

Video Segment 7: What Will Drive Progress on ESG?

“Most people would say they don’t trust the government to get us where we need to be.” – John Streur, Calvert Research and Management

NOTE-TAKING GUIDE

Provide detail around these ways that might motivate people to, as Dr. Henisz says, “join the campaign for more attention to the ‘S’ factor” in ESG?

Accepting a Voluntary Market-led Solution?

Engaging Different Pressure Groups

Stakeholder Capitalism

Now it's your turn. How will YOU drive progress on ESG? What is your sustainability strategy? You are very much part of the S (Social) factor as a person who buys from companies, belongs to a community in which businesses operate, and possibly even as an employee – if not now, in the future. How will you hold companies accountable for their social engagement and attention? As a stakeholder, you have the power, possibly more than you ever have in the past. How will you use it to make a difference?

THE LANGUAGE OF BUSINESS

Civil Rights	Federal Reserve Board
Civil Rights Movement	Goods
Company	Government Regulation
Consumer	Investor
Consumer Goods	Market System
Corporation	Services
Creditor	Shareholder
Data	
European Union (EU)	

Brian (Brian Moynihan): Chairman of the Board and CEO of Bank of America, where Andrew Plepler is an executive in charge of ESG policies and practices.

Capital: Money or other assets owned by someone that are used to start a company or make an investment.

Capital Allocation: Assigning capital to various uses.

Climate Change: The long-term shifts in temperatures and weather patterns that are increasingly caused by human activity, like the burning of fossil fuels that release greenhouse gases into the atmosphere.

Community Group: A nonprofit or other community group that often does work around a social cause, such as homelessness or racial justice.

COP26 or Conference of the Parties (COP) Convention on Climate Change: This annual United Nations climate change conference brings together leaders, nations and activists to assess progress in dealing with climate change. In 2021, COP26 was held in Glasgow, Scotland from October 31 to November 12.

COVID Pandemic: The global crisis that began in December 2019 with the emergence of Coronavirus Disease or COVID-19.

Employees: The people who work for and are paid by a company.

Erika H. James: Dean of the Wharton School of the University of Pennsylvania, she is the first woman and African-American to lead Wharton in its history.

ESG: ESG stands for **Environmental, Social and Governance** and refers to a system for how to measure the sustainability of a company. It is an evaluation of a firm's beliefs and attitudes about social and environmental factors. Companies and all their stakeholders are thinking hard about how to incorporate ESG criteria effectively and intentionally into business strategies. And investors are turning to ESG rating firms and others to screen their investments on these various factors.

Financier: The manager of large amounts of money.

Insurance Company: A company that creates insurance products to take on risks in return for the payment of premiums.

Issuing Debt: When companies or governments raise funds by borrowing money from bondholders.

Market: Where goods and services are exchanged.

National Community Advisory Council: First formed by the Federal Reserve Board, a Community Advisory Council offers diverse perspectives on the economic circumstances and financial needs of customers and communities.

Shareholder Engagement Program: Shareholder Engagement refers to all of the ways that shareholders can influence the companies in their investment portfolios. Investors like Calvert Research and Management might want to encourage the companies in their portfolios to adopt and maintain sustainable development practices, while simultaneously creating value and managing risks.

Stakeholder: A person with an interest or concern in a business, including owners, managers, board members, employees and investors.

Stakeholder Capitalism: A system – increasingly popular with the rise of ESG -- in which corporations are oriented to serve the interests of all their stakeholder, not just shareholders.

Transparency: You'll hear this term a lot, especially related to ESG. Transparency in business is the basis for trust between a company and its customers, investors – all stakeholders. When a company is transparent, it is open and honest about communicating what happens behind the scenes with its operations, management and other business functions.

Voluntary Market-led Solution: Solutions that depend on the voluntary participation of people, companies and others in a market and not on government regulation or other rules to encourage action.

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