

Business Schools for Climate Leadership (BS4CL) Forum 2nd Edition

Report



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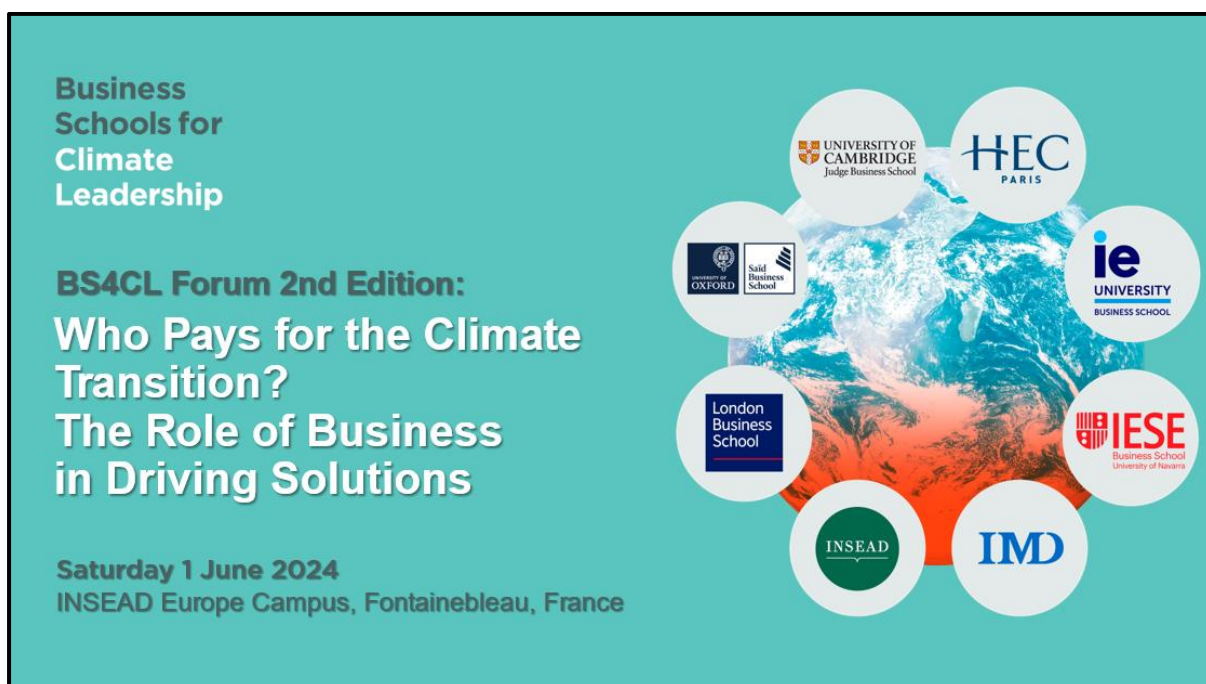
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Just Transition: Business Schools for Climate Leadership Forum 2nd Edition

Over 100 invited guests from eight of Europe’s leading business schools attended a packed day-long Forum organized by [Business Schools for Climate Leadership](#) (BS4CL). This was held at INSEAD’s Europe Campus in Fontainebleau, France, on 1 June 2024.

BS4CL, launched at the United Nations Climate Change Conference of the Parties (COP26) in Glasgow in 2021, is a unique alliance consisting of [Cambridge Judge Business School](#), [HEC Paris](#), [IE Business School](#), [IESE Business School](#), [IMD](#), [INSEAD](#), [London Business School](#) and [Oxford Saïd Business School](#). BS4CL was forged out of the pressing need to train future business leaders to combat the climate crisis facing the planet. Recently, BS4CL expanded its alliance to Africa and the Middle East. This year’s Forum – titled *Who Pays for the Climate Transition? The Role of Business Schools in Driving Solutions* – was purposefully designed to bring together alumni from the eight schools.

[BS4CL Forum 2nd Edition Global Highlights Video](#)



Welcome Remarks

In opening the Forum proceedings, [Mark Stabile](#), INSEAD Dean of Degree Programmes, welcomed the attendees and stressed the important role business schools can play in building climate leadership. Attendees then spoke to one another in small groups and brainstormed ideas on how to advance the climate transition. Some of the thoughts generated included leveraging the alumni networks from the eight business schools and equipping faculty with better tools to train the next generation of business leaders.

Keynote Address



Pavan Sukhdev, Founder and CEO of GIST Impact and 2020 co-winner of the Tyler Prize for environmental achievement, was the keynote speaker at the Forum. GIST Impact works with asset managers, executives and government officials on transition techniques, with an emphasis on metrics for sustainability.

Sukhdev entitled his keynote address *Sustainability, Quo Vadis? A Window to the Future*. First, he discussed planetary boundaries, a concept developed by Johan Rockström of the Stockholm Resilience Centre. In general, the planetary boundaries framework highlights the man-made externalities that threaten the nine systems that determine the functioning and state of the planet. In support of this framework, Sukhdev cited a 2013 Trucost report about the often-overlooked role of business externalities.

Sukhdev also discussed the linked roles of stakeholder capitalism and the impact economy, which together are best able to adapt and adjust to the changing environment. Noting that ESG ratings lack standardization and transparency, Sukhdev suggested an alternative called impact valuation. This combines peer-reviewed science and robust economics to estimate impacts across the four capitals: natural, human, social and produced. His insights into climate leadership reflect his prescient awareness of the externalities that urgently need to be brought under control before it is too late.

Financial Innovation to Fund the Transition

- Laurent Babikian, Former Global Director Data Products & Distribution, CDP.
- Vanina Farber, Dean of Executive MBA, Chair for Social Innovation, Professor of Social and Financial Innovation, International Institute for Management Development (IMD).
- Prerna Wadikar, Global Advisory Council Member, Tech India Advocates.
- Lucie Tepla, Senior Affiliate Professor of Finance, INSEAD, Moderator.

Moderating the first panel was INSEAD Senior Affiliate Professor of Finance Lucie Tepla, who launched the school's first MBA elective on sustainable finance in 2019. In her opening statement, Tepla referred to the many initiatives aimed at mobilizing capital for the net-zero transition, from developing better climate-change disclosures to financing the phaseout of high-emitting assets.

Laurent Babikian (IESE alum) concurred with Tepla, confirming that the financial services industry needs to innovate around sustainability. Babikian said that innovative climate-related financial products such as futures and swaps need to be made available to investors to increase climate liquidity in the secondary markets. He also spoke about his former executive role at CDP, a not-for-profit charity that runs a disclosure system to help the public and private sectors manage environmental impacts. Laurent was particularly proud of the temperature-rating method developed by his team at CDP in collaboration with the WWF (World Wildlife Fund). According to the CDP, "The goal of a temperature rating is to translate targets into a single

common and intuitive metric that is linked to the long-term temperature outcomes associated with the ambition of the target.”

Vanina Farber ([IMD](#) alum) focused her comments on blended finance, which is “the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.” In looking at EMDEs (emerging markets and developing economies), she referred to a 2015 partnership between Michelin and the Barito Pacific Group called Royal Lestari Utama in Indonesia to produce natural, eco-friendly rubber. Incorporating eco-system-friendly rubber plantation practices, the partnership aimed at providing alternative livelihoods for communities while protecting and enhancing natural forest for wildlife.

The next panellist to offer her insights was Prerna Wadikar ([Oxford Saïd Business School](#)), who referred to [Just Energy Transition Partnerships](#) (JETPs), first announced at COP26 in Glasgow in 2021. Wadikar referred to South Africa, which needs \$100 billion USD to make the energy transition to a net-zero country but signed a JETP deal for just 8.5 billion USD. What that means, she said, is that South Africa will be perpetually dependent on its donor countries to facilitate its green transition, while still needing to source additional funding.

According to Wadikar, the trade-off between economic development and the energy transition needs to be kept in mind. She said that the main priority for heavily coal-dependent countries like India is ensuring continued economic growth and development while achieving equal bargaining power with Western countries when it comes to sustainable finance partnerships like JETPs. She expressed concern that sustainable financing deals could lead to a form of neo-colonialism. To avoid this, sustainable financial solutions must be custom-designed to ensure that countries like India can transition without putting their economic development at risk.

In conclusion, Tepla thanked the panel for calling out some of the new instruments the financial industry has developed to support the net-zero transition, such as benchmarks for equity, sustainable funds, linked debt and blended finance solutions.

Deans’ Panel

- [Lee Newman](#), Dean, IE Business School.
- [François Ortalo-Magné](#), Dean, London Business School.
- [Francisco Veloso](#), Dean, INSEAD.
- [Liz Perkins](#), Night News Editor, Express Newspapers, Moderator.

To demonstrate the urgency of climate leadership, the Deans’ Panel reinforced the BS4CL mission. Deans from three of the eight leading business schools addressed the role that their alumni can play in preventing climate change and agreed that the collective strength of the alumni communities can be harnessed to accelerate the net-zero transition.

The Deans covered many topics such as scaling renewable energy, reimagining program curriculum, collaborative research and designing career paths in purpose-driven businesses. They also highlighted the need for more collaboration around relevant research topics to help



drive climate solutions. Furthermore, they pinpointed the need for joint training of a new generation of faculty across the schools. The presence of business schools and their influence in key global initiatives can also send a strong signal to the world in terms of the urgent need for more sustainable business models and practices.

In moderating the Deans' panel, journalist Liz Perkins asked about the challenges that the Deans face and their plans for the future. Dean Francisco Veloso (INSEAD) acknowledged the wide range of individuals at the forefront of driving change via purposeful activities, commitment, initiatives and entrepreneurial actions. These changemakers are pushing business schools to do more, which represents a fantastic nudge. Yet, Dean Veloso also recognized that some individuals were more sceptical, indifferent or even negligent about the fight against climate change, hence the importance of "moving the dial" across all the populations within business schools, including students, alumni and faculty. "If the activists, the leaders come forward, it is up to business schools to give them the platform and help support their role. For those who are unaware or skeptical, business schools can make them better enlightened and explain to them why they need to review their perspectives."

Dean François Ortalo-Magné (LBS) took this thought forward by underlining the high level of energy among the activists who are involved in the fight against climate change. "How is it that we can bring those energies together so that it's not just a collection of individual heroes promoting their own little thing?" he said. "We can use our [BS4CL] platform to create the impact at scale." Dean Ortalo-Magné then cited the need to manage the dispersed energy to do the right things. "Unless we have scale in what we do, we won't have much impact," he said.

Dean Ortalo-Magné then went on to criticise the methodology used to rank business schools. These rankings tend to pay far more attention to the salary levels of recent graduates instead of whether sustainability has been embedded into the school's core curriculum.

Dean Lee Newman (IE Business School) shared that when he became the Dean of IE Business School, he reached out to the community of alumni and students. "It was very clear what was on their mind... purpose," he said. "I just heard it over and over and over again, [alongside] meaning [and] values. I think we have this incredible opportunity as business schools... to really train [the] next generation of business professionals who will answer the questions in the future rather than avoid them, and I think that that's our mission." He also cited the need to change mindsets, both in the classroom and through experience. "Activating [and] catalysing purpose in our students that will ultimately lead them to leave and make good decisions," he elaborated.

The next question Perkins posed was how the Deans could help propel future change through their actions in the present. According to Dean Newman, this needs to begin with how hard skills are taught in classrooms today – specifically, by funnelling everything through the lens of sustainability. Said Dean Newman, "When they go out, they will wear that sustainability lens when they think about what they are going to do in their company. I think that is absolutely critical. And we are all doing that."



Dean Ortalo-Magné added that business schools have a deeper responsibility to their students. “Are we as business schools willing to challenge some of the basics fundamentals of what we teach and [are we] willing to confront how is it that we shape those mindsets?” he asked.

Meanwhile, Dean Veloso highlighted the role that faculty can play in “advancing the idea of a more kind [and] regenerative approach towards business”. He cited the importance of the research that goes into business case studies in finance, strategy and operations, which allow students to confront the many ways to solve a problem with a built-in sustainability mindset.

Dean Veloso also stressed the importance of business in the struggle for climate leadership as it applies to the transition from fossil fuels to renewable energy. He said, “We cannot drive the climate transition without business being [involved because] of the scale of investment and change we need to [achieve]... Governments create the enabling conditions. But business needs to be at the table.”

In addressing the challenges of providing climate leadership, the Deans spoke about their goals vis-à-vis the BS4CL alliance. For instance, the eight member schools have enabled doctoral students to have open access to courses and research on sustainability.

Going forward, in 2025, the eight business schools will offer a “patch” to alumni as part of alumni reunions, whereby they will finally have the opportunity to learn or relearn new knowledge about sustainability. This initiative is designed to correct oversights in their previous education that may not have included sustainability in the curriculum. In so doing, the BS4CL alliance is shaping the future of education – past, present and future.

Climate Transition Dilemmas: Transitioning From Fossil Fuels to Renewables

- **Jean-Michel Gauthier**, Affiliate Professor, Executive Director of the Energy & Finance Chair, HEC Paris.
- **Felicity Tan**, Director, The Global Energy Alliance for People and Planet (GEAPP).
- **Hisham Uddin**, Head of Strategic Growth & Venture Capital, Sungrow Europe.
- **Stefanie Hauer**, Founder and Host, Planetary Business, Moderator.

Moderator Stefanie Hauer introduced the panel by stating that when she went to business school in the 1990s, sustainability was not taught. But in the 20 years since then, she has become passionate about the topic and is now an investor in nature-positive and circular businesses. Her motto is, “Act as if your life depends on it because it does.” Added Hauer, “I cannot tell my kids [that] I negotiated another three or four months of [a] good life for you, but then we will be doomed.”

Jean-Michel Gauthier began his comments by saying that the capital markets have more than sufficient funds to support the energy transition from fossil fuels to non-carbon fuels. On the other hand, carbon emissions are rising, especially in non- [OECD](#) countries. He urged policymakers in the European Union to stop subsidizing demand but instead to subsidize supply.



Explicit subsidies are when governments cut the price of petrol or coal for the end user. Implicit subsidies are when governments offer subsidies to farmers for the purchase of diesel fuel or offer subsidies to homeowners for the purchase of solar panels. He said the [explicit subsidies](#) came to \$1.2 trillion USD in 2022 and the implicit subsidies to \$7 trillion USD in 2023. Said Gauthier, “We should have given all that money to universities, to labs, to pilot plans, to... develop low-carbon technologies.”

Hisham Uddin ([Oxford Saïd Business School](#) alum) discussed the energy transition and cited a number of factors that need to be taken into consideration in the debate:

1. Energy sufficiency in Europe and energy poverty or insufficiency in non-OECD countries.
2. Hybridization.
3. New trading algorithms to show price signals to remind consumers when to use electricity.

Felicity Tan ([Oxford Saïd Business School](#) alum) discussed the role of the [Global Energy Alliance for People and Planet](#) (GEAPP), which was set up by the IKEA Foundation, the Rockefeller Foundation and the Bezos Earth Fund. As the former Associate Director of the Rockefeller Foundation, Tan also elaborated on the concept of catalytic capital, which is using philanthropic funding to mobilize private-sector financing.

GEAPP’s mission, she said, is to accelerate the green energy transition to end energy poverty across emerging economies. Too often, she said, policymakers are focused on decarbonizing developed economies while they overlook emerging markets which, because of their energy poverty, are massively investing in fossil fuels. By 2050, she said, 70 percent of all emissions will come from emerging markets unless significant action is taken now.

In conclusion, the panellists offered valuable insights to business leaders who will take responsibility for the net-zero transition. Carbon removal, nature restoration and circularity are key concepts for business leaders who want to stay within the planetary boundaries.

Climate Transition Dilemmas: Scaling New Solutions and Circular Economy Models

- [Alexander Palkovsky](#), Vice-President, Euro Lithium-Borates.
- [Larissa Sidarto](#), Commissioner, Green Rebel Foods.
- [Robert Witik](#), Cluster Head & Senior Analyst (Materials & Industrials), Robeco.
- [Christopher Caldwell](#), CEO, United Renewables, Moderator.

The second panel dealt with climate transition dilemmas from a solutions angle. Each of the panellists wrestled with the challenges of translating good ideas into concrete actions to help solve the many man-made problems. A move away from society’s dependence on fossil fuels, which holds back the transition to a net-zero environment, needs to consider the context in which the transition takes place.

Moderator Christopher Caldwell ([LBS](#) alum) began the discussion with a challenge: how to get people to broaden their focus from carbon alone. According to him, too many activists are overlooking the threats to nature and biodiversity loss. “We are fighting battles on many fronts, and there [are] many difficult trade-offs here,” he said. “We are out of easy wins.”

Robert Witik ([IMD](#) alum) discussed the complexity surrounding the circular economy and recycling. Some materials are far more difficult to recycle, he said, because they contain complex multi-layered properties. Packaging, for example, is often difficult to recycle. His advice was not to recycle at all costs. He also suggested that we need to develop ways to measure sustainability.

Larissa Sidarto ([Oxford Saïd Business School](#) alum) followed up on the question of recycling by suggesting that businesses need to manage their own waste and find solutions to improve their recycling processes. She cited the Indonesian plant-based food company she works for, Green Rebels. Green Rebels has empowered women and farmers by providing financial inclusion for smallholder farmers in over 700 villages in Indonesia.

Alexander Palkovsky ([IESE](#) alum) focused on the mining industry, where he has been employed for the previous five years. He said that the main danger is not in carbon emissions, which the industry has reduced, but instead in the dangers posed by mining’s waste product, which is called tailings. Finding safe storage facilities for the tailings is the challenge. Palkovsky also said that the mining industry has been too risk-averse in taking up innovative solutions. As a result, young people are disincentivized to join the sector. On the positive side, he said, many changes have taken place in the mining industry in the past 30 years and, going forward, mining will play a big role in the future.

In sum, the panel increased the ecological awareness of attendees to a wide range of renewable energy solutions, such as solar panels and energy storage. It offered examples of innovation solutions to intractable problems.

Tales From the Trenches: Careers With Impact

- [Robin Millington](#), CEO, Planet Tracker.
- [Gerhard Mulder](#), CEO & Founder, Climate Risk Services.
- [Gerrit Sindermann](#), Executive Director, Green Digital Finance Alliance (GDFA).
- [David Zorn](#), Head of Strategic Partnerships, Climeworks.
- [Rajarshi Ray](#), Climate Subject Matter Expert, SLB, Moderator.

In looking at the career opportunities opening up around climate leadership, the panel focused their attention on the global impact of the climate transition and the need to avoid siloed thinking. Indeed, several panellists centered their comments on the global innovations that have had or will have a positive impact on carbon removal and biodiversity.

In opening the panel discussion, Moderator Rajarshi Ray ([Oxford Saïd Business School](#) alum) recognized the award-winning research of [Planet Tracker](#) founder Robin Millington ([INSEAD](#)



alum), who won the [Sustainable Business Leader of the Year](#) prize in September 2023, which is awarded annually by the prestigious publication Environmental Finance.

Millington referred to a provocative song that captured some of the thinking 40 years earlier – Madonna’s hit single in 1984, *Material Girl*, which lays out the case for materialism. Since then, however, this narrow mindset has undergone a sea change. Now, our mindset is built on a nature-climate nexus, a complex topic full of trade-offs. Said Millington, “We are at an inflection point.”

As a key player in the investment community, Millington referred to a 2024 report called [Climate Meets Nature](#), which was commissioned by UBS in partnership with Planet Tracker. The report is designed for asset owners and individual companies that want to incorporate natural capital and biodiversity considerations into their investment decisions and engagement efforts.

Gerhard Mulder ([Oxford Saïd Business School](#) alum) said that the investment community has raised enough money and has developed the advanced technology to make a significant impact in the struggle against climate change. What is lacking, according to him, are new business models and finance tools.

Expressing optimism about future job prospects, Mulder said it will be graduates from the schools in the BS4CL alliance who will step into newly created climate-related jobs, and that they will make a big difference. However, Mulder stressed that we need to fundamentally redesign our whole economy in a paradigm shift. He referred to litigation against polluters, citing a climate lawsuit against the German energy company RWE. He then wrapped up his comments with a tribute to Pavan Sukhdev, who he described as a thought leader for inventing a toolkit that can be applied in the fight against biodiversity loss.

As the president of the Green Fintech Network, a multi-stakeholder association dedicated to nurturing the green digital finance ecosystem in Switzerland, Gerrit Sindermann ([IMD](#) alum) spoke about the need for business schools to bridge the skills gap. Said Sindermann, “We need more lateral education and awareness-building to sort topics around climate leadership.” Alumni first need to identify the problems and then find the money to solve them. He added that since banking has become more complex, investors need to be more collaborative and be able to work with a diverse range of institutions. He also said that investors need to scale up renewable energy sources, and cited Kenya as an example of country creating an ecosystem around renewable energy sources that industry can take advantage of.

David Zorn ([IESE](#) alum) recognized the immense opportunities for alumni to provide climate leadership. As an example of the kinds of opportunities on the horizon, he talked about his new venture, [Climeworks](#), which offers carbon removal as a service for businesses and individuals. For 14 years, Zorn had worked for IESE Business School, his most recent position being as the Executive Director of the Sustainable Leadership Initiative. In his new role as the Head of Strategic Partnerships at Climeworks, Zorn aims to help corporations achieve net zero.



In conclusion, the attendees learned that sustainability transformations are taking place across a diverse array of companies on a global scale. Alumni were made aware of the opportunities open to them as they apply for jobs that require profiles in climate leadership.

Conclusion

Creating leadership in the climate space is like running a marathon – it requires lots of endurance and continuous training. The eight leading European business schools that form the BS4CL alliance know that they will always have to run the extra mile to embed sustainability into their core curriculum. Keeping up with the pace of shifting sustainability frameworks and standards is a never-ending task.

To transform the BS4CL alliance into a more inclusive mission, the Deans have created a unifying mission around climate leadership, which stands well above schools' typical competitive conduct that can be exacerbated by the published rankings. In so doing, the schools involved have set a good example for other educational institutions in Europe. It is about training the future generation of business leaders equipped with a sustainability lens.

One of the key takeaways from this year's Forum is a three-point action plan that alumni can take back with them and implement in their own organizations. First, alumni need to pay attention to how companies talk about both climate change and biodiversity loss and how they measure their goals as they transition to net zero. Alumni need to listen carefully to the public discourse on achieving the triple bottom line and understand how organizations treat their stakeholders that supply the raw materials or final assembly for their products.

Second, alumni need to see through any corporate greenwashing that may obfuscate the reality of a complex supply chain. Can alumni distinguish the statements companies would like their stakeholders to believe from the actual toll on people and the planet? Are companies avoiding answering questions about the scope of their emissions? Alumni need to be ready to offer innovative ideas on how to help senior managers translate words into solid climate actions.

Third, when alumni see two choices side by side, one a quick win, the other an impact investment, they need to think about the real choices in the fight against climate change. It's between commercialism and competence. It's between playing a worn-out game that offers nothing new versus choosing the right trade-offs that can deliver net-zero energy transitions and reduce biodiversity loss. No matter what school alumni come from, that's an easy choice.

Alumni played a decisive role in the selection of the 25 speakers, five panels and a guest list of more than 100 alumni champions from the eight schools. Working together with the core BS4CL team, they united to achieve an urgently needed objective, maintaining and building upon a solid foundation for the alliance. That the Forum was a major success is down to their hard work, collaboration and underlying commitment to the cause of climate leadership. We want to extend our warmest gratitude to everyone who contributed to the Forum and those who attended it.



Other Resources:

For more Forum videos: [BS4CL YouTube Forum Playlist](#)

BS4CL Forum in the Press:

1. [BusinessBecause - INSEAD, HEC Paris Among 8 Top European Business Schools Gathering To Tackle Climate Crisis, by Matt Kefford, June 2024](#)
2. [BusinessBecause - Why Business Schools Are Collaborating On Society's Biggest Issue, by Matt Kefford, June 2024](#)
3. [Quacquarelli Symonds QS - Business education for change, by Niamh Ollerton, July 2024](#)

