

THE NOTORIOUS ESG

At a time when 'woke capitalism' and the ESG construct are under attack, Vasuki Shastry gives his readers a comprehensive, yet easy-to-follow overview of the ESG landscape as a predicate to calling out the urgent need for the business community to play its part in combatting the climate crisis and furthering social justice objectives. By addressing head-on both the challenges and the imperatives of addressing the challenges, Shastry, with the benefit of his insider's perspective, provides a much needed and valuable roadmap for business leaders and their advisers to navigate the ESG landscape.

Mark Bergman, Founder, 7Pillars Global Insights LLC and former Head, Global Securities and Capital Markets Group, Paul Weiss

Vasuki Shastry has achieved the impossible: his book makes a serious topic both accessible and entertaining. It's a reminder to us all that we have to stop paying lip-service to ESG – the planet's survival depends on it. Every Chief Executive should be forced to read this and forced to question their approach.

Jonathan Charles, Communications Strategist, Broadcaster, and former Executive Committee Member of the European Bank for Reconstruction and Development (EBRD)

THE NOTORIOUS ESG

Business, Climate, and the Race to Save
the Planet

BY

VASUKI SHASTRY



United Kingdom – North America – Japan
India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2023

Copyright © 2023 Vasuki Shastry.
Published under exclusive licence by Emerald Publishing Limited.

Reprints and permissions service
Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN: 978-1-80455-545-3 (Print)
ISBN: 978-1-80455-542-2 (Online)
ISBN: 978-1-80455-544-6 (Epub)



INVESTOR IN PEOPLE

For my late mother, and to Singapore.

This page intentionally left blank

TABLE OF CONTENTS

<i>Also by the Author</i>	ix
<i>About the Book</i>	xi
1. The ABC of ESG	1
2. A Brief History of Grime	17
3. Our Carbon-Industrial Complex	31
4. The Prophet Motive	49
5. Emission Omissions	65
6. The Merits of “Woke” Capitalism	81
7. Bored of Directors	103
8. Rebels Without a Pause	119
9. Making ESG Great Again	135
<i>Epilogue – The Interviews</i>	153
<i>Acknowledgments</i>	163
<i>Index</i>	165
<i>About the Author</i>	171

This page intentionally left blank

ALSO BY THE AUTHOR

Has Asia Lost It? Dynamic Past, Turbulent Future (2021)

Resurgent Indonesia – From Crisis to Confidence (2018)

This page intentionally left blank

ABOUT THE BOOK

In terms of sheer hype, hoopla, and hysteria, ESG (or environmental, social, governance) has become the operating mantra for business in the developed and developing world. CEOs and C-suites have embraced ESG as the defining new way of doing business, underpinned by strong social purpose and a clear objective of doing well by doing good. The urgent, immediate global challenge of tackling climate change has raised the stakes with greater pressure to dismantle our carbon-industrial complex. The business community in America and Europe is also buffeted by unprecedented social pressures with demands from a millennial workforce for greater equity, diversity, and flexible working arrangements. Derided in some quarters as “woke capitalism,” the adaptive challenge for business is to not merely to manage ESG risks but to fundamentally transform business models. In his new book, ESG expert Vasuki Shastry argues that short termism still rules, and unless the modern corporation radically changes to address environmental and social challenges, ESG will continue to remain notorious, infused with high prose and rhetoric, and with little substance and credibility. Citing Einstein, Shastry defines the current business approach toward ESG as driven by fear, greed, and stupidity. Fear, because businesses are feeling greater pressure to reform from investors and regulators. Greed, because ESG is also proving to be a massive business opportunity as the rise of sustainable finance attests. Stupidity, because every well-meaning corporate endeavor, however virtuous, will inevitably lead to excess. Making ESG great again will require bold ambition, a resolute commitment to curb greenwashing, and to include the

voices and perspectives' of millennial staff, who stand to inherit a planet in grave climate peril. The generation gap is exemplified by the typical CEO of a modern corporation who is male, in his 50s, ruthlessly focused on delivering for the quarter, and hopelessly out of touch with environmental and social issues. A starting point for reform is greater diversity at the top and an acknowledgment that ESG should be the ABC of doing business.