

## “COOPERATION IN A FRAGMENTED WORLD”: WORLD ECONOMIC FORUM, 2023, Davos, Switzerland

### *An Alphabet Soup of Sustainability Acronyms—ESG, CSR, and SDG*

PRME has noticed an Alphabet Soup of Sustainability acronyms—ESGs, CSRs, and SDGs, which this document briefly explains below. The main acronyms useful to us are provided below:

#### THE 2023 WORLD ECONOMIC FORUM, DAVOS, SWITZERLAND:



There were 2,658 registered for the recent 2023 World Economic Forum, (WEF), 2023, in the Alpine setting of Davos, Switzerland.

Among those gathered were heads of state, royalty, business royalty, scholars, academics and the media, as well as interested public attendees who participated on the sidelines (Images: Left: Fintech).



The Chair of the gathering was Klaus Schwab, an economist and founder of the World Economic Forum. He has acted as the WEF's chairman since founding the organization in 1971. (Image above Right: Independent.ie). The theme for the Conference was “*Cooperation in a Fragmented World,*” with the main subthemes presented below:



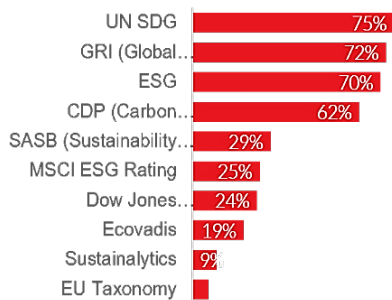
- **Global energy and food crises**
- **Addressing the risk of recession**
- **Private sector innovation and resilience**
- **Upholding civil freedoms and human rights**
- **Geopolitical risks in a globalized world**

As we at JHBC know, the above broad categories encompass the on-going 17 **SUSTAINABILITY GOALS OF THE UN, the (SDGs)**. They were ratified at the Paris Accords in 2015, each with their set deadlines for 2030. To address the pillars, various speakers at WEF referred to **ESGs, CSRs, and SDGs**, but there is a convergence of these ideas. This document will provide a brief linkage among these categories.



**ECONOMIC SOCIAL AND GOVERNMENT (ESG):** This is a framework designed to be embedded into an organization's strategy that considers the ways to generate value for all organizational stakeholders (such as employees, customers and suppliers and

Frameworks mentioned by top 100 corporate patent owners

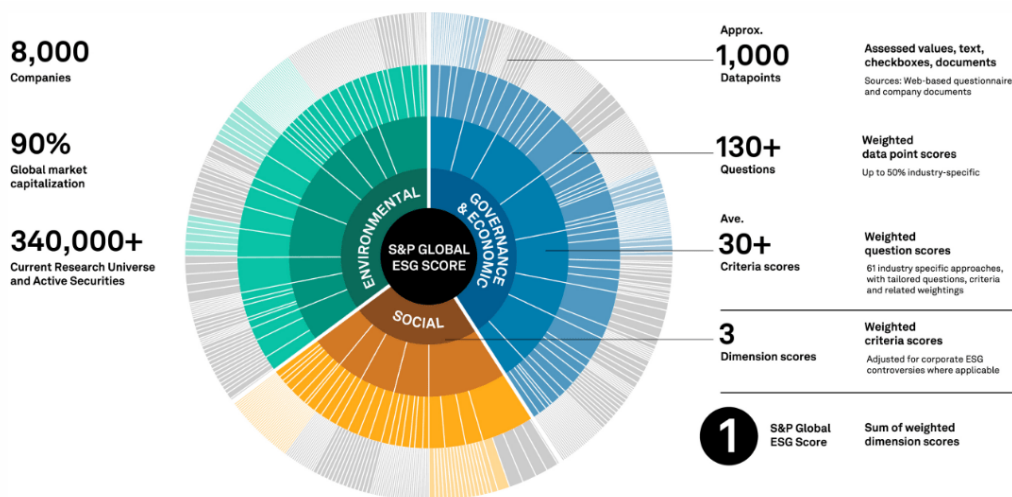


Source: LexisNexis analysis (2021), top 100 by number of active patents

financiers). The term ESG was popularly used first in a 2004 report titled "*Who Cares Wins*", which was a joint initiative of financial institutions made at the invitation of the UN.

The history of corporate governance failure is well-known, and been documented widely. Hence, the "G" in **ESG** is the lens from which Corporate **Governance** must manage in a just and sustainable way. Importantly, it is reminder about ethical corporate behavior of the CEO, C-Suite class, and employees at large. This involves metrics for business ethics, anti-competitive practices, corruption, tax, and

accounting transparency. It also steers a way to investors for the assessing material hazards in business. ESG data to design corporate standards are constructed via inferences about risks the organization poses to the general constituency, beyond profit, and the appraisal and regulation of sustainability-related challenges. Below is data on ESGs sourced from the Standards & Poors 500 Index.

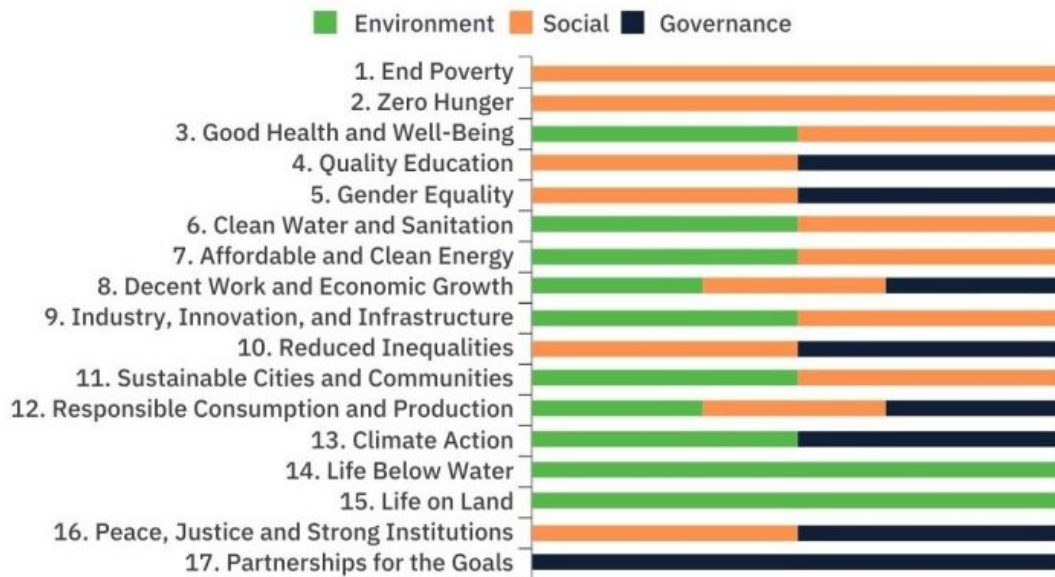


## SUSTAINABILITY DEVELOPMENT GOALS (SDGs):

The Sustainable Development Goals (SDGs) were agreed upon by 197 nations at the U.N. Paris Accords, in 2015. They are a collection of 17 interlinked goals, targets and objectives designed to serve as a "shared blueprint for peace and prosperity for people and the planet now and into the future". Charts presented below connect ESGs with SDGs.



### Two Complementary Frameworks: ESGs and SDGs:

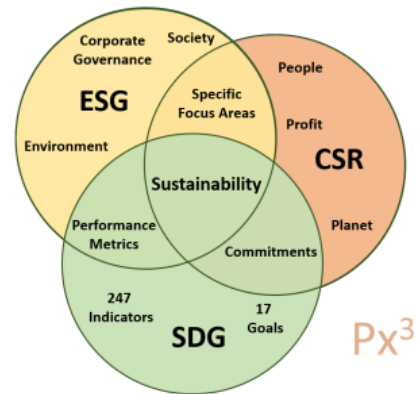


### Linkage Between ESGs and SDGs

Image: MDPI



**CORPORATE SOCIAL RESPONSIBILITY:** This is a well-known phrase today. It refers to the business practice of joining environmental and social policies with a business' economic goals and operations. It is based on the idea that businesses can reduce their adverse social and environmental impact on the world and still make judicious and ethical. The idea taken as a whole is referred to as the Triple Bottom Line. (*Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, 1997, John Elkington, Wiley).



PRME draws attention to the strategic linkage of Environmental, Social, and Governance (ESG), Sustainable Development Goals (SDRs), Corporate Social Responsibility (CSR). Knitting them together is a good way of understanding planetary needs for sustainability.

Corporate heads, consumers and the general public use the evaluation metrics for sustainable development. Their calculations are more and more increasingly essential to supply chains. They are now used as in the strategic planning an implementation process. “Whether in the service industry, catering and food industry, financial industry, real estate construction industry, hospitals and government agencies, colleges and universities, or global SMEs, companies have stepped up to contribute to "sustainable development". (Source: Market Prospects, May 23, 2022).

.....



**Disclaimer:** *The information shown above, is not meant to be exhaustive in this document. This report is provided as a way to start your sustainability research studies—i.e., for JHBC term papers, projects, journal articles, etc.*

**Created for JHBC’s PRME Platform by Professor Breena E. Coates, for use by faculty and students in Ethics, and Sustainability Studies**