye's role in Henan far exceeds that of an ordinary developer — it is a root, a guardian, and a cultural creator.

LESSONS FOR A NEW GENERATION

Jianye's case offers profound insights: corporate success does not have to mean "going global" — deep rooting can build an equally formidable moat. Hu Baosen defines this strategy as "acting when you should" — based on a deep understanding of your capability radius, not blind expansion. He summarizes Jianye's philosophy in two words: "leaving room" — act with moderation and reverence. This seemingly conservative strategy may appear unambitious during booms, but during downturns, it becomes the anchor that helps navigate cycles.

Looking ahead, Hu Baosen has stated that in the next sixteen years, Jianye will continue to root itself in Henan, "letting long-term value investors become the ultimate victors." For young people debating whether to leave their hometown for a big city or stay and build where they are from, Jianye's answer may be more persuasive than any methodology: "An enterprise is to society as a tree is to the land." Wherever you choose to root yourself, as long as you dig deep and grow upward, you are contributing shade to the land beneath you. ///

KEY TAKEAWAYS

- **Choosing to Stay Can Be Strategic:** While many Chinese developers relocated to major coastal cities for faster growth, Henan Jianye Group deliberately stayed rooted in Henan, believing that deep regional focus could create stronger long-term value than rapid expansion.
- **"Long-Termism" Requires Discipline:** Founder Hu Baosen championed the idea of "act when you should, not when you can," arguing that businesses should expand within their true capability radius rather than chase every opportunity.
- **Regional Focus Can Build a Competitive Moat:** By concentrating exclusively on Henan for over three decades, Jianye achieved full coverage across the province and built deep local knowledge, customer trust, and market leadership that competitors struggle to replicate.
- **Corporate Social Responsibility Goes Beyond Donations:** Jianye redefines CSR by showing that a company's greatest responsibility may be to remain committed to its home region — sustaining jobs, tax revenue, infrastructure, and economic stability locally.
- **Local Commitment Creates Real Economic Impact:** The company has generated over 32,000 jobs, supported thousands of local SMEs, paid more than RMB 58.6 billion in taxes, and served millions of homeowners — proving that rooted businesses can become engines of regional development.
- **Leadership Matters Most During Crisis:** During the 2021 Henan floods and China's property downturn, Jianye prioritized emergency relief, shelter support, and home delivery commitments, reinforcing public trust through action rather than branding.
- **Businesses Can Also Shape Culture and Identity:** Beyond real estate, Jianye invested heavily in cultural and community projects such as Only Henan·Drama Fantasy City and long-term support for Henan football, helping strengthen regional pride and cultural heritage.
- **Success Doesn't Always Mean "Going Global":** Jianye's story offers a powerful lesson for young professionals and entrepreneurs: meaningful impact can come from building deeply where you are, rather than constantly pursuing bigger or more fashionable markets.

Disclosure: These key takeaways have been generated by the CoBS Editorial Team using AI assistance.

CESC – POWERING CITIES & PEOPLE

> **Progress, it turns out, doesn't always come from policy or protest. It arrives quietly.**

Clarissa Tjoe and **Sahana Adeline K.**, MBA Candidates at **IE Business School**, put the spotlight on the Indian power utilities company GESC, its unique approach to learning from technology and its Aparajita programme that turns waste into energy while providing rural women with the skills to gain financial independence.

WHERE THE STORY BEGINS: A PILE OF MARIGOLDS

Every morning, outside the temples of Kolkata, India, flowers die twice.

The first death is devotional, garlands offered, prayers completed. The second is quieter and uglier. The discarded petals swept into piles, destined for a water body, where they leach pollutants into it. For decades, this was the cost of worship.

Was it Organic? Yes. Harmless? People assumed. Inevitable? Everyone agreed.

CESC Limited looked at wilting marigolds and saw raw material, instead of waste. This reframing, the insistence on finding value in what others discard, is the philosophy behind one of India's most quietly compelling ESG stories.

Calcutta Electric Supply Corporation (CESC) is one of India's oldest power utilities, founded in 1899 during the British colonial era, a flagship company under the RP Sanjiv Goenka Group. Headquartered in Kolkata, CESC generates and distributes electricity to nearly 3 million consumers. What sets it apart is vertical integration, from generation and transmission to distribution.

The company believes that inefficiency is not destiny, residue has potential, and what looks like an ending is often the start of something useful.

FROM TEMPLE TO MARKET: THE APARAJITA STORY

The women who joined CESC's Aparajita programme arrived with no prior exposure to structured work. They came from rural communities in Kolkata, carrying skills that the formal economy had never found a use for.

Instead of asking what these women lacked, the programme asked what the city was discarding and whether the two problems could be solved with one solution. The answer was flowers.

Temple floral waste is transformed through Aparajita into bio-fertiliser, organic compost and incense sticks. The environmental logic is clean. Material that would otherwise pollute waterways is diverted, processed, and given a second life. The social logic is equally compelling. Women who had never made an independent financial decision began generating sustainable income. One participant, who joined with no prior work experience, progressed from learning the basics of waste processing to achieving full financial independence, which led to participating in household decisions – a novelty for that one Indian woman. Through this initiative, Aparajita reaches around 300,000 people through its ripple effects.

THE LOGIC OF RECLAMATION, APPLIED TO A POWER GRID

Project Aparajita is not an isolated initiative. It's a mirror image of how CESC thinks

about its entire business. The company operates thermal power plants, builds floating solar microgrids, installs battery energy storage systems, and has committed to 3.2 Gigawatts of renewable energy capacity by FY2029, scaling to 10 GW by FY2032. To a casual observer, this might look like a contradiction. To CESC, it looks like the formula it has always used to solve problems: taking something losing value, a carbon-intensive portfolio and building something better alongside.

The thermal plants are not simply tolerated relics. They are being optimised: efficiency continuously improved, auxiliary power consumption reduced, emissions' intensity lowered. Waste, is being forced out of the existing system while a cleaner system is constructed next to it. "We acknowledge that renewable energy alone cannot fully meet round-the-clock demand," says the Group ESG head Mr. Saket Shah. "Our approach is dual: optimising existing thermal operations while aggressively scaling renewable capacity."

EARLY UNFASHIONABLE BETS

The Battery Energy Storage System at CESC's East Calcutta substation was installed in 2019. At that time, large-scale battery storage was barely a conversation in Indian utilities. CESC installed it anyway.

The same logic governed the Chakmir floating solar microgrid. This generates clean power while also reducing water evaporation from the surface beneath it, making use of water bodies that would otherwise sit idle.

The significance is in what this represents for a utility company. Making early, unfashionable bets on technology that would later become essential across the industry. "These projects have provided valuable on-ground insights into system behaviour, scalability, and integration challenges," Mr. Shah explains.

The waste being reclaimed here is time. Most competitors will spend the next decade learning what CESC spent the last one figuring out.

WHAT THE SCORECARD MISSES

CESC raises an honest question: Are we measuring the right things? Standard ESG frameworks tend to focus on renewable capacity figures like megawatts of solar or the speed of coal decline. These are legitimate metrics, but they tell only part of the story. Sustainability is fundamentally about the credibility of a transition over time, not a single point in time.

CESC's transmission and distribution losses are among the lowest in India, representing significant carbon avoidance that rarely appears in sustainability rankings. There is real progress here that the current scorecard has yet to learn how to capture.

THE ROAD TO 2070: THE LONG GAME

CESC's net zero target is 2070. That is not a typo, and it's not timidity. It's a company being honest. Replacing coal-fired power in a city of millions, while keeping electricity bills affordable for every household, is not something that happens overnight. By 2030, CESC expects to generate more electricity from renewable sources than from conventional ones. A dramatic shift for a company that has run on coal for over a century. India itself is on a similar path, having surpassed 50% non-fossil-fuel installed capacity in June 2025, five years ahead of its Paris Agreement target. CESC is building toward that shift with a 3-Gigawatt solar cell and module manufacturing facility in development.

What gives that journey credibility is not the target date, but rather the marigolds.

A company that looked at discarded flowers and saw fertiliser and livelihoods, looked at women who had never earned before and saw a workforce, looked at an old substation and saw the clean energy grid of tomorrow, this company has proven time and again that it knows how to find the future in what the present discards.

We did not arrive at this story by accident. As two women from developing nations, one from India and one from Indonesia, Sahana Adeline and Clarissa Tjoe, came to it, because we recognised something in it. We are daughters of mothers who quietly, stubbornly broke the rules that society wrote for them. Mothers who chose education over expectation, ambition over complacency, handing us a life they never had. We are, in the truest sense, standing on their shoulders, acutely aware that not every girl gets that shoulder to stand on. For every girl who has a mother like ours, countless others don't — where poverty, geography, or tradition make empowerment feel like someone else's story.

This is why project Aparajita matters. When a corporation like CESC walks into a slum and tells a woman that her labour, knowledge, and future have value, it's not waste management. It's doing what our mothers did for us. It's rewriting the script for someone who had no one else to do it for them.

Progress, it turns out, doesn't always come from policy or protest. It arrives quietly,

In a composting plant that began with discarded marigolds, In a woman making household financial decisions for the first time, In a solar panel floating on water that everyone else left idle.

CESC may be in the business of powering cities. But at its finest, it's in the business of powering people. ///

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KEY TAKEAWAYS

- CESC transforms overlooked waste and inefficiency into opportunity, using discarded temple flowers as raw material for sustainable products and social empowerment.
- The Aparajita programme converts floral waste into bio-fertiliser, compost, and incense sticks while creating income opportunities and financial independence for rural women in Kolkata.
- CESC's ESG philosophy is rooted in "reclamation" — improving existing systems while simultaneously building cleaner alternatives rather than abandoning legacy infrastructure overnight.
- The company combines thermal power optimisation with aggressive renewable expansion, targeting 3.2 GW of renewable capacity by FY2029 and 10 GW by FY2032.
- CESC made early investments in technologies such as battery energy storage systems and floating solar microgrids before they became mainstream in India's utility sector.
- The company argues that traditional ESG scorecards miss important achievements, such as its exceptionally low transmission and distribution losses, which significantly reduce carbon waste.
- CESC's 2070 net-zero target reflects a pragmatic transition strategy that balances decarbonisation with the need to provide affordable, reliable electricity to millions of people.
- Beyond powering cities, CESC demonstrates how corporations can drive social transformation by recognising the untapped value in both discarded materials and marginalised communities.

BEYOND THE BIN: WHAT BARE NECESSITIES REVEALS ABOUT THE FUTURE OF RESPONSIBLE BUSINESS IN INDIA

> Responsible business does not add CSR later. It requires redesigning products, supply chains, incentives, and capabilities from the start.

Sanchit Jain and **Biswapriya Saha,** PhD students at **IIM Bangalore,** share their research into Bare Necessities, the first FMCG company in India to receive B Corp certification, and how it walks the talk of People, Planet, and Profit.

WASTE IS A BUSINESS DESIGN PROBLEM

India generates an estimated 62 million tonnes of solid waste each year, and only a limited share is formally processed. Much of the remainder ends up in landfills, waterways, open dumping sites, or informal recycling channels sustained by waste-picker communities working under difficult, often hazardous conditions. Waste, however, is not only a municipal challenge. It is also the result of business decisions made upstream through packaging design, product formats, sourcing systems, and convenience-led consumption models.

That is what makes Bare Necessities relevant. Founded in Bengaluru in 2016 by Sahar Mansoor, the company set out to build personal care and home care products that reduce waste at source while embedding ethical and social considerations into operations. It later became the first FMCG company in India to receive B Corp certification, subjecting itself to external standards on governance, social performance, and environmental impact.

FROM CONSUMER BRAND TO SYSTEMS THINKING

Many sustainability ventures begin by selling directly to consumers. Bare Necessities followed that route through products such as shampoo bars, soaps, deodorants, and

household cleaners designed to minimise disposable packaging. Packaging is home-compostable, refillable, or returnable, while suppliers are expected to sign a code of conduct on ethical practices.

Yet one of the company's more candid reflections is that, if it were to start today, it might place greater emphasis on materials science and business-to-business innovation. Compostable packaging, multi-layered plastic recycling, waterless formulations, and circular material solutions adopted by multiple firms could create a broader impact than any single niche brand can achieve. As the founder noted, the company is increasingly exploring hybrid models that combine consumer-facing products with deeper R&D-led solutions.

This is an important lesson for larger firms. Consumer brands can demonstrate alternatives, but supply-side innovation often changes markets faster. Large incumbents already possess manufacturing scale, procurement leverage, and distribution reach. What they often lack is the experimentation capacity that smaller firms can provide.

THE PRICE OF RESPONSIBLE CONSUMPTION

Bare Necessities also illustrates a structural challenge facing sustainable brands globally: responsible products often cost more. Higher-quality ingredients, smaller production runs, alternative packaging, and stronger labour standards can raise prices relative to conventional mass-market substitutes. The company has openly acknowledged that affordability remains a barrier to wider adoption, while expressing the intention to lower costs over time through scale.

If sustainability consistently carries a price premium, adoption may remain concentrated among affluent urban consumers rather than spreading through mainstream markets. For business leaders, this means ethical positioning alone is insufficient. Cost innovation matters.

MAKING CIRCULARITY WORK IN PRACTICE

The company's "Return Your Jars" program allows customers with five or more empty jars to request doorstep pickup. Containers are then sterilised, reused, and linked to a 10% discount on future purchases. Around ten such returns are processed monthly.

While it is a credible attempt to operationalise circularity, it also highlights the challenge. Reverse logistics are expensive, fragmented, and behaviourally demanding. In markets increasingly shaped by speed and convenience, environmental intent can be undermined by operational friction.

The lesson is clear: circular economy strategies require logistics capability and incentive design, not merely marketing claims.

THE COMPLEXITY OF SUSTAINABLE INNOVATION

Sustainable products are often assumed to be simpler. In practice, they may be more technically demanding. Bare Necessities describes an R&D process that involves internal prototyping, customer testing with loyal user cohorts, third-party lab validation for safety and stability, and certification-based testing, as required. Because it avoids conventional preservatives, plastics, and standard stabilisers, the formulation must be aligned with alternative packaging systems. For moisture-sensitive products, the company reports extensive experimentation before arriving at a tree-resin-lined compostable paper solution that balanced durability with biodegradability. Responsible innovation still requires patience, capital, and technical capability.

MEASURING IMPACT AND ACCOUNTABILITY

Between July 2016 and early 2026, the company reports selling 505,958 products. Using its internal methodology, this equates to 83,066,343 single-use plastic equivalents avoided and 375,031 kilograms of waste prevented from entering landfills or waterways. The figures are self-reported, though the company states that annual impact data is reviewed as part of B Corp recertification processes.

Such metrics necessarily depend on assumptions about product substitution and customer usage patterns, so they should be interpreted cautiously. Nonetheless, the discipline of attempting measurement remains notable in sectors where many firms still disclose little beyond conventional financial indicators.

EDUCATION AS GROWTH STRATEGY

During the 2020 pandemic disruption, the company launched Bare Learning, an online platform offering courses on Zero Waste Living 101, Building Blocks of Sustainability, and Introduction to the Circular Economy. In 2021, UNESCO recognised the initiative as a Climate Action Resource. Enrolments have since exceeded 120,000.

The platform later expanded into workshops, consulting, and customised corporate programs. Organisations including JPMorgan Chase, Stryker, Cognizant, Flipkart, IKEA, Hindustan Unilever, Coursera and Brigade Group have engaged with these initiatives.

This suggests a more sophisticated model than simply selling products. Many sustainable brands enter markets where demand is weak or poorly informed. Bare Learning treats education as market-building infrastructure.

INCLUSION INSIDE THE OPERATING MODEL

Bare Necessities has also embedded social objectives into core operations. Its women-led manufacturing structure was an intentional founding decision aimed at creating safer, skill-building employment pathways for women from underserved communities. The company notes that what began as a personal value evolved into an organisational strength, shaping ownership and culture.

It has also partnered with Hasiru Dala to create employment links with waste-picker communities and participate in career fairs. For many firms, inclusion remains peripheral. This case suggests it is more durable when built into hiring and production systems.

WHAT LARGER FIRMS SHOULD LEARN

Bare Necessities remains small relative to India's consumer economy. Its significance lies less in market share than in experimentation. It has tested whether consumers will adopt low-waste alternatives, whether education can create demand, whether circular systems can function commercially, whether impact can be measured credibly, and whether inclusive employment can be integrated into operations.

For larger companies, the message is direct: responsible business does not add CSR later. It requires redesigning products, supply chains, incentives, and capabilities from the start. ///

KEY TAKEAWAYS

- Waste is often created upstream through product and packaging design.
- Sustainable products face affordability constraints unless costs fall.
- Circularity depends on logistics systems and customer convenience.
- Responsible products may require more, not less, innovation.
- Measuring impact is imperfect but increasingly necessary.
- Education can build demand for sustainable consumption.
- Inclusion is strongest when embedded in operations, not philanthropy.
- Supplier-side innovation may scale impact faster than niche retail growth.

MAKING SUSTAINABILITY STICK: WHY GOOD INTENTIONS ARE NOT ENOUGH IN INDUSTRIAL MANUFACTURING

> **Professionals who can translate environmental goals into commercial terms, and operate across industrial contexts, will outlast those who cannot.**

Simran Anand and **Sanya Agraval,** Master's in Management students at **Warwick Business School,** share their insights drawn from an interview with Greta Delfino, Sustainability Officer at the Advanced Manufacturing Innovation Centre (AMIC).

THE GAP NOBODY TALKS ABOUT

Every major manufacturer today has a sustainability strategy. Most have targets, many have pledges, and a growing number have dedicated officers to oversee them. Yet the distance between a corporate commitment and its actual implementation on a factory floor remains stubbornly wide. Surprisingly little attention is paid to what fills that gap.

Ms. Greta Delfino, Sustainability Officer at the Advanced Manufacturing Innovation Centre (AMIC), an industry-led institute connected to Queen's University Belfast, works inside that gap daily. Her role spans lifecycle assessments, circularity projects, and direct collaboration with industrial partners across sectors from food to maritime. Her experience raises an uncomfortable question. If the tools, the knowledge, and the targets already exist, why is sustainable manufacturing still so hard to achieve?

SUSTAINABILITY IS NOT A LEVEL PLAYING FIELD

The first obstacle is one that rarely appears in corporate sustainability reports. Companies are not equally equipped to act. "You see companies being on a maturity level," Ms. Delfino explains, "from those who have not done anything all the way up to those who are leaders in their industry."

This is more significant than it sounds. For many firms, particularly SMEs, the barriers are not motivational but structural. They lack the capital, the technical knowledge,

and often the internal capacity to accurately diagnose their own environmental impact. Research identifies this as a "capabilities gap". The distance between a firm's environmental intentions and its ability to act on them (Berrone et al., 2013). Without addressing that gap directly, sustainability targets remain aspirational rather than operational.

THE LIMITS OF GOODWILL: WHY PRICE STILL WINS

Ms. Delfino's most instructive example concerns packaging recycled content. Under producer responsibility regulations, companies pay a higher levy for packaging without recycled material. In principle, this makes sustainable choices obvious. In practice, recycled content can still cost more than virgin material depending on supply chain conditions. This means that without the regulatory lever, many firms choose the cheaper option.

Companies are not purely principled or purely cynical. They are rational actors responding to the incentive structures around them. "You have to help them figure out how to make it cheaper," Ms. Delfino notes. This sits in tension with a common assumption in sustainability discourse that better information or stronger values are sufficient to drive change. They rarely are. Unruh (2000) describes this as "carbon lock-in". It is the tendency of existing systems to resist change even when alternatives are available. Breaking that lock requires redesigning the economics, not just raising awareness.

The implication for policymakers is direct. Regulatory clarity does not just set rules, it enables investment. "Without clear regulation, companies can't make those stable business decisions," Ms. Delfino observes. Where governments hedge or delay, industry rationally follows.

DE-RISKING AS A STRATEGY — AND ITS LIMITS

AMIC addresses a specific market failure. The reluctance of firms to absorb the cost and uncertainty of early-stage sustainability innovation. Rather than advising companies on what to do, AMIC invests in approaches before industry adoption, tests them, and presents firms with validated solutions. "We're really trying to de-risk their own innovation," Ms. Delfino explains.

Howells (2006) describes this as intermediation which reduces the transaction costs of innovation by sitting between knowledge producers and knowledge users. What makes AMIC's version distinctive is its industry-led governance. The innovations it pursues are shaped by what companies actually need, which increases the likelihood of adoption.

However, this raises a critical tension. If industry sets the agenda, ambition may be constrained by what the market is currently willing to absorb. De-risking incremental improvements is valuable but the pace of change demanded by climate science likely exceeds what market-led innovation alone can deliver. Intermediaries like AMIC are necessary but not sufficient. They work best as part of a broader system that includes regulatory pressure, public funding for higher-risk innovation, and policy frameworks that pull industry toward more transformative change rather than simply smoothing the path to modest improvements.

GREENWASHING: WHEN LANGUAGE OUTRUNS REALITY

Greenwashing distorts the entire sustainability landscape by making performative action appear equivalent to genuine impact. The danger is not only reputational. When unverified claims go unchallenged, they erode the credibility of sustainability as a discipline and crowd out serious practitioners.

The antidote is measurement. Lifecycle assessments, circularity audits, and science-based targets make environmental claims verifiable. Ms. Delfino's work at AMIC is grounded in exactly this kind of rigour. Sustainability cannot remain a narrative discipline; it must become an empirical one.

WHAT SUSTAINABLE MANUFACTURING ACTUALLY DEMANDS

The picture that emerges is more demanding than most sustainability frameworks acknowledge. It requires institutional infrastructure to bridge capability gaps. It requires regulatory design that reshapes incentives rather than merely expressing intent. It requires practitioners who think systemically and recognise that changing one part of a supply chain can simply relocate environmental harm rather than reduce it.

Above all, it requires adaptability. In a shifting political environment, sustainability work increasingly gets rebranded rather than abandoned. "They're just changing the name of it," Ms. Delfino observes. Professionals who can translate environmental goals into commercial terms, and operate across industrial contexts, will outlast those who cannot.

The gap between ambition and implementation in sustainable manufacturing is not a failure of values. It is a failure of systems. Closing it requires more than innovation institutes working in isolation. It demands policy, capital, measurement, and institutional courage working together. ///

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KEY TAKEAWAYS

- A capabilities gap, not a values gap, is the primary reason most companies fail to act on sustainability ambitions. Targeted institutional support matters more than better information alone.
- Price and regulation determine sustainability outcomes more reliably than corporate goodwill. Policies that reshape financial incentives are more effective than those that merely set targets.
- Regulatory certainty is an economic input. Ambiguous policy signals cause firms to delay investment regardless of their sustainability intentions.
- De-risking innovation accelerates adoption, but industry-led governance may constrain ambition. Intermediaries are most effective when paired with regulatory frameworks that push toward transformative rather than incremental change.
- Systemic thinking is non-negotiable. Sustainability decisions made without full lifecycle analysis can displace harm rather than eliminate it.
- Greenwashing is a market distortion, not just an ethical failure. Empirical measurement tools are the only reliable antidote.
- Adaptability is the defining professional skill in sustainability. Reframing goals within shifting political and commercial contexts determines real-world impact

The Council on Business & Society /// RUNNERS-UP

PROFIT WITH PURPOSE: INNOVATIONS FROM THE GLOBAL SOUTH

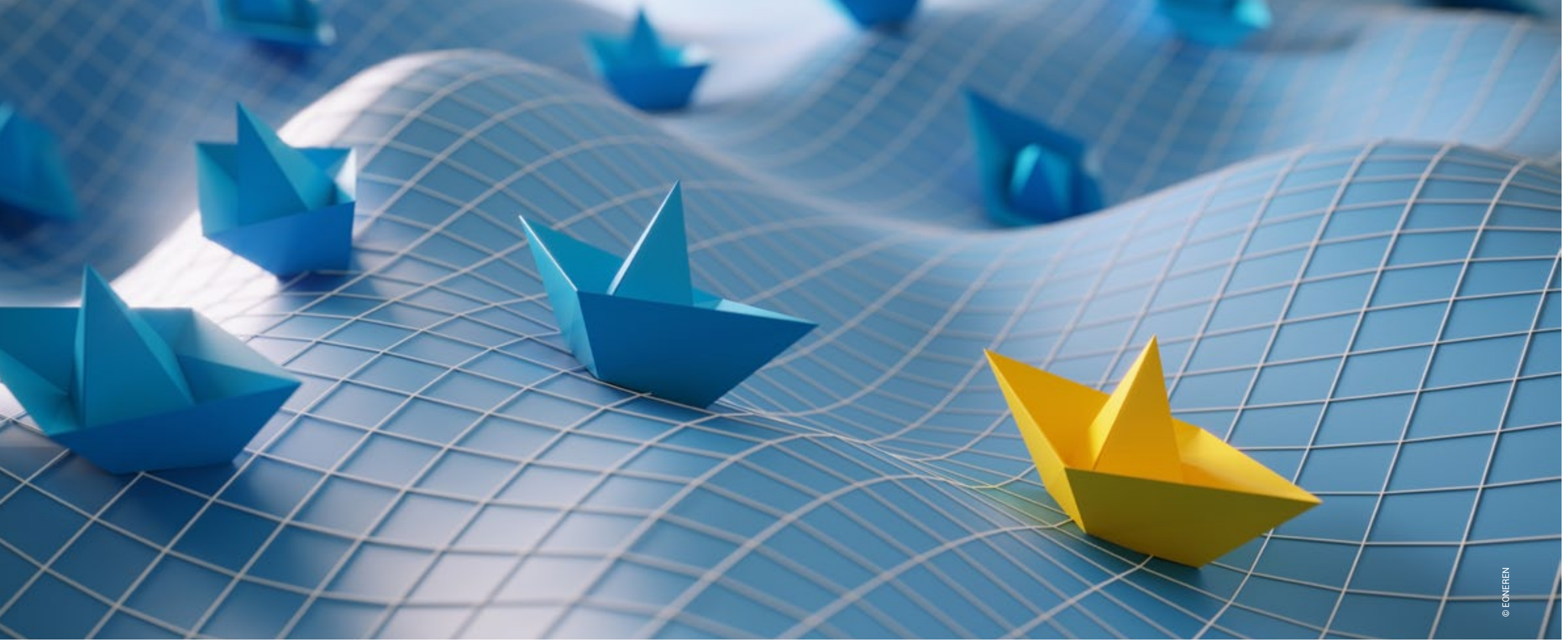
> **Innovative business models of social enterprises give us direction and hope of how such a delicate balance can be achieved and thus solve some of humankind's toughest problems.**

The relationship between purpose and business has always been an evolving one. In today's world, we are witnessing a shift from the traditional view of profit maximisation to a more balanced approach that integrates purpose with profitability. Prof. **Sourav Mukherji** from the **Indian Institute of Management Bangalore** exemplifies how purpose-driven organisations in the Global South are innovating new business models to align social impact with financial sustainability.

Profit with Purpose: Innovations from the Global South by Sourav Mukherji. Related Research: Arvind Eye, Narayana Heart, Selco, Phool: Inclusive Business Models by S. Mukherji, Cambridge University Press, 2022.

SHORT-TERM GAINS VS. LONG-TERM PURPOSE

Organisations have had a strange relationship with Purpose. Some scholars have argued that the only purpose of organisations is to maximise shareholders' wealth and any other purpose, if it exists, should be viewed as means to maximising profitability. Others have argued that profitability should be a consequence of pursuing a worthy purpose, and shareholders are only one of the many stakeholders for which organisations need to create value. The founder of one of the largest and oldest business groups in India, Jamsetji Tata (1) had said that the larger community is not just one of the stakeholders of business, but the very purpose of its existence. During the last 160 years of its existence, the Tata group has been a pioneer in taking active part in community development and nation building, even while it has remained highly profitable.



Despite such inspirational examples, there exists a schism between purpose and profitability because many noble purposes such as reducing economic inequality or achieving environmental sustainability needs a long-term orientation, which might come at a cost of short-term profitability. As a consequence, organisations have been broadly split into two types – the for-profit organisations whose primary purpose is profitability and the not-for-profits who can pursue noble or long-term purposes without worrying about profitability.

RISE OF FOR-PROFIT SOCIAL ENTERPRISES IN THE GLOBAL SOUTH

However, during the last 50 years, India, and many other countries from the Global South, have seen the rise of an interesting breed of organisations, the for-profit social enterprises, who seek a sweet spot between noble purpose and profitability through business model innovations. While they remain committed to making their organisations profitable, they maximise their purpose of positive social impact instead of maximising profits. These organisations constantly experiment with various dimensions of their business models to solve a social problem, such as providing affordable healthcare or access to energy for the poor, in a financially sustainable manner.

In India, hospitals such as Aravind Eye and Narayana Heart have evolved a model of cross-subsidy that ensures that their poor and uninsured patients receive free treatment from the surplus generated by treating their economically well-off and insured patients. But how do they fight the market forces that would drive even their economically well-off patients to cheaper options where there are no cross-subsidy? This is done through innovations on the ground that leverage their resources much better, such as developing and deploying a large team of para-skilled professionals for routine tasks, so that their doctors only focus on critical and non-routine tasks. This makes such hospitals as price competitive as those who do not offer cross-subsidy. An additional advantage of providing cross-subsidy is achieving high economies of scale, which also enable these hospitals to get better deals from their suppliers, who they compensate on basis of usage rather than paying capital costs.

Since 1998, another organisation Selco has been providing solar lights to the poor in rural India that often remains cut off from electricity during large parts of the day. Selco sells solar lights to the poor, that would seem unaffordable, given their meagre income levels. But Selco figured out that a solar light can be an important source of income generation for its poor customers. It can extend the business hours of a restaurant owner or replace a polluting source of light such as kerosene for a push cart vendor. It worked with local banks to create a financial model such that the additional income or cost savings that can happen because of the solar light can pay off the mortgage in about a couple of years. This had the additional benefit that after the loan is paid off, the solar light became an asset for the poor, which they could use to take additional loans from the bank.

Every day, millions of devotees throng more than half a million temples in India, offering their deities flowers and garlands. Since flowers have limited shelf-lives, India produces about 300 tons of flower waste every day creating severe challenges of disposal. Phool is an organisation that engages local communities in collecting flower waste and converting them to commercial products such as incense sticks, soaps, vegan leather, and biodegradable packaging. While it is well known that lots of money can be made from waste, it was viewed as a difficult and dirty business that impinged on the interests of corrupt municipal officials. However, it took the courage and ingenuity of a social entrepreneur to find a novel business model that reduced pollution, created livelihood and is financially profitable.

WHEN PURPOSE FALTERS

None of these purpose-led business models happened easily. Their paths towards profitability were strewn with challenges and failures and it is a testament to the conviction, focus and resilience of these organisations that they were able to find that sweet spot of being committed to their social purpose and being profitable.

There are also examples of many business models where they have faltered on one of the two dimensions. For example, Gyanshala, which deploys a novel model of providing affordable education to poor children through a combination of standardised design and para-skilled community teachers, remains far from achieving financial sustainability. And India's microlending industry provides many disheartening examples of purpose-dilution and exploitation of the poor in their effort of chasing profitability. However, myriad examples from India and the Global South show that it is possible to create businesses that can pursue long-term social purpose without compromising their profitability objective. Though questions remain whether such purpose-led organisations can be scaled and made the new-normal.

GREEN SHOOTS OF HOPE

What implications does it have for the present context? First, the world faces some wicked problems such as inequality and climate crisis which, to solve, need organisations to adopt a long-term purpose orientation that moves beyond short-term profitability. We have realised painfully that solving such problems may even be sometimes at odds with the objective of profitability in the short term. Business models of for-profit social enterprises are green shoots that tell us that if we are purpose-led, willing to experiment and be persistent, we may be able to find innovative business models that can achieve both – businesses that solve wicked problems even while being profitable. Second, annual surveys such as those done by Gallup reveal that there is a high degree of disengagement among employees in for-profit organisations.

Most employees do not feel inspired by their organisations and often develop a transactional relationship with organisations, which reveals the limitation of giving primacy to profitability. Organisations are possibly the most powerful forces driving progress of humanity and it is a tragedy if most employees feel disenchanted and resort to quiet quitting. One cannot de-emphasise the importance of profitability since it is a necessity for the sustenance of the organisation. Profitability is like the air we breathe, absolutely necessary for survival. But it will be disheartening to say that the purpose of our existence is to breathe oxygen.

Therefore, organisations must stand for a larger purpose that inspires, galvanises employees into giving their best. A wonderful example of this was Grameen Danone's (2) effort of making affordable yoghurt for the poor in Bangladesh. While the effort itself was a partial success, it created a renewed purpose for the organisation where employees queued up to be part of the project and to contribute, even though there were no personal gains.

The world has long realised the importance of purpose and how extraordinary things can be achieved through it. For organisations, the challenge has always been to balance it with profitability. Innovative business models of social enterprises give us direction and hope of how such a delicate balance can be achieved and thus solve some of humankind's toughest problems. ///

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KEY TAKEAWAYS

- **Purpose and profit are no longer seen as opposites:** The article argues that businesses are increasingly moving away from a pure profit-maximisation mindset toward models that combine financial sustainability with meaningful social impact.
- **The Global South is pioneering innovative social enterprise models:** Countries like India have produced for-profit social enterprises that actively address social problems while remaining commercially viable through creative business model innovation.
- **Long-term societal goals often conflict with short-term profitability:** Challenges such as reducing inequality and tackling climate change require long-term thinking, which can sometimes reduce immediate financial returns and create tension within traditional business structures.
- **Cross-subsidy models can make essential services affordable:** Organisations like Aravind Eye Care System and Narayana Health use surplus revenue from wealthier patients to subsidise treatment for poorer patients while remaining competitive through operational efficiency.
- **Business innovation can empower low-income communities economically:** SELCO Foundation demonstrated that affordable solar lighting could generate income for poor households, enabling customers to repay loans and eventually build financial assets.
- **Waste can become both an environmental and economic opportunity:** Phool transformed temple flower waste into commercial products like incense, soaps, and biodegradable materials, creating jobs while reducing pollution.
- **Purpose-driven models are difficult to sustain and scale:** The article acknowledges that many social enterprises struggle either with profitability or maintaining their mission, citing examples such as Gyanshala and issues within India's microlending industry.
- **A strong organisational purpose increases employee motivation and engagement:** Purpose-led initiatives can inspire employees far more deeply than profit alone, as illustrated by Grameen Danone, where staff were highly motivated to contribute despite limited personal rewards.

Disclosure: These key takeaways have been generated using AI assistance.

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THE GREEN LIGHT TO SUSTAINABILITY INNOVATION: HOW THE SHANGHAI METRO RAN FOR LOW-CARBON

> **Constraints can in fact provide a hidden gift, prompting professionals – and corporates – to create solutions for purposeful business.**

State-owned companies throughout the world face the paradox of fulfilling their purpose in terms of social mission, creating revenue and leading the ecological transition. How can they deal with this and win across all three? Research from Prof. **Qinqin Zheng, School of Management Fudan University,** focuses on the case of the Shanghai Metro and the lessons it can provide for public sector firms aiming for people, planet, and profit.

Related research: Sustainability-Oriented Low-Carbon Innovation in SOEs: A Case Study of Shanghai Metro. Guangyao Yu, Qinqin Zheng, Xueying Lin, and Kaiqi Yuan. MDPI Sustainability, Sustainability 2023, 15(23), 16216; https://doi.org/10.3390/su152316216

THE DIFFICULTY IN BEING A ROLE MODEL

Climate change and the pressing need for governments, the public and private sectors to tackle it has become one of the major issues of our times. International legislation, the UN SDGs and commitments made through the COP series of conferences have seen economies adopting various measures to decarbonise. In the forefront, state-owned enterprises – or SOEs – across the globe are expected to pave the way and act as green pioneers for innovation among their private-sector counterparts for carbon footprint reduction.

However, by their very nature and purpose, SOEs find themselves in something of a challenging situation in this new context – not to say a paradox. This is born from their inherent mission to maintain a diversity of value for their stakeholders: social utility through their goods or services to the public, financial performance, and environmental benefits. In addition, being answerable to the state, the pressure is on SOEs to implement national strategies and policies with expectations to take on an increasing role in protecting the environment through measures such as pollution control. Moreover, as players in the market and naturally supporters of national development, SOEs need to target financial returns and create profit and increased value. As such, public sector companies face a paradox of competition goals – social, environmental, and economic.

Under such pressure, and combined with aggressive legislation on low-carbon emissions, SOEs in some countries have seen their workforces cut, production output reduced, and high-carbon emitting yet high-profit activities sold off. We could suppose that government policies targeting carbon reduction add to the incentive to push for green solutions, though research has produced mixed results. While some SOEs are indeed influenced – with more available access to state loans for low-carbon initiatives – others have found legislation to have little or even negative results on SOEs' performance caused by the high costs of replacing or repairing equipment and infrastructure, inadequate investment, and low technical efficiency.

But all is not doom and gloom. In fact, such constraints and pressures have generally pushed SOEs to adopt an innovative approach to sustainability. Indeed, in many instances, it is crucial for them to adopt innovative strategies to deal with the paradox they face – that is, generate profit, provide social utility and benefit, and reduce carbon emissions.

And this provides the setting for new research carried out by Prof. Qinqin Zheng of School of Management Fudan University in Shanghai, one of the foremost academic institutions in Asia. She and her fellow researchers use the context of China and the specific case of the award-winning Shanghai Metro to analyse how SOEs successfully launch sustainability-oriented innovation and – more specifically – sustainability-oriented *low-carbon innovation* (SLI) initiatives.

NEXT STOP: A GREEN GIANT

In the last twenty years, and with an average GDP growth rate of 10%, China has become the second-largest economic power in the world behind the USA. Such economic expansion has come with a price, China topping the list of global carbon emitters as way back as 2009 and experiencing negative environmental impacts. However, China is also among the leading countries worldwide to implement green initiatives and innovations (this correspondent witnessed the progress at first hand during a visit to Shanghai in late 2024), and is not only active in all global sustainability initiatives – for example, the UN SDGs, the Paris Agreement, or the Convention on Biological Diversity – but has gone further than most in proactive measures on greenhouse gas emissions in line with its 2030 Agenda for Sustainable Development (Nestorovic, Cédomir, Geopolitical Perspectives on China's Sustainability Initiatives, book chapter, 2025).

Indeed, China's "dual carbon" goals that set the peak for carbon emissions by 2030, coupled with a goal to reach carbon neutrality by 2060, have put enormous pressure on state-owned enterprises to walk the talk and set the example as pioneers for the private sector to follow.

Enter the Shanghai Metro whose record in coping with the paradox of its mission versus sustainability goals may provide useful lessons for others across the globe to follow. A typical Chinese state-owned enterprise, the firm first began operating in 1993. Now the owner of the most extensive network in the world – a staggering 20 metro lines, with 508 stations covering 831 km – the Shanghai Metro transports over 10 million users per day, roughly 70% of the total public transport system in the city. Responding to the state-encouraged sustainability goals, the Shanghai Metro was the first to introduce low-carbon initiatives in 2006.

However, it hasn't been a totally smooth ride for the SOE. Faced with its multiple social, financial and operational goals – sometimes vaguely defined – it has had to navigate through continually evolving environmental protection policies and legislation, as well as constraints on low-carbon development. Moreover, its work isn't yet over, notably regarding the need to reduce its consumption of electricity which counts for a staggering 2.5 billion kWh annually. On the other hand, its commitment to going green has seen several measures to control and reduce emissions and is something of a show case in terms of innovations that effectively balance its economic, social and environmental obligations.

A RED LIGHT CAN TURN GREEN

As mentioned, constraints can in fact provide a hidden gift, prompting professionals – and corporates – to create solutions and, in the case of state-owned companies, incite them to play an essential role in encouraging sustainability-oriented innovation.

Its societal and financial performance missions aside, increasingly strict environmental regulations on carbon regulation over the past twenty years have set the Shanghai Metro tough targets in energy saving and carbon reduction. Indeed, two successive five-year plans since 2006 have led to energy reductions of 20 and 17% resulting in a lowering of carbon emissions of 18%. Recent developments have included the setting up of a system for controlling energy intensity and consumption, energy indexes and renewed emphasis on carbon reduction.

Given the massive amount of new tracks and stations built, a further constraint on the Metro has been the challenge of combining infrastructure growth – and subsequent large-scale operations – with a parallel objective to reduce carbon emissions. This has triggered emphasis away from construction projects to operating efficiency with the overarching target to reduce the energy consumption of the underground system. Moreover, at the same time, demand for low-carbon transport systems has rocketed, with expectations of quality of service remaining high.

And finally, going deeper into the financial constraints, while previously the renewal and modernizing of energy-carbon intensive equipment – air conditioning, lighting and electric engines – engendered hefty reductions in emissions, the potential for energy savings had gradually shrunk leading to increasingly smaller marginal returns on these investments. The financial pressure hasn't gone away – especially with the Chinese economy going through a period of lower overall growth – with the government reducing its financial support and revenue from ticket sales down. The answer has been to look for new revenue streams to ensure growth and prevent long-term decline. This is where innovation comes in.

INNOVATION IS....

Some of us may have participated in brainstorming and conceptualizing new products or services in our professional lives. However, innovation goes beyond that to encompass a multi-stage process where organisations transform new ideas into enhanced processes, products and services, or business models. These may have various strategic aims that bring particular financial, social and environmental benefits. Moreover, setting up and organising innovation requires large amounts of capital and tech resources and its impact depends on how these resources are managed and made to work together throughout the various departments and teams.

As seen, under pressure from a number of constraints, state-owned firms are forced to innovate sustainability-oriented innovation (SOI) which typically follows a three-stage process of sensing and ideation, configuration, and transformation. SOI emphasises the notion that innovation should not only ensure financial advantage for companies, but also provide environmental and social benefit in line with John Elkington's Triple Bottom Line of people, planet, and profit. In the specific context of the Shanghai Metro case, it's more relevant to focus on sustainability-oriented low-carbon innovation (SLI) rather than the broader concept of SOI to address the challenge of benefiting the TBL dimension.

The first phase in innovation – that of sensing and ideation – involves gathering information, analysing it, interpreting it, giving meaning and conceptualising and is accompanied by the generation of ideas. It is important here to first understand the external context, changes, new technologies, threats and opportunities that will impact the company before taking into account the internal environment, reaching consensus and agreeing on potential solutions before moving on to taking action. Not least, innovation is change – and subsequently requires a shift in values and behaviours towards sustainability from the out start. The Shanghai Metro acted on it by launching a "Low Carbon at Work" project for its employees that promotes awareness, using ecogestures in daily work, and setting up a reward and sanction system to change energy consumption behaviour.

The firm is active in gaining and interpreting institutional information including five-year plans, government statements and industrial policies to assist in understanding and decision-making. And in this sense, it transitions from passive to active mode, interpreting and transforming government guidelines into a license for rapid innovation.

The second stage of innovation is configuration. It is here that the various internal players – directors, project managers and team leaders – need to set up, manage and coordinate the organisation's resources and capabilities to obtain value from the initial ideas. Practically, this amounts to a 4-pronged approach of acquiring and leveraging resources, creating new departments and structures, research and experimental development, and cooperation and learning.

And lastly, transformation calls for the implementation and development of the innovation into practice, all the while aiming for continuous a review and renewal to maintain a competitive edge. In essence, transformation refers to applying a range of new techniques and management practices to bring an innovation to market. In the Shanghai Metro case, this has manifested itself in the establishment of a low-carbon management system, applying low carbon technologies, developing a low-carbon business, and building low-carbon collaboration networks.

TICKET TO RIDE

Given the context, constraints and innovation process, Shanghai Metro's track record in sustainability-oriented innovation is impressive. Linked to its vision for the future to provide a safe, efficient, and high-quality low-carbon commuting service while building a "green metro", notable accomplishments are the improvement of the energy monitoring system, a four-stage road map for low-carbon practices, and the setting up of a Rail Transit Technologies R&D Center – facilitating cooperation between industry, universities and companies – that has undertaken more than 600 R&D projects and obtained over 100 patents in the last ten years.

In addition, Shanghai Metro uses something called the Sunshine Procurement Platform to work with environmentally-friendly suppliers and has signed a long-term partnership with Longi and Huawei to provide low-cost, efficient and customised components for solar panel construction, enabling Shanghai Metro to achieve the industry's first "Metro + Photovoltaic" initiative.

Another innovation relates to construction of new underground stations in the guise of award-winning (International Tunnelling Association and LEED Silver certification) "non-excavation" techniques involving the recycling of waste for road repair, backfilling and foundations which has resulted in converting over 100,000 cubic meters of waste materials into valuable, on-site resources, reducing solid waste pollution, and minimizing disruption to the transportation system.

In terms of developing low-carbon business, Shanghai Metro set up the subsidiary New Energy Co., Ltd whose main business revolves around energy conservation consulting and power development. Its achievements include the reduction of 37,795.32 tons of carbon dioxide emission through photovoltaic systems and the generation of 58m Yuan in revenues that are ploughed back into the Shanghai Metro to finance its green revolution. Going further, the firm has expanded its consulting activities to cover low-carbon certification and green tech services.

Customer awareness also plays a part in the big picture of sustainability. As a fully-automated Smart Metro, Shanghai Metro offers incentives for citizens to use the underground system, promotes green and eco-friendly lifestyles, and offers QR-code promotional campaigns to adopt them.

THE JOURNEY AHEAD

State-owned companies and governments worldwide can draw several key lessons from this case. Clearly, encouraging sustainability-oriented low-carbon innovation activities – acquiring low-carbon resources, building low-carbon management systems, investing in low-carbon technologies, cooperating with low-carbon networks, and learning from others are important factors. SOEs would be wise to keep an eye on shifts in technology and changes in low-carbon developments. Sustainability in general, and sustainable innovation, need to be at the core of the SOE's mission and endorsed by senior management and state stakeholders. Government frameworks for their SOEs also need to be more supportive of sustainability and allow for dedicated funding for SOEs to achieve their green goals. They could also help by setting up trading platforms for low-carbon tech to stimulate R&D and the commercialization of it.

All in all, far from shying away from the tensions and constraints generated by the paradox of a state-owned firm's purpose of social and financial requisites and sustainability goals, these should be embraced to trigger innovation and solutions. For the invention, development and roll out of new ideas is a source of continuing vitality for both firms, the planet, and positive change in society. ///

KEY TAKEAWAYS

- State-Owned Enterprises (SOEs) worldwide face a unique, three-pronged challenge: balancing their social mission, maintaining financial performance, and leading the ecological transition. Successfully navigating this "people, planet, and profit" paradox is essential for modern public-sector survival.
- While aggressive climate legislation and financial pressures initially seem like burdens, they can serve as a "hidden gift." Strict boundaries compel organizations to transition away from passive compliance and actively innovate new business models.
- For heavy energy consumers like public transit systems, focusing broadly on Sustainability-Oriented Innovation (SOI) can be too vague. Instead, companies should target Sustainability-Oriented Low-Carbon Innovation (SLI) to directly address massive energy demands (such as the Shanghai Metro's 2.5 billion kWh annual consumption).
- Successful sustainability innovation relies on a structured, three-phase framework:
  - Sensing and Ideation: Interpreting external policies/technologies and building internal employee awareness.
  - Configuration: Aligning internal resources, creating dedicated departments, and fostering R&D.
  - Transformation: Implementing practices into the real world and developing green business networks.
- Innovation requires a foundational shift in human behavior. By launching initiatives like "Low Carbon at Work," companies can gamify and incentivize eco-gestures among employees, using a structured reward-and-sanction system to reshape daily energy consumption.
- The Shanghai Metro proved that infrastructure growth doesn't have to equal massive carbon expansion. By utilizing "non-excavation" engineering techniques, they converted over 100,000 cubic meters of construction waste into on-site resources for road repairs and foundations, minimizing both urban disruption and pollution.
- Green initiatives can become profitable self-sustaining loops. By creating a dedicated subsidiary (New Energy Co., Ltd.), the metro turned energy conservation consulting and photovoltaic (solar) power generation into a 58 million Yuan revenue stream, which is directly ploughed back to finance further green tech.
- No enterprise can solve the climate crisis in a vacuum. A resilient green strategy requires cross-sector networks, such as partnering with top tech firms (e.g., Huawei and Longi) for custom solar components, and linking with universities via dedi.

Disclosure: These key takeaways have been generated using AI assistance.

FINALISTS

WHEN WATER IS TOO CHEAP: THE HIDDEN BARRIER TO SUSTAINABILITY

> **"Save water, save life."**
> **"Turn off the tap."**
> **"Every drop counts."**

The challenge of supplying water is not only one of scarcity, but also its inefficiency. **Srishti Deomore** and **Rupal Rattihalli, Master in Management** students at **ESSEC Business School,** interviewed the Chief Sustainability & Compliance Officer at **Groupe Claire,** a French company manufacturing the valves, sensors, and monitoring systems for water supply networks whose work in the background addresses an urgent issue resolutely in the foreground.

A CRISIS WE CHOOSE NOT TO SEE

We are constantly told to save water through campaigns, policies, and everyday reminders. Yet one critical issue remains largely overlooked: the vast amount of water lost within supply systems.

The challenge is not only water scarcity, but its inefficiency. Globally, an estimated 30% of treated drinking water is lost through leakages in distribution networks, rising to nearly 50% in aging urban systems. Yet 2.2 billion people still lack access to safely managed drinking water.

Despite available technologies to detect and repair leaks, inefficiencies persist. The limiting factor is not innovation, but economics. As noted by Groupe Claire's Chief Sustainability & Compliance Officer, "The key issue is that the true value of water is not reflected in its price" In many cases, repair costs exceed the value of water saved, making inefficiency economically tolerable.

The issue runs deeper: sustainability challenges are not solved by technology alone. When a resource is undervalued, there is little incentive to conserve it. Until the true worth of water is reflected in economic and institutional frameworks, inefficiencies will continue to be overlooked.

AN INVISIBLE PLAYER IN A VISIBLE CRISIS

Groupe Claire operates at the centre of this contradiction. Founded in 1827, the company employs around 320 people and generates approximately €80 million in annual revenue. It designs, manufactures and supplies equipment such as valves, sensors, and monitoring systems that improve the efficiency of water networks.

However, Groupe Claire does not build or operate infrastructure. Its products are used by utilities, municipalities, and public works companies, typically through distributors. In practice, this makes the company more of an enabler than an operator. Its role is indirect, but still essential.

By providing tools that detect leaks and identify inefficiencies, Groupe Claire contributes to reducing water loss. But whether these insights lead to action depends entirely on its customers. The company can enable efficiency, but it cannot control what happens next.

SUSTAINABILITY: MORE THAN A METRIC

At Groupe Claire, sustainability has long been embedded in operations rather than treated as a branding exercise. As the company states, its commitment to preserving water resources is integral to its purpose.

This approach is now becoming more structured. In 2023, Groupe Claire formalized its Corporate Social Responsibility (CSR) policy and began organizing its sustainability practices more systematically. The company has obtained ISO 14001 certification for environmental management and ISO 9001 for quality management, conducts Ecovadis assessments, and is aligning with VSME standards.

There is also a growing recognition that internal values alone are not sufficient. Sustainability must be measurable, accountable, and transparent. Groupe Claire is moving from a values-driven approach to a framework that allows its impact to be tracked and communicated more clearly.

In an environment where sustainability is often reduced to metrics and rankings, this transition highlights a more balanced perspective. Sustainability is not pursued for recognition, but as a necessary condition for long-term viability. For example, the company monitors its own water consumption and acts to repair leaks within its sites.

MEASURING IMPACT UNDER CONTROLLED CONDITIONS

Groupe Claire invests heavily in research and development, using advanced test systems to evaluate product performance. For example, closed-loop test benches simulate real-world conditions, allowing equipment to be tested for durability and efficiency.

But testing only goes so far. Even when products perform as expected, their impact depends on how they are used. Groupe Claire has observed that leak detection systems can identify roughly one leakage per week in typical scenarios. Yet detection does not guarantee repair.

As a B2B supplier operating through distributors, the company has limited visibility once products are sold.

Its customer base ranging from utilities to property managers and industrial users adds further complexity. This creates a simple constraint: in the end, it depends on whether customers act.

WHEN ECONOMICS OVERRIDES SUSTAINABILITY

The adoption of Groupe Claire's solutions varies significantly by context. In water-scarce regions, such as parts of the Middle East and Africa, water carries a higher economic and strategic value. In these environments, operators are more likely to invest in monitoring systems and leak detection, leading to tangible improvements.

In contrast, where water remains inexpensive, the incentive to act is much weaker. Even when inefficiencies are recognized, operators often delay or avoid repairs because the financial return is limited. If the cost of inaction is lower than the cost of intervention, inefficiency persists.

This is where the real barrier appears: misaligned incentives. Technological solutions can only be effective when supported by economic conditions that encourage their use. Without this alignment, even the most advanced tools remain underutilized.

SCALING IMPACT THROUGH GROWTH AND INNOVATION

Despite these challenges, Groupe Claire continues to grow. The group has grown through acquisitions, bringing together companies that share a commitment to water sustainability. It is now working toward greater integration across its operations.

Innovation remains central to its strategy, with ongoing investments in sensors, digital monitoring, and new materials. The company is also involved in projects aimed at improving access to clean water in developing regions, including Côte d'Ivoire, and has developed specialized equipment for complex environments such as refugee settings.

However, Groupe Claire occupies a difficult middle ground. It is too large to be considered a small enterprise, yet not large enough to directly partner with international institutions such as the United Nations, unlike major players like Veolia or Suez. As a result, companies of this size are often overlooked, despite their potential impact.

Nevertheless, Groupe Claire contributes indirectly. For instance, it has supplied equipment for projects led by larger firms in international initiatives, playing a supporting but meaningful role.

FROM INVISIBLE PROBLEM TO VISIBLE PRIORITY

The case of Groupe Claire shows something important. The main barriers to sustainability are often not technological, but economic. When the full value of water is not reflected in its price, inefficiency becomes rational.

As the company moves toward greater transparency and structured ESG reporting, it has an opportunity to make its contributions more visible. Beyond that, it can help shift the conversation toward a more fundamental issue: how water is valued.

Until water is widely recognized as a finite and economically significant resource, efforts to improve efficiency will remain limited. Addressing the water crisis therefore requires more than innovation; it demands a rethinking of incentives, accountability, and responsibility.

Groupe Claire represents a segment of companies that, while not always visible, play a critical role in enabling sustainable systems. With the right economic and institutional support, their impact could be significantly amplified. ///

KEY TAKEAWAYS

- Around 30% of treated water is lost globally due to infrastructure inefficiencies.
- Low water pricing reduces incentives to repair leaks and invest in efficiency.
- Groupe Claire acts as an enabler, providing tools to improve water systems without operating them.
- The company is formalizing its sustainability efforts through structured ESG frameworks.
- Measuring impact is difficult in B2B models where outcomes depend on customers.
- Adoption of efficiency solutions is higher in water-scarce regions.
- Economic and regulatory incentives are essential for scaling sustainability solutions.
- Revaluing water is key to driving meaningful change.

THE DISCUSSION IS NOT ABOUT IMPACT, BUT DISCONTINUITY

> **Failure lies not in potential, but in the interruption of trajectories over time.**

Poverty and displacement are two major barriers to the real capabilities people have to live the lives they value. And despite good intention, many projects to turn the situation around fail because of long-term continuity. In this light, **Maria Eduarda Boone Neves** and **Elysa Cezario Barbosa da Silva, BBA** students at **FGV EAESP,** highlight how the non-profit **Associação Passos Mágicos** in Brazil managed to solve this.

Some lives follow a relatively predictable course: education, careers, plans. Others are shaped by forms of discontinuity—displacements that are not limited solely to space, but that restrict access to what sustains the future itself. Between 1917 and 1922, the Bolshevik Revolution caused a series of ruptures marked by systematic violence. Fear became a political tool, and repression a method of governance. It was in this context that Dimitri Ivanoff's grandmother left Russia. A migration not merely geographic, but an attempt to survive the dissolution of a worldview.

Dimitri did not experience this displacement directly, but he grew up within its effects. Years later, in Brazil, he marries Michelle Flues, also of Russian descent, also shaped by a similar history. Their union was not merely a biographical coincidence, but rather a convergence of trajectories marked by the same type of experience—unintentional, yet transformative—which would later lead them to create an equally transformative social project.

Sociologist Saskia Sassen (2007) argues that population displacements are not merely geographic movements, but profound reorganizations of living conditions, in which access, belonging, and opportunities become unstable. In emerging countries, even in the absence of migration, these processes of instability identified by Sassen are continuously reproduced. Individuals remain physically in the same territory, yet live under similar conditions of fragility—where access is intermittent, the future fades, and development cannot be sustained.

For economist and philosopher Amartya Sen (1999), development should be understood as the expansion of substantive freedoms—the real capabilities people have to live the lives they value. Within this framework, poverty is not merely a lack of income, but a deprivation of capabilities: a concrete limitation in access to education, healthcare, security, and above all, the ability to choose. The effect is not only material, but also structural, producing a kind of shortening of the long term, in which decisions become guided by urgency. Potential does not disappear, but it ceases to find the conditions necessary to mature.

PUTTING UNDERSTANDING INTO ACTION

It was from this understanding—first inherited, then developed—that Dimitri and Michelle structured their work and, in 2015, founded Associação Passos Mágicos in the municipality of Embu-Guaçu (SP), a social organization dedicated to the educational development of young people in vulnerable situations (PASSOS MÁGICOS, 2024).

Of the municipality's approximately 68,000 inhabitants, around 25% are between 5 and 19 years old. Of these, approximately 60% live in conditions of vulnerability, poverty, or extreme poverty—equivalent to more than 10,000 young people living in contexts that restrict, from an early age, their educational and professional trajectories. These numbers do not merely describe a scenario of deprivation; they reveal a pattern of systematic constraint that affects decisions over time.

Passos Mágicos positions itself precisely at this point—not as a one-time intervention, but as a structure of continuity. Its model combines academic acceleration, socio emotional development, and long-term support. This last dimension is central to this article, because in contexts of capability deprivation, the main risk is not the absence of entry, but the interruption of trajectories over time.

To make this process visible, the organization has developed its own indicators, such as the IDA (Academic Development Indicator), the IEG (Engagement Indicator), and the INDE (Educational Development Index). More than measuring performance, these instruments capture continuity and function as early signals that a trajectory—once unlikely—is beginning to sustain itself.

Results emerge progressively: students gain access to top schools and universities, integrate into the labour market in a qualified manner, and expand their capacity to generate income.

However, what transforms goes beyond these outcomes—the very structure of possibilities changes. When urgency ceases to be the only criterion, time expands, and with it, the substantive freedoms described by Sen also expand. Education, in this context, ceases to be merely a qualification tool and becomes a mechanism for restoring capability.

TIME IS OF THE ESSENCE

This type of transformation poses a challenge to traditional forms of impact measurement. Conventional metrics capture scale and immediate results, but struggle to register processes that depend on maturation. As a result, there is a distortion in capital allocation: investments with long-term returns tend to be undervalued, regardless of their actual efficiency. The Social Return on Investment (SROI) approach, as proposed by Nicholls et al. (2012), emerges as an attempt to correct this flaw by translating social impact into comparable economic value. Even so, even with more sophisticated instruments, a fundamental obstacle remains: the misalignment between the time of impact and the time of capital.

This misalignment leads to a predictable consequence: initiatives capable of producing structural transformation are often neglected—not due to lack of results, but due to incompatibility with dominant time horizons.

The Passos Mágicos model makes this mismatch evident. By supporting its students throughout their entire educational and professional trajectories, the organization transforms impact into a cumulative process. By reducing the probability of dependence on government assistance and increasing lifetime income-generating capacity, long-term investment in education produces returns that extend beyond individuals through multiplier effects, with fiscal, productive, and social impacts.

CONTINUITY IS KEY

The experience of Passos Mágicos demonstrates that this model can be structured, measured, and replicated. More than that, it shows that investing in human capital— when done with rigour and a long-term vision—is not merely an ethical choice, but an economically rational decision.

The challenge, therefore, is not to expand the discourse on impact, but to correct how the market interprets time. Because ultimately, the problem is not impact—it is haste.

And perhaps this is precisely what Dimitri and Michelle's story compels us to confront: that some trajectories do not fail due to lack of potential, but because they are interrupted before they can fully exist. Just as in the past lives were displaced by the rupture of a world, in the present thousands still have their futures silently shortened.

The difference is that this time, discontinuity is not inevitable. It can be recognized, interrupted, and—with structure and time—transformed into continuity. ///

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KEY TAKEAWAYS

- Vulnerability is not just lack of income. It is lack of continuity.
- Discontinuity can occur without migration. It appears as instability in access to opportunities (Sassen, 2010).
- Poverty is a restriction of capabilities. It limits real choices and shortens the decision horizon (Sen, 2000).
- Long-term interventions increase the likelihood of sustainable trajectories.
- Traditional metrics favor the short term. This distorts investment decisions.
- SROI improves measurement but does not solve the time problem (Nicholls et al., 2012).
- Investing in human capital in the long term generates economic and social returns. It is a rational decision.

THE ESG PARADOX: WHEN COSTS RISE, CONVICTION STANDS

When the price of principles climbs, true believers lean in.

Despite the exit of the USA from the Paris Agreement and widespread withdrawal from ESG commitments among US corporations, **Tata Power,** a global supplier of utilities for more than a century, has remained committed to sustainability through even the most unstable of times. **Rakesh Shanmugam** and **Nitin Kumar, MBA** candidates at **IIM Bangalore,** put this down to values, ethos and conviction.

WHY SOME COMPANIES SHED SUSTAINABILITY PLEDGES AND OTHERS DOUBLE DOWN

The conference halls that once smelled of lavender and ambition now carry a different scent: diesel and gunpowder. Between 2024 and 2026, global sustainability pledges proved, for many, to be fair-weather friends. The U.S. exited the Paris Agreement for a second time. Wall Street giants slipped quietly out of net-zero banking clubs. More than a dozen American states barred ESG criteria from public pension investments, while the SEC moved to scrap its climate disclosure rule. The message from much of the corporate world was clear: when the cost of being green rises, commitments fall.

And yet, the retreat is not universal. A small but significant set of companies is doing the opposite – accelerating clean-energy bets, tightening community ties, and locking in cheaper capital because of, not in spite of, their sustainability stance. The difference is not a better communications team or a cleverer ESG score. It is something far harder to copy: organisational conviction. This is the ESG paradox:

THE VISE THAT BROKE THE PRETENDERS

Utilities sit at the sharpest end of this paradox. Global electricity consumption jumped 4.3% in 2024, driven by data centres that already swallow the power of mid-sized nations and are forecast to double their appetite by 2030. In India, ferocious heatwaves pushed peak demand to 250 GW while 14 million air conditioners flew off the shelves – machines that cool people by burning the very fuels that cook the planet. Meanwhile, war-fractured supply chains sent the prices of solar panels, batteries and critical minerals soaring. For the average utility CEO, the "green transition" began to look less like an opportunity and more like a liability to be green-hushed.

Against this backdrop, Tata Power – the energy flagship of India's 156-year-old Tata Group did not blink. In the very year that global peers stalled coal retirements and softened climate disclosures, the company commissioned a 4.3 GW solar cell and module factory, signed a $4.25 billion green finance deal with the Asian Development Bank, added 1 GW of renewable capacity, and extended elephant-corridor protection in Odisha. No regulation demanded it. The move was simply the next logical step in a 107-year programme.

THE ETHOS THAT WON'T MELT

What makes an organisation move forward when everyone else steps back? The answer sits in the foundation stones. In 1868, Jamsetji Tata laid down a principle that still appears on page two of Tata Power's latest annual report: "In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence." This was written before CSR had a name, before ESG was an acronym, before the UN dreamt up the Sustainable Development Goals. Crucially, it was not a marketing line. A large slice of the Tata Group is held by philanthropic trusts, baking long-term societal purpose into the legal DNA of the business.

This ethos-first architecture transforms sustainability from a bolt-on department into the decision heuristic that governs capital allocation. Tata Power CSR activities like E-Sanidhya and the Pay Autention network are creating bridgital ecosystems through scalable phygital models that integrate digital technology with human-centred support systems. The group's "Project Aalingana" commits to net-zero by 2045 – five years ahead of the global target with an iron rule: no new greenfield coal. As the Tata Power sustainability lead puts it, the scope is far wider than carbon metrics. *"Social is dependent on the stakeholders: the interface with communities but also programmes with suppliers and the value chain."* That embedded logic grants the company a rare form of strategic immunity. When political winds shift, a firm whose purpose is internally anchored has no pledges to rescind.

FROM SPENDING TO SOLVING

If conviction is the engine, design thinking is the steering wheel. Traditional CSR often measures what it spends, not what it solves. Tata Power's approach is different. Take the **Gaja Sanrakshana** initiative in Odisha. By weaving together GPS elephant tracking, solar-powered fencing, and community early-warning systems, the programme cuts human-wildlife conflict, protects the grid, and safeguards a vulnerable species in one move. It is not a biodiversity box tick; it is systems leadership that turns a social obligation into operational resilience.

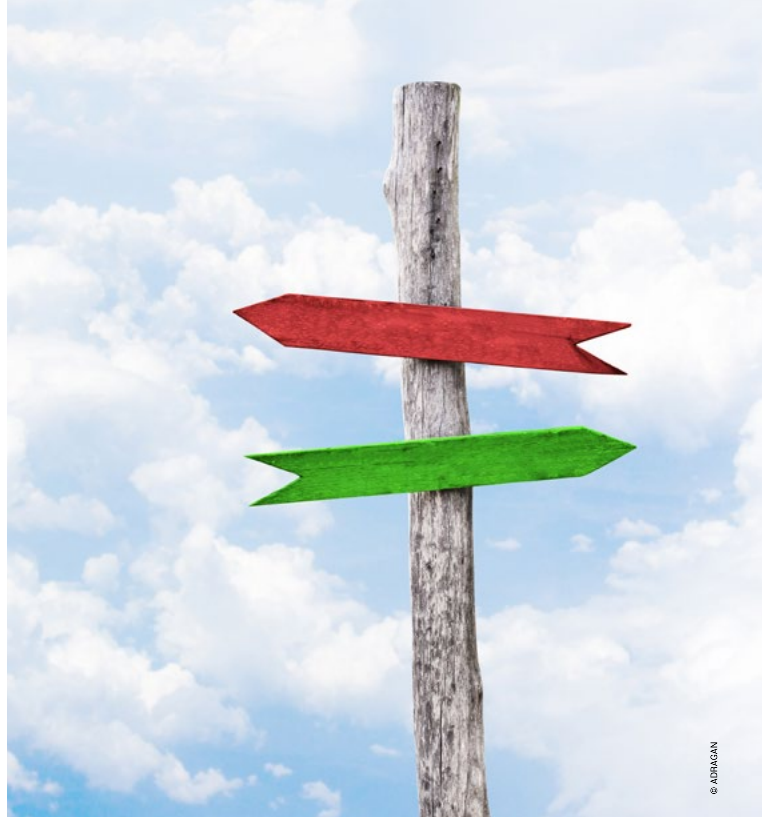
The same philosophy guided the takeover of Odisha's distribution companies. Instead of the usual privatisation playbook of firing staff and slashing costs, Tata Power retained and retrained the entire workforce under the "Parivartan to Pragati" programme. Political risk evaporated. Aggregate technical and commercial losses fell to 17.5%. Meanwhile, the Tata Power Skill Development Institute has trained over 340,000 people in clean-energy skills, building the talent pipeline the company – and the nation – desperately needs. In every case, the question is not "How does this lift our ESG rating?" but "What does this community actually require to thrive?"

CAPITAL FOLLOWS CONVICTION

The irony of the ESG Winter is that it acts as a giant filter. As investors tire of flimsy green claims, they flock to companies with verified, high-ambition targets. Cheap money, it turns out, chases credible futures.

Tata Power's FY25 numbers make the point elegantly. Revenue grew 5% to 64,502 crore, but EBITDA surged 14% and profit after tax before exceptional items jumped 26% – clear signs of structural margin expansion, not mere volume gain. The rooftop solar business rocketed 51%. Credit rating upgrades arrived from five agencies, including S&P Global and Moody's. By becoming the first integrated Indian power utility with SBTi-validated near-term decarbonisation targets, the company unlocked the $4.25 billion ADB facility and lowered the coupon on every bond it issues. Thermal-heavy peers, in contrast, face rising insurance premiums and stranded-asset write-downs. The research is clear: material sustainability performance delivers alpha, not just risk reduction.

In an era of rising costs and cascading abandonments, conviction is the only currency that still buys a future worth having. And right now, that future belongs to the few who never needed an ESG label to do the right thing. ///



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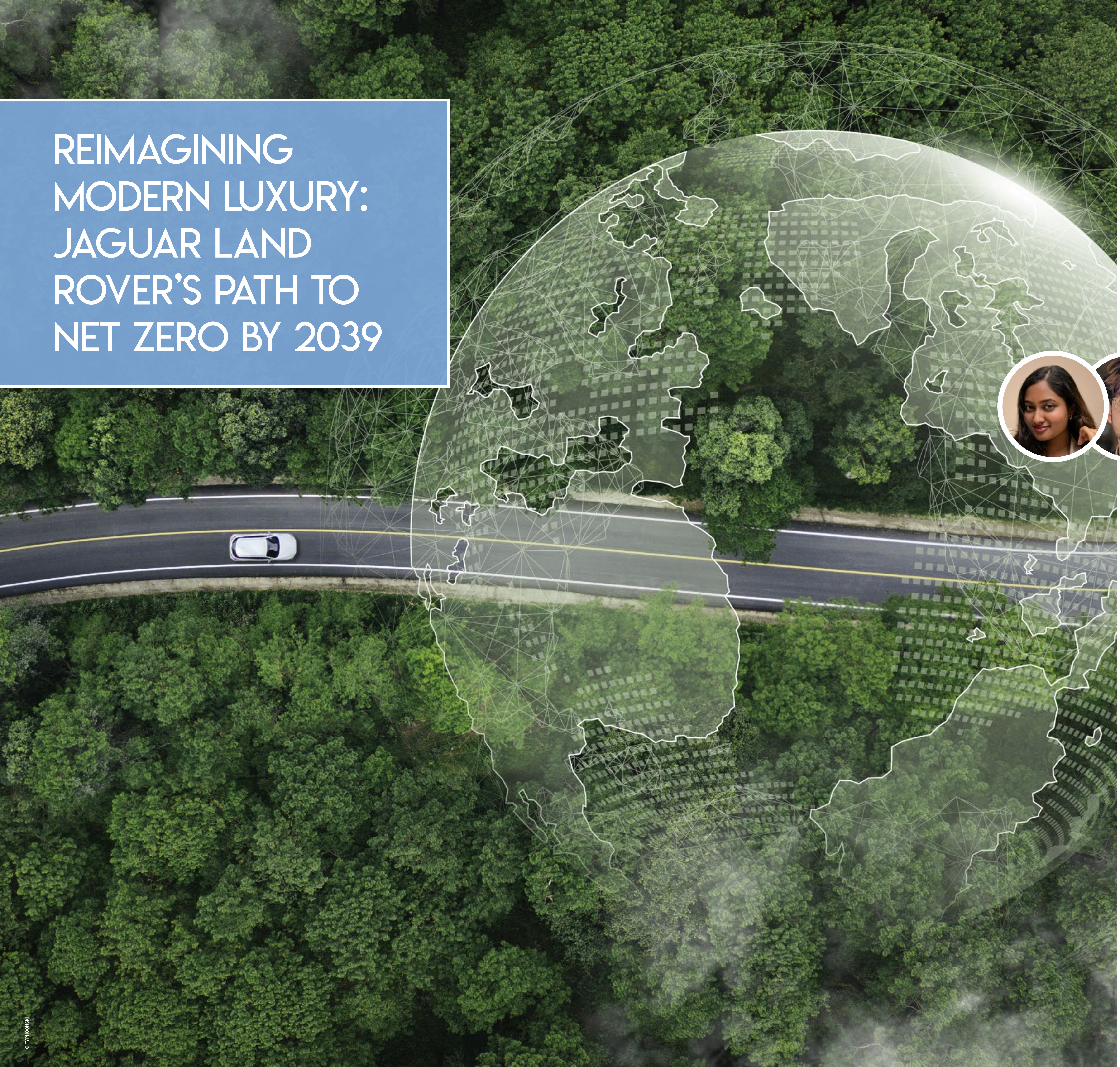
KEY TAKEAWAYS

- When macroeconomic and geopolitical costs rise, performative ESG commitments collapse, while structural conviction accelerates investment.
- Sustainability rooted in founder intent, philanthropic governance and path-dependent organisational culture becomes a VRIO resource - valuable, rare, inimitable, and organised, that no competitor can copy with a press release.
- Effective responsibility pivots from input metrics (money spent, beneficiaries counted) to design thinking, understanding root causes, piloting solutions, and achieving systems change that simultaneously boosts community welfare and operational resilience.
- The ESG Winter screens out vague pledges; verified, ambitious targets (SBTi, TNFD) attract lower-cost, large-scale institutional capital, turning sustainability into a durable financial moat.
- In developing economies, the goal is a managed transition - no new coal, phased retirement of legacy assets, massive renewables build-out, balancing energy security with decarbonisation.
- When purpose is internally anchored, external shifts like political reversals, regulatory rollbacks, or greenflation do not trigger retreat. The company's default is to continue, not to retreat.

Disclosure: AI tools have been used for stylistic refinement; all data, citations, and analysis are the authors' original work.



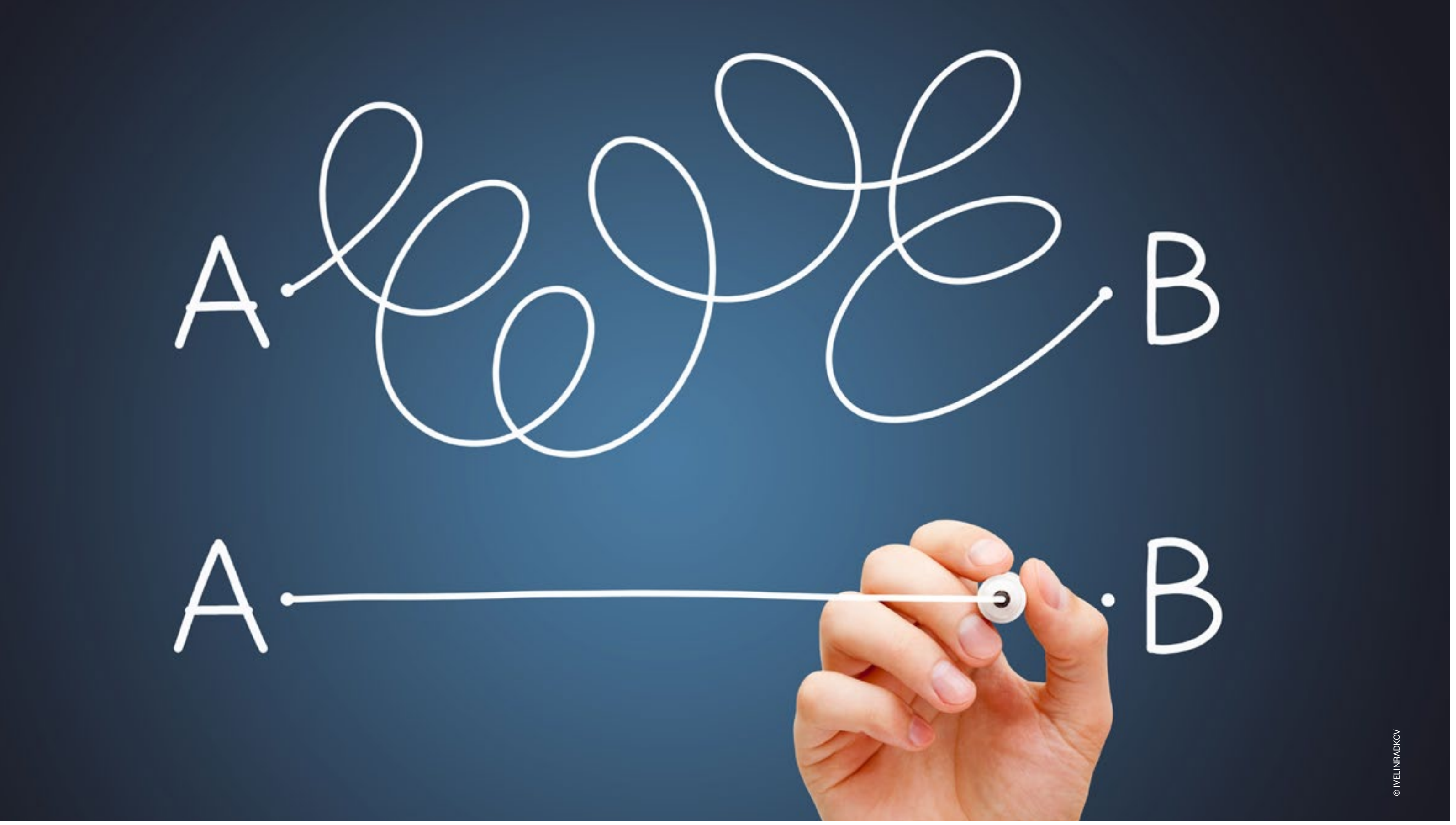
REIMAGINING MODERN LUXURY: JAGUAR LAND ROVER'S PATH TO NET ZERO BY 2039

> **Keep things simple enough that thousands of people can carry them. Trust data, but never let it replace instinct or curiosity.**

Jaguar Land Rover's (JLR's) transformation under its former Chief Executive, Mr Adrian Mardell, has been ambitious. But it is the discipline that offers a rough idea of what responsible leadership looks like when it is taken seriously rather than orchestrated. While the sustainability buzz across the automobile industry is centred on a date, a percentage, or a flagship electric vehicle, JLR's strategy uses a different vocabulary. Mr Mardell talks about intensity, authenticity, and about a "do the right thing gene". For him, strategy is downstream of character. However, what follows is not a verdict. A transition of this scale will be judged over time. But the early signals are interesting enough to be worth examining.

By **Gouri Markandewar** and **Utkarsh Bhadauria,** MSc Management students at **Warwick Business School.**

What is salient, listening to Mr Mardell, is how plain his language is. Responsible leadership, as he says, comes down to a small handful of values each one of us can carry: honesty, authenticity, simplicity, curiosity, and patience. "It's much easier to choose things that you believe in than things that you say you believe," Mr Mardell says. He calls this "doing the right thing", and he means it almost literally. Once a leader is clear on what they believe, the people follow.



Announced in February 2021, JLR's Reimagine strategy is a commitment to become carbon net-zero across its entire fleet, operations, and supply chain by 2039. Its sustainability agenda rests on three pillars, namely "Planet Regenerate", "Engage for Good" and "Responsible Business", and is aligned with SBTi-validated 2030 targets: a 46% cut in operational emissions and a 54% per-vehicle cut across the value chain. On the operational side, JLR's most recent disclosure shows it tracking around 3% ahead of the SBTi-aligned 1.5°C pathway. But the headline numbers are marginal to the real challenge. For the automotive industry at large, it is vehicles in use that account for the bulk of emissions. Over 75% of JLR's reported emissions' footprint comes from vehicles in use. Electrification, for JLR, is not one part of the push. Instead, it is the crucial one and it risks compromising the very thing the brand is famous for, i.e., performance.

THE COMPROMISE QUESTION

The test of a credible transition is whether the company can become greener and still deliver the elegance, performance and off-road authority customers pay six figures for. To this, Mr Mardell argues, the vehicles emerging from Reimagine "will be able to shoot at sand dunes at 50 degrees" and "go over ice caps at minus 50 degrees" without losing capability.

Pre-Reimagine, JLR ran a twelve-nameplate line-up across eight platforms. Under Reimagine, it has been reduced to three. The Modular Longitudinal Architecture (MLA), a flexible platform supporting internal combustion, plug-in hybrid as well as full battery-electric powertrains, sits under the larger luxury models such as Range Rover and Range Rover Sport, allowing JLR to serve markets transitioning at different pace. The Electric Modular Architecture (EMA), a pure-electric platform for the next generation of medium-size SUVs, supports future electric models across the Range Rover, Discovery, and Defender families. Lastly, the Jaguar Electric Architecture (JEA), a dedicated, electric-only platform created exclusively for the reimagined Jaguar brand was introduced with a high-performance luxury GT and is designed to reposition Jaguar as an all-electric modern luxury brand. It did not land quietly. The backlash over the Type 00 concept almost eclipsed the strategy underneath. But according to Mr Mardell, Jaguar as a combustion-era brand had been loss-making for years, and a quiet refresh would not have fixed that. Repositioning it into the modern luxury EV segment is a way to make it commercially viable again. The early response has been mixed at best, and whether it works commercially is still an open question. But the opinions it drove, and JLR's stated intent to build a sustainable EV brand, reflect the same "do the right thing" instinct Mr Mardell talks about.

BUILDING ADAPTABLE & RESILIENT SYSTEMS

What is easy to miss in any sustainability plan is how seriously the board funds it. Under Ms Andrea Debbane, the Chief Sustainability Officer, sustainability moved into the same quarterly review cadence as every other priority. Ms Debbane's team aims at as many footprint-reducing initiatives as the business can usefully support, and the board funds the ones that survive a sharp eye.

Following emissions from vehicles in use, the supply chain is where most of the work around footprint reduction sits. JLR has roughly 5,000 suppliers, most of them in the UK and Europe, where the regulatory framework is broadly aligned with JLR's own. So, the approach is to influence rather than impose. JLR focuses on building long-term relationships and prioritises suppliers earlier in the transition rather than later, though sectors like steel remain on a slower timeline JLR cannot fully control.

Within the workforce, the Creators' Code gave JLR a shared language. Mr Mardell and HR Director Mr Dave Williams personally co-sponsored fourteen employee-led networks under the "We Are JLR" umbrella, covering various ethnicities, orientations, backgrounds, and more. According to Mr Mardell, as a result of these initiatives, eNPS moved from roughly minus 20 to plus 30 over past three years.

Thus far, Reimagine has delivered the most profitable eleven quarters in JLR's history and eliminated £5 billion of net debt. However, the cyber incident of late 2025, categorised by the UK's Cyber Monitoring Centre as a systemic event with a modelled UK impact of around £1.9 billion, has bruised the two most recent quarters.

The honest position is that the strategy is sound and the outcomes are still to come. Nobody knows exactly how the automotive industry reaches net zero. Mr Mardell is confident about the method: build resilient, adaptable systems, stress-test them, implement, learn, adapt. On that measure JLR appears ahead, and its results hold up under the kind of disruptions the next decade will keep producing.

FOR THE FUTURE LEADERS

Mr Mardell is optimistic about the next generation of leaders. The transitionary decade ahead will not unfold in a straight line, and nobody knows quite how it will end. But firms led by curious, authentic people willing to learn, adapt and start trying things will be the ones that might get there.

His advice to those leaders is no-frills. Find your own authenticity, build a board around you that is sharper than you are, and let it challenge you. Keep things simple enough that thousands of people can carry them. Trust data, but never let it replace instinct or curiosity. Be patient with your people, demanding of yourself, and stay with the work long enough for it to compound.

JLR appears to be heading in the right direction. Whether it gets there on time, on budget, and as the leader of the modern luxury space is a question for the next few years to answer. In the environment where change is inevitable, certainty is not the point. Mr Mardell has stepped aside, but the board he sat on remains and the strategy continues, with people, planet and profit being treated as one job rather than three. None of this guarantees the outcome. But the direction is credible, and at this point in the industry's history, that counts for something. ///

KEY TAKEAWAYS

- Mr Mardell's "do the right thing" instinct shaped Reimagine before any KPIs did. Starting point was authenticity, not any business framework.
- Sustainability sits inside the strategy, not next to it. Reimagine is the business plan. Climate, electrification, and circularity are not a parallel workstream, they are executed and governed simultaneously.
- Tailpipe Emissions form the largest share. More than 75% of JLR's reported emissions come from vehicles in use. Electrification is therefore the central bet.
- Suppliers are influenced, not instructed. With around 5,000 suppliers, JLR has chosen long-term relationships and prioritisation over mandates.
- The trade-off between profit and purpose may be smaller than it is assumed. Eleven record-profitable quarters were delivered alongside a significant emissions cut. Though the cyber-attack of late 2025 has affected the latest two quarters, the strategy itself has held.
- Adaptability is the method. Nobody yet knows how an industry like this gets to net zero. What Mr Mardell is confident about is the discipline: "build resilient systems, stress-test them, learn, adapt."

FROM DOING TO BECOMING: REFRAMING SUSTAINABILITY AS PURPOSE

> **It is not enough to know why we do what we do. We need to ask ourselves: What kind of future can we imagine? And who do we need to become to help realize it?**

Prof. **Ana Carolina Aguiar,** researcher at **FGV EAESP** and independent consultant and Prof. **Fernanda Carreira,** Head of the FGV EAESP **Center for Sustainability Studies,** draw on their experience with executive training initiatives in the Amazon to ask the question: What does it take for sustainability to truly guide us as purpose?

"The greatest thing in this world is not so much where we stand as in what direction we are moving."
Johann Wolfgang von Goethe

PURPOSE: EASY TO SAY, HARD TO DO – EVEN HARDER TO BECOME

The world in which we stand presents us with inescapable debates about which direction we are moving. One is the difficulty of making a planetary commitment to phase out fossil fuels – despite all the warnings from scientists we see climate disasters growing before our eyes. Another is the fragility – or illusion – of the DEIB (Diversity, Equity, Inclusion and Belonging) agenda in organizations, of the combat of human rights violations, or of the efforts for poverty reduction. Even the ESG (Environmental, Social and Governance) agenda, which has grown in popularity, seems as volatile as the financial markets. Yes, we continue to witness the struggle – and often failure – to translate ambitious corporate purpose statements into meaningful transformation. Sustainability remains trapped in instrumental logic: a checklist of KPIs, reports, and risk management strategies.

At the same time, we hear both young professionals saying they are driven by Purpose, and longer-serving executives reaching a rethinking stage in their lives. It is very common to hear from our Master's in Sustainability students at FGV EAESP. "After so many years in the market, I feel the need to reframe my Purpose, to reconnect with something deeper and greater. What legacy am I leaving?" This leads us, as researchers and practitioners of sustainability strategy and education, to ask ourselves: what does it mean to have sustainability as a purpose?

REIMAGINING THE PURPOSE OF PURPOSE

In theory and in practice, purpose is the reason why people and organizations do things, determining the direction in which they are moving. In a world marked by climate collapse, social fragmentation, and loss of meaning, we propose that it is not enough to know why we do what we do. We need to ask ourselves: What kind of future can we imagine? And who do we need to become to help realize it?

Sustainability as purpose implies an ethical and relational reorientation. It shifts the question from «What should we do?» to «Who should we be?» and «How should we relate?» This perspective invites not only organizational change – away from an egocentric, functionalist and short-term orientation – but transformation of oneself and one's relationships – an ecocentric, relational and long-term orientation.

Sustainability as purpose implies an ethical and relational reorientation. It shifts the question from «What should we do?» to «Who should we be?» and «How should we relate?» This perspective invites not only organizational change – away from an egocentric, functionalist and short-term orientation – but transformation of oneself and one's relationships – an ecocentric, relational and long-term orientation.

We have pursued this direction in our educational and research initiatives at the Center for Sustainability Studies of FGV EAESP. Not as a brand or a methodology, but as a lived commitment to fostering spaces where other ways of knowing, relating, and becoming can emerge. Our initiatives at the Center include award-winning integrated programs for future leaders at undergraduate level and also professionals already working in sustainability or seeking a career transition to this area. Here, self-awareness, relationships with stakeholders and innovation are prime skills that we develop. A second flagship initiative is that of Sustainable Leadership – the rainforest perspective, an immersive experience in the Amazon. Here, leadership is seen from a different perspective with meetings with indigenous communities and cultures, the social and environmental challenges becoming tangible as students observe devastated parts of the forest or hear from local communities about cultural and biodiversity losses including the river itself which is increasingly subject to periods of drought. In this instance, systems thinking and a sense of place and ties with stakeholders are the main skills developed. All in all, these initiatives help with NGO capacity building for a more qualified performance during the COPs through international negotiations simulations on climate change, as well as developing research on leadership and education for sustainability, dialogic organization development and transdisciplinary education. Indeed, feedback from executive students points to them reflecting on their type of leadership, how their actions as business leaders impact relationships and results, and what kind of future impact they wish to make as a person, professional, citizen and as an individual on the planet. In short, there occurs an awareness that they are *part of the system.*

Based on more than ten years offering and learning from these experiences, we offer three central dimensions for reframing sustainability as purpose.

WHAT DOES IT TAKE FOR SUSTAINABILITY TO TRULY GUIDE US AS PURPOSE?

Our experience and research suggest that sustainability as purpose goes beyond statements of great intention or strategic planning. It involves nurturing internal and collective conditions that enable a deep alignment between values, identity work and actions. Three dimensions have emerged as essential in this journey:

1. Imagination

Purpose needs direction, and direction requires imagination and innovation. Especially in sustainability, where the future is uncertain and the risks are systemic, the ability to envision alternative ways of organizing life and business is vital. We use speculative storytelling, Indigenous epistemologies, and scenario thinking to help our participants articulate futures worth striving for.

2. Dialogue

Purpose is rarely discovered and pursued alone. It emerges in conversations, differences, contradictions, and co-construction. In our programs, we use dialogue not just as a teaching method for stakeholder relations, but as a space for inclusive and ethical encounters. Dialogue, for us, is not about reaching consent or eliminating differences, but shortening distances and finding ways of going on together, despite our differences. This allows participants to meet different people, listen beyond the surface, challenge their own assumptions, and experience interdependence as a lived reality.

3. Embodied Experience

Purpose must be felt to become real. Transformation does not happen only through rational argument. We create experiential processes – from field immersions and artistic explorations to silence rituals – that invite people to reconnect with their emotions, intuition, and sense of place. This grounds purpose in the body, making personal or organizational narratives more tangible (literally felt), which promote deeper and enduring transformations.

Together, these dimensions shift purpose from an abstract goal to a relational, evolving practice. However, our research shows that such shifts occur differently at individual and collective/organizational levels, which brings us one last, but not less important, reflection.

THE PURSUIT OF INDIVIDUAL VERSUS ORGANIZATIONAL PURPOSE

Organizations already aligned with the need of overcoming sustainability challenges often come to the Center for Sustainability Studies of FGV EAESP looking for frameworks, tools, or ESG indicators. This is already an important and positive step. But as we have argued above, these strategies have proven insufficient given the extension of our social and environmental problems. Many leaders, then, gradually reveal another and often more personal quest: the search for coherence between their values and their actions within corporate contexts. A desire to reconnect with a sense of meaning beyond performance.

That is where significant tensions emerge, since the notion of success and performance of organizations are deeply rooted in the paradigm of utility/functionality, control and unrestricted growth. This puts professionals in a place of constant struggle between several tensions: personal purpose ***versus*** organizational demands, economic ***versus*** social and environmental priorities, short ***versus*** long-term goals, objective metrics ***versus*** subjective and systemic parameters, planned ***versus*** emergent results, local ***versus*** global/scalable impacts, engagement of ***versus*** dialogue with different stakeholders.

While for some professionals, these challenges may lead to paralysis, for those being transformed through imagination, dialogue, and embodiment, they create a sense of freedom. This is because embracing sustainability as a purpose ultimately means realizing that purpose is not about reaching a perfect finishing line, but about choosing to move in a different and better direction – no matter how contradictory and ambiguous this path may be. This does not mean that organizational and structural changes are not important – they are crucial. And exactly because of that, a sense of paralysis is counterproductive. A purpose ignited by creative imagination, dialogue, and deeply embodied felt experiences can tap into existing potential, already available here and now, regardless of external perfect conditions.

THE PATH OF BECOMING

Educating for sustainability is not about transferring knowledge or offering quick solutions. It is about creating the conditions for different imaginaries – and different ways of being and relating to the world – to take root. In times of uncertainty and collapse, we have learned – alongside our researchers, clients and students – that the most powerful work we can do is to hold space for transformation Thus, when we hear this other common question from students "Will we have enough time [to solve the climate crisis]?", we answer with another question, reframed by our notion of sustainability as purpose:

"What will you choose to do and who will you choose to be with the time you have?" ///

KEY TAKEAWAYS

- The current “ESG agenda” is often treated as a volatile checklist of KPIs, metrics, and risk management strategies. While useful, this instrumental logic fails to translate ambitious corporate purpose statements into meaningful, systemic transformation.
- Sustainability as purpose requires a shift from functional questions like “What should we do?” to deeply ethical and relational questions: “Who should we be?” and “How should we relate?” It demands a shift from an egocentric, short-term mindset to an ecocentric, long-term orientation.
- True transformation requires leadership training that confronts real-world complexities. Immersive experiences—such as visiting the Amazon and engaging with indigenous communities—help professionals move past theoretical knowledge to grasp tangible social, environmental, and cultural losses.
- **Dimension 1:** Imagination and Innovation: Because the future of our planet is highly uncertain and risks are systemic, purpose requires the direction provided by imagination. Utilizing speculative storytelling, scenario thinking, and indigenous epistemologies helps leaders envision alternative, sustainable ways of organizing life and business.
- **Dimension 2:** Dialogue Across Differences: Purpose is co-constructed through encounters with others. Dialogue should not merely be used to reach a quick consensus or erase contradictions, but to shorten distances between diverse stakeholders, challenge deep-seated assumptions, and allow leaders to experience interdependence as a lived reality.
- **Dimension 3:** Embodied Experience: Intellectual or rational arguments alone do not drive lasting transformation. Grounding purpose requires experiential processes—such as field immersions, artistic explorations, and silence rituals—that reconnect professionals with their emotions, intuition, and a tangible sense of place.
- Leaders frequently face acute personal tensions when trying to align their inner values with corporate environments that are fundamentally rooted in utility, control, and unrestricted growth. This manifests as a constant struggle between economic priorities and social/environmental responsibilities.
- Embracing sustainability as a purpose means accepting that it is an evolving practice rather than a perfect destination. Even in flawed or rigid corporate structures, a purpose fuelled by imagination, dialogue, and embodied experience empowers individuals to reject paralysis and actively choose a better direction with the time they have.

Disclosure: These key takeaways have been generated using AI assistance.

SUSTAINABILITY BEYOND TRADE-OFFS: REFRAMING IT AS THE PURSUIT OF LIFE

> **This reframing matters because it quietly dismantles the whole idea of humans as external managers overseeing a separate thing called nature.**

Sustainability is everywhere in business language, yet its purpose remains unsettled. Is it about limiting damage, or about supporting the wider conditions that make life possible in the first place? Revisiting foundational debates in business ethics, Assoc. Prof. **Frederik Dahlmann** from **Warwick Business School** asks what changes when sustainability is framed not as balance or trade-off, but as the pursuit of life.

Related research: Dahlmann, F. Conceptualising Sustainability as the Pursuit of Life. J Bus Ethics 196, 499–521 (2025). https://doi.org/10.1007/s10551-024-05617-y

For decades, sustainability research in business and ethics has revolved around a persistent and unresolved question. Should sustainability be understood primarily as the protection of ecological systems, or as the continuation of human development? Despite the widespread adoption of sustainability language in corporate strategy and public policy, this tension continues to shape how sustainability challenges are defined and addressed. Frederik Dahlmann's paper enters this debate by proposing a reframing of sustainability as the pursuit of life.

What makes this paper interesting is that Dahlmann isn't trying to pick a side or stitch together a compromise between human-centred and nature-centred views. Instead, he treats their ongoing friction as revealing something important about why sustainability efforts keep falling short. The real obstacle, he argues, isn't a lack of good intentions or technical solutions. It's the unexamined assumptions we bring to the table about what kind of world we're living in and where humans fit.

PARADIGMATIC TENSIONS AT THE CORE OF SUSTAINABILITY

The paper looks at the ideas that were fist discussed in an issue of the Academy of Management Review in 1995. Even though sustainability research has come a long way since then, to a great extent the basic ideas have not changed. Anthropocentric perspectives continue to frame nature as an object to be managed in support of human goals, while ecocentric perspectives prioritise ecological systems and non-human life as the central focus of ethical concern.

These aren't just polite disagreements about emphasis. They rest on completely different assumptions about reality itself, what exists, how we know things, and who or what has value. When people try to bridge the gap with concepts like green growth or win-win sustainability, they usually just smooth things over at the surface while leaving the deeper contradictions untouched. Dahlmann suggests this helps explain a frustrating puzzle: sustainability talk is everywhere, yet ecological decline keeps accelerating.

RELATIONAL ONTOLOGY AND RETHINKING HUMAN NATURE RELATIONS

To move beyond entrenched dualisms, the paper draws on relational ontology. From this perspective, relationships are not secondary to entities but are fundamental to how reality is constituted. Humans, organisations, ecosystems, and non-human species are not independent actors that later interact. They emerge through ongoing relationships within a shared planetary system.

This reframing matters because it quietly dismantles the whole idea of humans as external managers overseeing a separate thing called nature. Whether we realise it or not, we are embedded participants. Responsibility and agency stop being something individuals simply possess and start looking more like something that arises through networks, ecological, social, and institutional, that we're caught up in.

VALUES OF NATURE AND THE ROLE OF RELATIONSHIPS

Building on this relational perspective, Frederik Dahlmann's research draws on differences between instrumental, intrinsic, and relational values of nature. Instrumental values frame nature in terms of its usefulness to human activity. Intrinsic values recognise that nature has worth in and of itself. Relational values focus on the significance of relationships between humans and nature, including care, responsibility, identity, and belonging.

Relational values matter because they cut across the usual human centred versus nature centred divide. They acknowledge that humans depend on ecological systems without reducing nature to a stack of resources. And they resonate with lots of indigenous and non-Western ways of thinking that never bought into the idea that humans stand apart from nature in the first place.

BIODIVERSITY, THE WEB OF LIFE, AND THE LIMITS OF MITIGATION

A central contribution of the paper is its treatment of biodiversity loss as a systemic sustainability challenge rather than a secondary environmental issue. Biodiversity is presented as a foundation of planetary stability and a condition for life itself. Scientific evidence cited in the paper shows that current extinction rates far exceed historical norms and threaten the resilience of ecosystems on which all life depends.

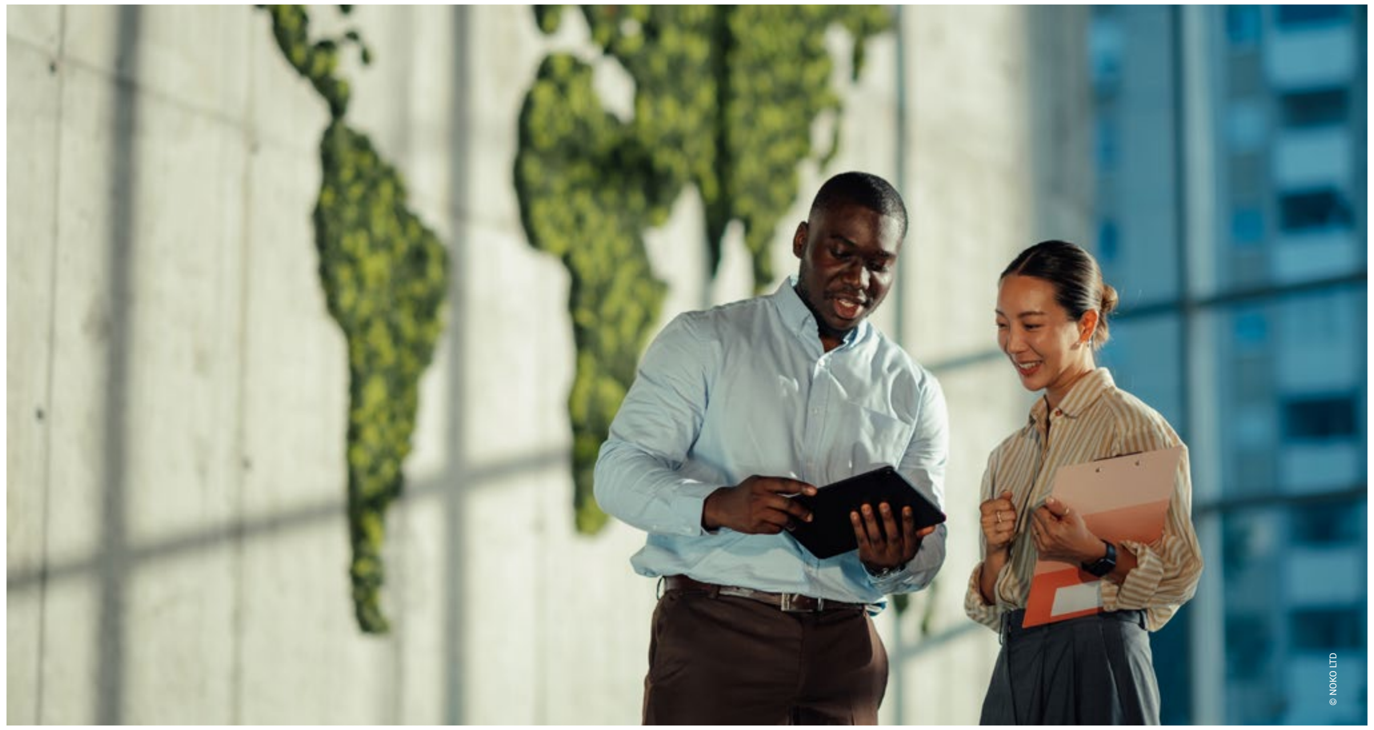
This perspective draws attention to the web of life, where life emerges through complex interactions among species, ecosystems, and physical conditions. Humans have benefited greatly from this web, particularly during the stable climatic conditions of the Holocene. Yet modern economic and organisational systems increasingly undermine the processes that sustain it.

Against this backdrop, the paper challenges mitigation-focused approaches to sustainability. Even if further damage were halted, the planet would remain in a deeply degraded state. Sustainability therefore cannot be reduced to harm reduction alone. It requires active ecological restoration, particularly of biodiversity, to rebuild the conditions that allow life to flourish.

SUSTAINABILITY AS THE PURSUIT OF LIFE

Dahlmann's paper's central proposal is to conceptualise sustainability as the pursuit of life. This framing deliberately encompasses life as biological diversity and Life as an emergent planetary phenomenon shaped by interconnected socio ecological systems. By doing so, it avoids privileging any single scientific or cultural interpretation of life and instead recognises their coexistence.

Under this conceptualisation, sustainability is no longer defined by equilibrium or trade-offs between competing goals. Actions and decisions are evaluated according to whether they strengthen or weaken the conditions that support life across species, ecosystems, and generations. Human wellbeing remains important, but it is understood as inseparable from the wellbeing of non-human life and ecological systems.



IMPLICATIONS FOR BUSINESS AND ETHICS

For business ethics, this reframing challenges prevailing assumptions about responsibility and performance. Organisational success cannot be measured solely through efficiency, growth, or even reduced environmental harm. Ethical responsibility extends to how organisational activities affect biodiversity, ecological resilience, and intergenerational justice.

Rather than offering prescriptive solutions, Prof. Dahlmann's contribution lies in reorienting the sustainability conversation at a foundational level. By shifting the focus from managing trade-offs to sustaining life itself, the paper provides a conceptual lens that integrates ecological science, ethical reflection, and diverse understandings of human nature relations. ///

KEY TAKEAWAYS

- Sustainability debates keep running into the same friction between human centred and nature centred perspectives, and this isn't accidental. It reflects deep differences in how people understand reality and value.
- Relational thinking offers a way past these dualisms by recognising that humans, organisations, and nature are woven together in a single planetary system.
- Instrumental and intrinsic values have their place, but relational values rooted in care, identity, and connection deserve more attention.
- Biodiversity loss isn't a secondary concern. It undermines the conditions that make life possible, and playing defence isn't enough. Restoration must be part of the picture.
- Conceptualising sustainability as the pursuit of life shifts ethical evaluation beyond balance and compromise.

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