

Reforming Business for Ecological and Human Flourishing

Edited by
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Corvinus Institute for Advanced Studies
Corvinus University of Budapest

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Preface

The new reality of the Anthropocene era calls for a radical rethinking of the role of business in society and nature. The currently dominating, extractive, shareholder-value maximizing way of doing business is certainly inadequate in our era. We should search for planet positive approaches which focus primarily on human wellbeing creation and ecological regeneration.

In response to this challenge, in July 6–10, 2026, the Business Ethics Center organized an international summer course on *Planet Positive Entrepreneurship: New Business Models for Ecological & Human Flourishing* at the Corvinus University of Budapest. During the summer course, the Corvinus Institute for Advanced Studies organized an international workshop entitled *Reforming Business for Saving the Planet*.

This booklet collects the edited version of the main presentations of the workshop and the summer course. Its contains papers by *Paul Polman* (Former CEO of Unilever & Founder of the Net Positive Movement), *Eleanor O'Higgins* (University College Dublin & London School of Economics), *Paul Shrivastava* (Pennsylvania State University & The Club of Rome), *Laszlo Zsolnai* (Corvinus University of Budapest & University of Oxford), *Mike Thompson* (Former Director of Wise Governance at Anthesis Group, London), and *Thomas Walker* (Concordia University, Montreal & Queen's University, Kingston).

We hope that the ideas presented in this booklet will catalyze rethinking the duties and responsibilities of business in the Anthropocene era for creating a planet positive future.

August 30, 2026

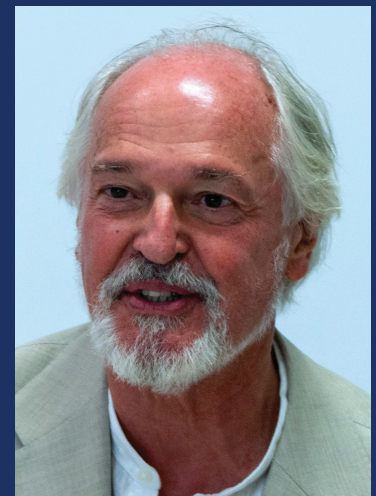
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Paul Polman is an internationally recognized leader in sustainable business and a co-architect of the UN Sustainable Development Goals. As CEO of Unilever (2008–2019), he proved that purpose-driven strategies deliver exceptional results. Through board roles, impact investments, and his bestselling book *Net Positive* (2021, Harvard Business Review Press), Paul Polman continues to inspire responsible leadership and drive global progress towards a sustainable future. Thinkers50 named Paul Polman and his co-author Andrew Winston 1st in its 2025 Ranking, recognizing their lasting influence on business and management. His website is <https://www.paulpolman.com/>





Paul Shrivastava is Professor of Management at the Smeal College of Business of Pennsylvania State University and serves as Co-President of The Club of Rome. Previously, he was Executive Director of the Future Earth and Director of the David O'Brien Center for Sustainable Enterprise at Concordia University in Montreal. He is a world-renowned expert in corporate sustainability. He published more than three hundred scientific papers. Paul Shrivastava is an Honorary Doctor & Professor of Corvinus University of Budapest. His most recent books include *Value Creation for a Sustainable World: Innovating for Ecological Regeneration and Human Flourishing* (2023, Palgrave Macmillan), *Sustainable Universities and Colleges: Sustainability Advances in Institutions of Higher Education* (2024, Edward Elgar), *Sustainability Transformation of Higher Education Institutions: A Relationship Quality Management Perspective* (2026, Palgrave Macmillan).

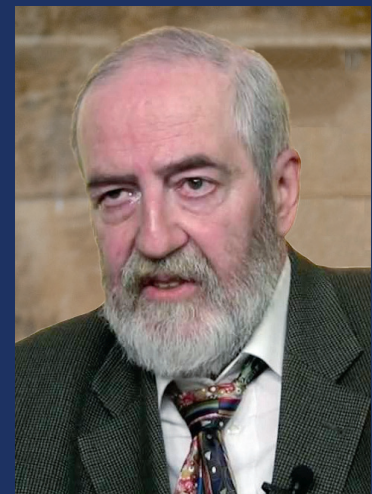


Mike Thompson is Co-Founder of the Impact Hub London. He was Director of Ethics for Anthesis, the global sustainability consultancy, in London. He served as Adjunct Professor at the Gustavson School of Business, University of Victoria, and was Professor of Management Practice at the China Europe International Business School (CEIBS) in Shanghai. His teaching and research focus on sustainability innovation, entrepreneurship, wise leadership, and corporate governance. His publications include *Wise Management in Organizational Complexity* (2013, Palgrave Macmillan), and *Suited Monk Leadership: Leading with Wisdom and Purpose in a Complex and Uncertain World* (2014, WOW Books).

Thomas Walker is Professor of Finance and Director of the Jacques Ménard – BMO Centre for Capital Markets at Concordia University, Montreal, and Director for Special Projects, Institute for Sustainable Finance, Queen's University, Kingston. His expertise includes risk management, corporate governance, securities litigation and regulation, sustainability and climate change, banking, initial public offerings, insider trading, institutional ownership, and venture capital. His most recent books include *Sustainable Tourism: Frameworks, Practices, and Innovative Solutions* (2024, Palgrave Macmillan), *Artificial Intelligence, Finance, and Sustainability: Economic, Ecological, and Ethical Implications* (2024, Springer), and *The Palgrave Handbook of Sustainable Finance* (2026, Palgrave Macmillan).



Laszlo Zsolnai is Professor and Director of the Business Ethics Center of Corvinus University of Budapest. He is President of European SPES Institute in Leuven, Belgium, and Associate Member of Blackfriars Hall, University of Oxford in the UK. Laszlo Zsolnai's research field includes business ethics, sustainability management, and spirituality in economics and business. He published thirty-five books and more than three hundred papers. His most recent books include *Homo Curator: Towards the Ethics of Consumption* (2024, Springer), *Spirituality and Business in the Anthropocene* (2025, Palgrave Macmillan), and *Planet Positive Economy: Ethical, Spiritual, and Methodological Foundations* (2026, Springer). His academic website is <http://laszlo-zsolnai.com/>.



Paul Polman

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From Less Bad to Net Positive: Why Business Has No More Room to Cherry-Pick

I've had, by most measures, a fairly ordinary career: twenty-seven years at Procter & Gamble, ultimately running its European business; three years at Nestlé, first as CFO and then responsible for the Americas; and ten years as global CEO of Unilever. Since then, I've been 100% focused on where I think I can make a difference.

That work now sits on three legs: (1) collective action—bringing industries together to move faster than any one of them could alone; (2) making sure capital flows in the right direction—multilateral finance, private equity, everything in between—flowing toward impact rather than away from it; and (3) leadership development, because none of the above works without better leaders, and we don't yet have enough of them.

“We built an economic system that quietly destroys the very foundations it depends on.”

The uncomfortable starting point

We are not doing well as stewards of this ship called Mother Earth. In the last 50 years, wildlife populations tracked by the Living Planet Index have fallen by an average of 73%—not only species gone extinct, but a collapse in abundance across the animals we do still have. The Stockholm Resilience Centre’s latest Planetary Health Check confirms we have now transgressed seven of the nine planetary boundaries that define a safe operating space for life on Earth, including, for the first time, ocean acidification. Only ozone depletion and aerosol loading remain within safe limits.

And this isn’t only an ecological reckoning. We still live in a world where well over a billion people lack access to clean water and sanitation, where hundreds of millions go to bed hungry not knowing if they’ll eat tomorrow, and where tens of millions of children are shut out of school entirely. If the world doesn’t work for all people, it will not function—and we are watching that play out in the erosion of democratic institutions in country after country, and increased conflicts and wars globally.

Why “less bad” doesn’t cut it anymore

Simon Kuznets, who effectively invented GDP at the end of the Second World War, warned us not to mistake it for a measure of wellbeing—it doesn’t count inequality, it doesn’t count finite resources, it doesn’t count what we actually value. We built an economic system on that flawed proxy, and the result is an economy that quietly destroys the very foundations it depends on. Basically letting the private sector keep the upside and push the externalities onto society.

For years, the best companies have congratulated them-selves for being less bad—a little less carbon, a little less waste, a little less deforestation. When you’ve overshoot planetary boundaries this badly, less bad is no longer a credible strategy. The shift has to be to regenerative, restorative, reparative business models: As we explain in the book Net positive “how courageous companies strive by giving more than they take”, profit that comes from solving the world’s problems, not from creating them.

Two questions cut through the noise faster than any framework: How does this business profit from solving the world’s problems rather than causing them? And is the world genuinely better off with us in it? Most leadership teams have never honestly dealt with either question.

This isn’t wishful thinking either. We are already moving towards a more sustainable world. Leading companies are able to translate this into significant value creation. Clean energy investment is now running at roughly \$2.2 trillion a year globally—nearly double the levels still going into oil, gas, and coal, according to the IEA’s most recent figures. Even traditionally conservative energy states in the US have become leaders in the buildout. Electric vehicle sales continue to accelerate, not retreat, as the technology, the economics, and increasingly the security case all point the same direction. And companies that lead on sustainability are, on average, outperforming their peers—not despite the transition, but because of it.

“The shift has to be to regenerative, restorative, reparative business models.”

“Treat any negative impact as a cost that compounds if left unaddressed.”

Cooperative leadership, not competitive leadership

Most of us were trained in business schools that treat markets as zero-sum: you win because someone else loses. The problems in front of us now—plastics in the ocean, climate change, deforestation, human rights in supply chains—cannot be solved that way. They require cooperative leadership: competitors working together at the pace and scale the problem demands, not the pace their rivalry allows.

COVID gave us a preview of what this looks like under pressure. Companies built around short-term shareholder returns had no financial reserves nor trust with suppliers or employees, were over-leveraged, and in many cases needed bailing out. Companies built around multi-stake-holder longer term focus, grounded in a strong purpose had already built resilience and came through stronger. Leadership followed the same pattern: the leaders who showed empathy, compassion, and a genuinely multi-generational view of the business earned trust and kept their organizations more engaged, in the moment it mattered most.

What this means for you, right now? How to truly become Net Positive as a company?

Take responsibility for your total business impact—not the parts that are easy to talk about or understand direct control only. Measure where your impact actually comes from, positive and negative, and treat any negative impact as a cost that compounds if left unaddressed. Set clear targets based on science. Be consistent: you cannot cherry-pick the wins and stay quiet about the rest. And recognize that no single company, sector, or government solves this alone—it takes private sector,

civil society, government, and academia moving together. Form the broader partnerships proactively.

The next ten years will not be easy, and false optimism is its own kind of danger—it leads people to underreact. But the acceleration in clean technology, the hard evidence that sustainable business models outperform, and the leaders already proving cooperative models work under pressure all say the same thing: The evidence for the need to move is there and so is the awareness. We have the tools and in most cases the financial means.

What's missing is the will to use them at the scale and speed required. That's leadership. Ultimately putting yourself to the serve of others knowing that by doing so you are better off yourself as well.

We owe it to the vast majority of the world's people still waiting for the system to work for them—dignity and respect, equity, and compassion are universal values to pursue. And a fair shot are not optional extras to the Sustainable Development Goals, they are the point of them. None of us needs to wait for permission from the top. Each of us has a circle of influence we can expand today. What it takes?

Less bad. More regenerative. Less short-term. More multi-generational. Less competition. More collective action. We all have a role to play and need to rise to the challenge. Silence or sitting on the bleachers is not an option anymore. For the ones who were still in doubt, it's now cheaper to save the world than to destroy it.

“It is now cheaper to save the world than to destroy it.”

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Business and the Sustainable Development Goals

In line with the theme of this workshop, “Reforming business for human flourishing”, I outline how business can play a part in the implementation of the United Nations Sustainable Development Goals (UN SDGs), thereby fostering value creation for the planet. Central to this value creation through business and the SDGs is the idea of a social contract. My presentation is based, to an extent, on a chapter (Donoghue & O'Higgins, 2023) in a book edited by Laszlo Zsolnai, Thomas Walker, and Paul Srivastava on *Value Creation for a Sustainable World*. I co-wrote the chapter with David Donoghue, who was the Irish ambassador to the UN when the SDGs were created. David was the co-facilitator, along with his Kenyan counterpart, for the UN negotiations which in 2015, delivered the agreement of all 193 member states for the SDGs and the wider 2030 Agenda on Sustainable Development.

There are 17 SDGs (*Figure 1*) and 169 associated targets. It is important to note that the SDGs are interconnected, in that they cannot be fulfilled in isolation from each other. For example, SDG 4 Quality Education can only be achieved if SDG 1 No Poverty exists. If anybody feels discouraged by what is happening geopolitically these days, it is encouraging to see how, in fact, the SDGs,

although they will not be achieved by 2030 by any country, are certainly far from dead. The foremost idea is that the SDGs leave no one behind and that there is an effort to focus on the poorest and most vulnerable, not only in the countries and regions of the world, but also within societies. So, building back better is the priority.

Figure 1

The Sustainable Development Goals



Source: <https://sdgs.un.org>

However, there are some reports, for example, by the World Bank (2026) and by the UN (2025) that have declared that there are substantial headwinds facing emerging markets and developing economies (EMDEs), including increased trade tensions, subdued foreign direct investment (FDI), and the need for structural reforms to boost job creation. They emphasise that progress in building human capital (health, skills, and knowledge) has slowed or declined, hindering long-term economic growth and poverty reduction. Implementing the SDGs has slowed, as has world development, whilst

some countries, like the USA, have pulled back from the SDGs. Generally, there has been an alarming rate of deceleration in global development, with widening inequalities between rich and poor countries.

The role of business

The role of the business sector in countering the global interrelated negative events—the slowing rate of human development, and speeding rate of geopolitical and climate crises—is more important than ever. The medium of the SDGs is a means for business to play its part, not only in countering the negativity, but rather to emphasize positivity, to promote human flourishing. Businesses are encouraged to align their operations with the SDGs, not only for ethical reasons, but also for long-term profitability, access to new markets and enhanced reputation. Companies that integrate SDGs into their strategies can create value inside and out by addressing global challenges, improving stakeholder trust, and fostering innovation.

The UN Global Compact for business, launched in 2000, with 44 corporate members, provides a platform for businesses to commit to ten principles in human rights, labour, environment and anti-corruption, and to report progress annually. Adherence to the Compact's ten principles means that these companies are aligning their day-to-day activities with the SDGs. The Compact, whose membership is steadily expanding with over 20,000 corporate members in 2026, entails companies that integrate SDGs into their strategies, so they can create value by addressing global challenges, improving stakeholder trust, and fostering innovation. A Global Compact Network UK 2026 SDG Roadshow demonstrates how embedding the SDGs at a regional level can strengthen supply chains, unlock investment

“Companies that integrate SDGs can create value by addressing global challenges, improving stakeholder trust, and fostering innovation.”

opportunities, and build trust with communities, customers, and policy makers.

A new social contract

My focus is on the social contract which has been broken, as described in the reported adverse occurrences above. Reversing this damage and creating positivity demands unbreaking the broken social contract, and the SDGs implementation can be seen as a methodology for doing that.

So, firstly, what is meant by a social contract and how is it broken and unbroken? Adam Smith talks about sharing a moral framework. Capitalism rests on a moral framework, really a social contract. So the social contract is an implicit agreement among members of society to voluntarily accept obligations and responsibility among themselves, implying rights and benefits to others.

The social contract relies on trust, because if you cannot trust, you have to be dependent on constant surveillance, checking that others are fulfilling their end of the contract. How does trust work? We trust those we consider to be trustworthy. We trust people because we see how they have behaved in the past, so we make ourselves vulnerable to people we trust. We trust that they won't cheat on us, that they will fulfil their side of the bargain. We trust everybody to obey the law, but it is much deeper than that.

Trustworthiness is comprised of three elements—ability, benevolence and integrity. The ability dimension means that those we trust possess the competences to carry out tasks and procedures on which we depend. So confidence is one aspect of this. Benevolence means that they really want to do it. The trustee is believed

“Unbreaking
the broken
social contract.”

to want to do good to the truster, incorporating the issue of intention. They want to help, they want to be engaged. And finally, integrity—we trust their integrity, the perception that the trustee adheres to a set of principles that the truster finds desirable. Signals of integrity are past actions, opinions of other parties, a belief that the trustee has a strong sense of justice, and congruency between the trustee's actions and words.

A virtuous cycle between trust and positive impact, is at the heart of any meaningful social contract. Genuine trust is most likely when companies have an inside-out focus, as they try to ensure that their impact on the world is positive with respect to planet and people. The new SDG framework was rooted in a strong sense of global solidarity and interdependence in 2015, as all countries, developed and developing alike, took on these global challenges together and in a spirit of mutual encouragement and support.

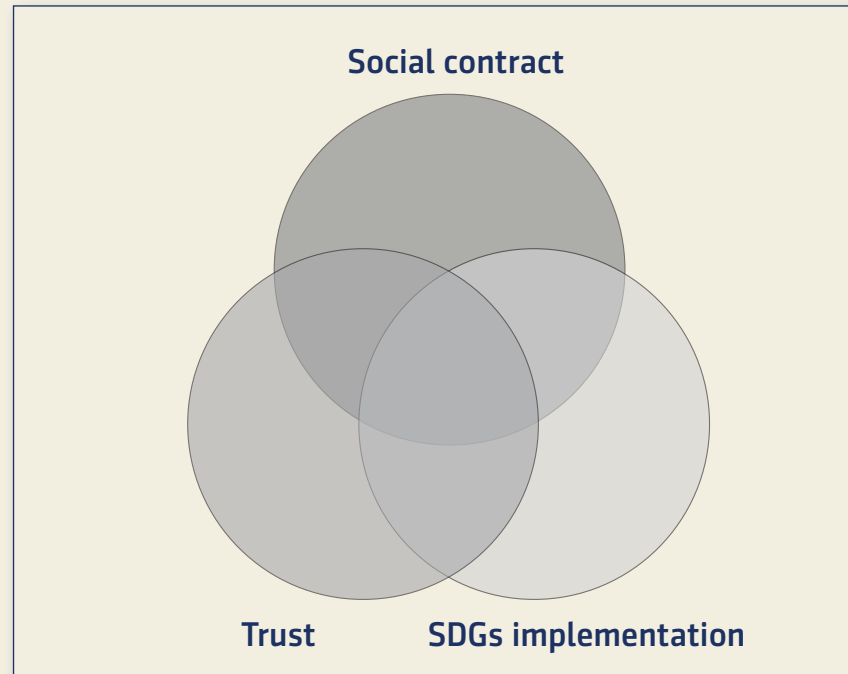
Figure 2 shows a virtuous cycle with the interlocking elements of a social contract, trust and SDG implementation, illustrating how the three elements can work together in an Engaged Company context to create value for the world. There is an overlapping area between the social contract and the conventions we all adhere to in the social contract, and trust and the SDGs implementation and the way companies fulfill them with in a trustworthy way, within a social contract.

“Genuine trust is most likely when companies try to ensure that their impact on the world is positive with respect to planet and people.”

“In an Engaged Company ... creating value and a positive planet is totally consistent with conducting a successful enterprise,”

Figure 2

Social contract, trust and SDGs implementation in engaged companies



Source: Author's own creation.

Essentially we are talking about a new business model whereby the SDGs are embedded in culture, leadership, an inherent way of doing business. Thus, in an Engaged Company the attitude is not an either you make money or you do good. Rather, it is that creating value and a positive planet is totally consistent with conducting a successful enterprise, especially if you are looking at the long term, rather than just quarterly earnings. In this model, embedding the SDGs in companies can be an inherent way of doing business. It is not tacking the SDGs on. It is part-and-parcel of the way companies behave.

I have talked about geopolitical difficulties and a broken social contract that need to be unbroken. Reports agree that the 2030 SDG targets will not be achieved. Younger people have certainly lost trust in the system. There is a lot of cynicism, and inequalities are very glaring. The SpaceX valuation, at one point before just before its

stock market launch by the richest man in the world, was worth 2 trillion-plus, which is just so out of sight, you can't even conceive of it. This is despite SpaceX's lowest possible ESG rating. This is primarily due to its faulty governance, dictated by its largest dominant shareholder, surely a cause of untrustworthiness?

The idea now is to unbreak a broken social contract. AI has been suggested as a means of helping to unbreak the social contract and embed the SDGs. But then, there is mistrust of AI with respect to insufficient security and regulation, as spelled out by the Boston Global Forum (BGF) <https://bostonglobalforum.org/>. BGF develops models, ethical frameworks, and international laws for artificial intelligence through the AI World Society (AIWS). Above all, AIWS demands human trust and the human person to be in command. <https://aiws.net/aiws-history-of-ai/the-history-of-ai/aiws-house/the-boston-commitment-a-historic-call-at-a-defining-moment-for-humanity/>. So, are we back to a social contract?

Business case examples of social contract enhancement via SDG implementation

There are numerous business case examples of SDG implementation and enhancing a social contract. Examples range from micro-projects such as the Making a Difference (MAD) project at University College Dublin (UCD) on a Project Management Course whose major activity is enacting SDGs, to large-scale examples such as the SDG Cities Global Initiative (<https://www.sdg-cities.org/>).

I would like to mention Devenish, which is an Irish company headquartered in Northern Ireland. It is a global agri-technological company, specializing in soil

“There are numerous business case examples of SDG implementation and enhancing a social contract.”

“Devenish works on sustainable agriculture and on promoting human health through nutrition.”

regeneration (Devenish, 2026). Devenish has managed to make cattle and agriculture carbon neutral. It has worked all across the world, on every continent, to make agriculture more soil regenerative, one of its significant achievements. In the course of writing our chapter (Donoghue & O'Higgins, 2023), David and I went to visit one of their farms in Ireland. It was a very interesting and enlightening experience. We learned that in 2018, through archaeological research carried out jointly by Devenish and the School of Archaeology at UCD, a new and significant passage tomb cemetery dating back some 5,500 years was discovered on Devenish land. Devenish is now playing an active part in preserving the site. Owen Brennan, Executive Chairman of Devenish said: “Devenish invested in this farm at Dowth because of its fertile soil, its location beside the Boyne, and its beautiful landscape. From our archaeological research, it seems we made the same decision for the same reasons as a long line of our farming colleagues from the Neolithic, the Bronze Age, medieval, and more recent times. The monuments here, created by some of Ireland’s first farmers, capture our imaginations and those of our visitors to the Devenish Lands of Dowth. It is an inspirational landscape to showcase Devenish’s work on sustainable agriculture and promoting human health through nutrition. It is hugely valuable, and indeed core to our company’s science-based ethos, that we preserve and protect this major heritage site for future generations.”

The conclusions we draw from examples are that they create trust that had been lost, that there is something good going on. I just want to say one word about the MAD project at University College Dublin. This student-led project thinks of initiatives that would fulfill some of the SDGs. The students were so engaged with the SDGs that they said it made a difference to their whole career aspirations. So sometimes, doing things helps

to engage the person to do more things, creating a virtuous cycle, the self-reinforcing triad of trust. It is important to be constantly aware that the conditions for trust and a social contract have to be created and reinforced over and over again.

To conclude on some positive notes, the energy shocks we have had in Europe have incentivized more production of green energy and a drive for self-reliance.

It is very interesting that Michael Bloomberg, owner of a private American financial, software, data, and media company, Bloomberg, has pledged \$300 million to help the renewable energy industry counter the oil lobby.

There have been some conversations encouraging degrowth to save our planet, but perhaps we should not give up on growth, especially in deprived and developing regions, as a tight connection between growth in GDP per capita and reduction in poverty has been found, thus relating to progress on SDGs.

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“The conditions for trust and a social contract have to be created and reinforced over and over again.”

Paul Shrivastava

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Planet Positive and Peaceful Sustainability Beyond 2030

The concept of “sustainability” that we have inherited over the past half-century is woefully inadequate to deal with the challenges of the coming decades. So this paper examines what sustainability should be in the future. By “future” we mean post-2030, the decades of the 2030s and 2040s.

2030 is the threshold year for achieving the UN-sponsored Sustainable Development Goals (SDGs) agreed to by all 193 of its member countries. Despite great efforts by many nations, we will not achieve many of these goals. With a few exceptions, most countries still lag behind their own self-imposed targets and indicators on most of the SDGs. A lot more needs to be done. And post-2030, the world will still be working on them.

In the world of sustainability, a current debate is emerging about how to conceptualize sustainability beyond 2030. Sustainable Development Goals are assessed every three years. A High Level Summit meeting of the Heads of States will occur in September 2027. They will review and debate Global Sustainable Development Report 2027, which will be the last report before 2030. *Dr Phoebe Koundouri*, the Co-Chair of the scientific committee preparing this report, invited

“Businesses, industry, and technology will be important factors in the task of rebalancing the human-nature relationships.”

The Club of Rome to provide inputs to the report on our thinking about sustainability beyond 2030.

The discourse on “sustainability beyond 2030” is rather preliminary and tentative. We will examine the initial preconditions of global sustainability as we enter this period by doing a reality check. We will look at some salient trends that will most impact sustainability. Then we propose the concept of “planetary peace” as a necessary pillar of sustainability beyond 2030.

Past ideas of sustainability have emphasized “human-nature balance” as a core aspect of sustainability. The report *Our Common Future*, led by Gro Brundtland (1987), proposed the core idea of sustainability as development that meets our needs without jeopardizing the ability of future generations to meet their needs. Since then, human population has continued to increase reaching, 8.6 billion and is expected to plateau and decline in the next two decades. In many places, nature is already so degraded that it cannot support life. We are breaching planetary boundaries. There is an imbalance between humans and nature. Businesses, industry, and technology will be important factors in the task of rebalancing the human-nature relationships.

Four major reports on sustainability

There are four recent reports that are pertinent to imagining sustainability beyond 2030. The report on *Roadmap for Eradicating Poverty Beyond Growth* (Schutter & Galan, 2026) suggests that we need to make a decisive shift away from growth-dependent sustainable development. They point out that economic growth and sustainable development are not the same thing and are not even mutually compatible. In fact,

the more we grow economically, the more we likely decrease overall sustainability, because thermodynamically speaking, we are extracting more resources out of the Earth, and prolonged extraction leads to the collapse of the ecosystem. The report makes a compelling case that we need new kinds of economies that are built around human dignity. They call for “human dignity economies,” which seek a better human-nature balance on the one hand, but are also inclusive of everyone and seek to eradicate poverty and vulnerability.

The second report is a more technical, methodological one, called *Counting What Counts: A Compass of Progress for People and Planet* (UN, 2026). In the report, a high-level group of economists led by Kaushik Basu, Nora Lustig, and the Nobel Prize winner Joseph Stiglitz, argue that GDP is not a measure of sustainability. It is not even a measure of economic well-being. We need a good dashboard to capture economic and social wellbeing and sustainability, which includes human health, planetary health, and equality. So, we need completely new measures. The report was adopted by the United Nations. It will shape the future measurement of sustainable development broadly in the coming decades.

The third report is by Lukas Chancel and Thomas Piketty group at the World Inequality Lab, called *Global Justice Report* (Chancel *et al.*, 2026). This report argues for development and equality within planetary habitability. And it explores conditions under which the world could move towards economic and ecological sustainability between 2026 and 2100. Its key message is that it is possible, but we will need to pursue immediate decarbonization. Our energy systems should shift towards sufficiency. Also, a drastic reduction in wealth inequality is necessary.

“In fact, the more we grow economically, the more we likely decrease overall sustainability.”

“Sustainability is not about making marginal improvements. It is about structurally changing the global economy.”

All these reports are consistent with our work at The Club of Rome over several decades. In our *Limits to Growth* report (Meadows *et al.*, 1972) and in our more recent *Earth for All* report (Dixson-Decleve *et al.*, 2022), we have argued for a transition towards sustainability via five transitions. Transition of energy systems, food systems, empowerment of women, reduction of inequality, and elimination of poverty. Humankind will not become sustainable unless we make these structural changes. Sustainability is not about making marginal improvements. It is about structurally changing the global economy.

The kind of development that has emerged in the 20th century is not sustainable ecologically and it is not sustainable socially, so we need to delink the idea of sustainability from economic growth. With this background, the next Global Sustainable Development Report in 2027 will address how to design future sustainability.

Some important trends to consider

In this section, we now turn to the context in which sustainability would be implemented in the coming decades. The first major trend is Artificial Intelligence (AI). AI is disrupting the global economy and global society. It is all-encompassing, it is everywhere, and it especially impacts economic and ecological variables. We need to understand its implications for sustainability. By 2035, there could be more robots and AI agents doing the work of humans than the total human population. And virtually every sector of the economy will be affected by it. It will cause seismic shifts in every aspect of our economy. We are already seeing trillion-dollar IPOs of AI companies. SpaceX's

IPO this year instantly created 5,000 millionaires, a dozen billionaires, and even one trillionaire. And there are several trillion-dollar IPOs in the pipeline in 2026. AI is changing finance in fundamental ways because there is no finance theory nor any finance models that can justify a trillion-dollar IPO of the kind that just happened with SpaceX. The price-earnings ratios being attributed to AI companies are in ranges never imagined or practically feasible before. A company could not earn that much money under normal assumptions.

The second trend we will witness in the next two decades is more wars and more conflicts in the world. We are already in the midst of major wars in Iran and Gaza, in Ukraine, and in Somalia; there are three nuclear nations involved in these wars. There are 110 other armed conflicts that are active in 2026. And this trend is going to get worse. The United States had a defense budget of \$800 billion in 2023. For 2027, the US Department of War is requesting \$1.5 trillion. The US is forcing NATO to take responsibility for its own defense, according to Trump, and asking them to allocate 5% of their national GDP to defense. China has already reacted to the 2026 budget rise in the US, and increased its defense spending by 7% and India by 6.5%. By 2030, the global expenditure on war (defense) will be double of what it was in 2020. This huge fiscal shift to war, defense, armament, and military spending comes at the cost cutbacks in social, ecological, and health expenditures. It will lead to many more weapons on the streets or in the hands of generals, leading to more wars. So expect the number of wars to continue to rise, and the world will face greater insecurity.

The third likely trend of the coming decades is the climate tipping points. Science has been warning us about climate tipping points for at least two

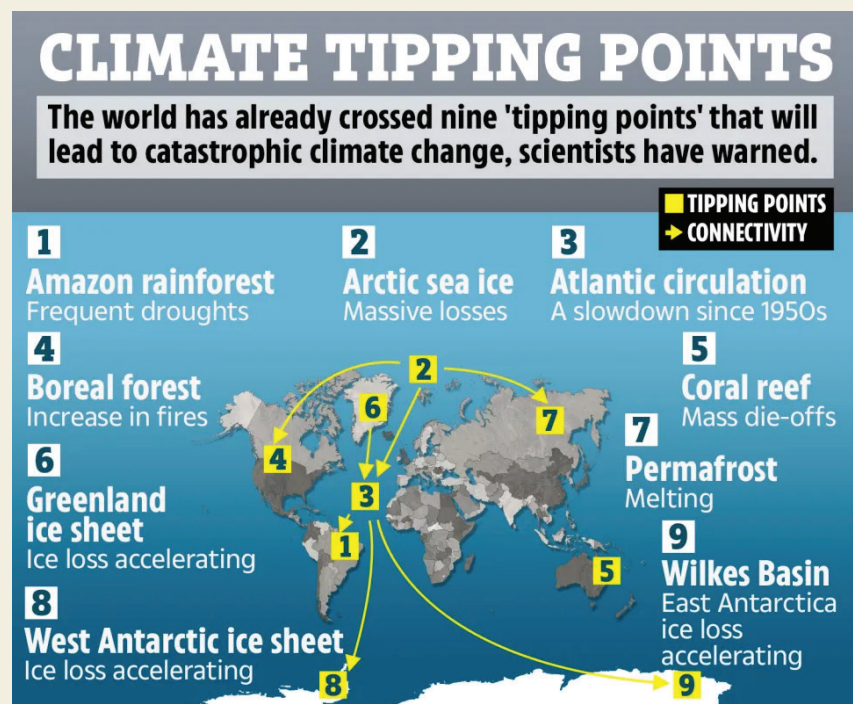
“Huge fiscal shift to war, defense, armament, and military spending comes at the cost cutbacks in social, ecological, and health expenditures.”

“In the next two decades we are sure to witness at least one of the 15 “climate tipping points” that science has been warning about.”

decades. There are several ecosystems that are being destabilized. In the decades beyond 2030, ecosystem collapse risks will shift dramatically in quality. Past decades saw the steady erosion of ecosystems (forests, marine, carbon, etc.) to the point of collapse on local and regional scales. In the next two decades, we are sure to witness at least one of the 15 “climate tipping points” that science has been warning about. (Figure 1) And we know that these systems are interconnected. Many SDGs depend on the stability of the environmental ecosystem. Avoiding their collapse is a fundamental necessity. So, our focus must shift from individual ecosystem collapse to the simultaneous stability of all systems at the planetary scale.

Figure 1

Climate tipping points



Source: Forum IAS (2022).

The world's political, economic, and fiscal attention and multilateral capacity are being structurally diverted away from the SDGs, at the moment they are most needed.

Sustainability beyond 2030 and planetary peace

We propose planetary peace as an important pillar of sustainable development post 2030. Sustainability must strive towards “regenerative,” life-enhancing (non-extractive, non-exploitative) “development” for flourishing of all—working towards the goal of “eco-civilization.”

Based on The Club of Rome paper (Shrivastava, Alvarez-Periera & Mairlot, 2025), we define “planetary peace” as a system of peace within oneself, peace with others, and peace with nature. Peace is a systems concept and process. All systems of life, and particularly food systems, energy systems, financial & economic systems, health-care systems, educational systems, transportation systems, etc., need to be oriented towards peace.

Peace is a “design variable” largely ignored in past systems designs so that our current systems are literally designed on destroying life rather than regenerating life. For example, our food systems built on industrial agriculture kill the soil, kill 80 billion animals a year, destroy rainforests, and acidify our oceans.

Our energy system, largely based on fossil energy, extracts or mines fossil resources from the earth, destroying huge ecosystems of life and biodiversity. These and other systems need to be redesigned to reverse their relationship with planetary life and to become regenerative.

The goal for all this is building a Peaceful and Sustainable Human-Earth relationships, that we call *Eco-Civilization*. There are many conceptions of ecocivilization throughout history, in various cultures, and in indigenous wisdom traditions. Members of The Club of Rome have been working on elements of ecocivilization for the past five decades. The report *Limits to*

“Peace is a “design variable” largely ignored in past systems designs so that our current systems are literally designed on destroying life rather than regenerating life.”

“We advocate for integrating the “peace-security-development nexus” into sustainability beyond 2030.”

Growth pointed to the problems of continuing on non-ecological trajectories in 1972. Our member Mathis Waekernagel invented the “eco-footprint” concept to measure the ecological impacts of human activities. Our member Robert Costanza initiated the field of ecological economics. Our *Earth for All* report (Dixson-Decleve *et al.*, 2022) describes the five economic transitions towards wellbeing of all on a healthy planet. The book on *Ecocivilization* by Jeremy Lent (2026) lays out a synthesis of ecocivilizational thinking.

We are not alone in this call. China implemented its ecocivilization economic policy in 2013 and is progressing steadily in this direction. The Wellbeing Economy Alliance (2026) and many other partners are also moving along this path.

In conclusion

We advocate for integrating the “peace-security-development nexus” into sustainability beyond 2030. The *Pact for the Future* (UN, 2024) and *A New Agenda for Peace* (UN, 2023) recognise the interdependence of peace, development, and human rights, but the sustainability field as a whole has not yet treated growing conflicts and rising militarisation as sustainability variables.

We advocate against allocating larger fiscal space towards defense expenditures. We advocate against the suspension of arms control and the diversion of scientific capacity into autonomous weapons research.

We advocate for a systems approach that reshapes each system towards regenerativity. In designing systems, we need to consider what each system is contributing to life, how it is regenerating life, or destroying it. That’s a very different way of thinking about design

of systems. Of course, we need to also consider many additional design variables, including financial viability and the impacts on people, inclusiveness, etc. But we at The Club of Rome want to put peace and nonviolence as a central issue for sustainability.

The Club of Rome organized regional conferences in September 2025 in Belgrade, in November 2025 in Shanghai, in October 2026 in Ningbo, and in November 2026 in Bucharest, where we explored different regional elements for molding a peaceful sustainability agenda.

What does this mean for business? Because business is implicated in every aspect of sustainability, the involvement of business is indispensable. Business is the engine that creates wealth in society. We are looking for structural re-adjustments. This is probably the last chance humanity has for designing an economy that is consistent with its own aspirations and the ability of Earth systems to support it. It is possible for us to imagine peaceful sustainability as the principle around which human and nature's well-being is created.

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The Idea of Planet Positivity

I focus on the concept of “planet positivity.” But first of all, I emphasize that the planet is not nature alone. The planet is humanity and nature together.

I would like to refer to *Mihaly Vorosmarty*, the great 19th-century Hungarian poet. He was a deep, visionary thinker. Almost 200 years ago, he envisioned the destruction of the Earth by Man. In his poem “On mankind,” he famously said, “Man pains the Earth.” This is where we are now.

My book on *Planet Positive Economy* (Zsolnai, 2026) was published in New York in May 2026. The subtitle of the book is interesting: *Ethical, Spiritual, and Methodological Foundations*. I agree that we need a mindset change in order to survive the current ecological crisis. But I am more interested in the ethical, spiritual, and the the methodological foundations of this mindset change.

In a famous cartoon, there is an American \$1 bank-note. (*Figure 1*) In the original format, as everybody knows, it is written: “In God we trust.” That was true some 250 years ago. In today’s reality, it is much more adequate to say “In Greed with trust.” This shift from God to Greed nicely captures the essence of the development of business and the economy in the last two centuries.

“Mainstream businesses use money-driven, extrinsic motivation and measure success in monetary terms.”

Figure 1

US Dollar banknote modified



Source: Stopthisthings (2013) <https://stopthesethings.com/2013/02/05/as-always-money-and-power-is-in-the-hands-of-corporate-wind/in-greed-we-trust/>

Scientifically speaking, we can say that mainstream businesses use money-driven, extrinsic motivation and measure success in monetary terms, mostly by profit and shareholder value. Most of the problems come from here.

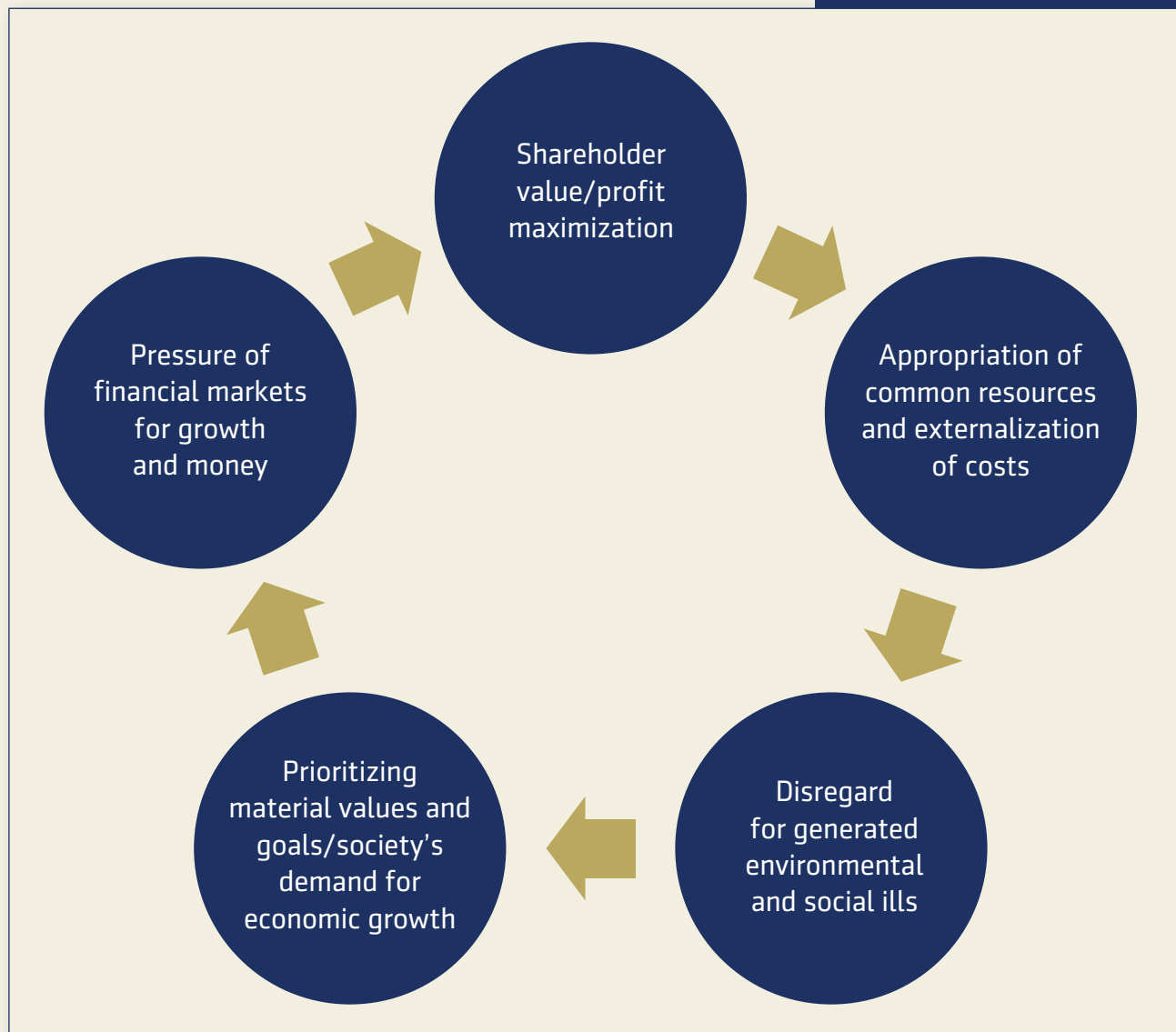
I elaborated the vicious circle of corporate malfunctioning in my book on *Planet Positive Economy* (Zsolnai, 2026). Corporate malfunctioning forms a vicious circle in which the different elements intensify and aggravate one another, leading inexorably to a worsening of the situation.

The vicious circle starts with shareholder value or profit maximization as the primary goal of corporate functioning. This leads to appropriation of common resources and externalization of costs (Marquis, 2024). Then mainstream corporations disregard for the generated environmental and social ills. As a response,

society demands more economic growth, which forces mainstream corporations to prioritize material values and goals. The circle is closed by the pressure of the financial market on corporations for further growth and money. (Figure 2)

Figure 2

The vicious circle of corporate misfunctioning



Source: Zsolnai, 2026, p. 62.

In his famous poem “Jerusalem,” the great English poet, *William Blake*, introduced the term “dark satanic mills.” This metaphor refers to the dehumanizing

“Planet positivity refers to products, processes, organizations, and actions which conjointly serve the flourishing of people and nature on Earth.”

industrialization, exploitation, and the forces of greed and oppression that destroy human spirituality and nature. Later on, the great economic anthropologist Carl Polanyi used this term in his famous book *The Great Transformation* (Polanyi, 1944), to describe the mechanism of the self-regulating free-market economy. He argues that treating human life, nature, and money as mere commercial commodities ruthlessly grinds down and destroys the social fabric of human society and the ecology of nature.

In today's context, the “dark satanic mill” is embodied in the mechanism of the vicious circle of corporate mis-functioning. The idea of “planet positivity” is a response to the destructive functioning of modern businesses.

The concept of “planet positivity” was introduced and popularized in the *Strong Sustainability by Design* report of the IEES (Institute of Electrical and Electronics Engineers) in the USA (IEES, 2024). Several hundred thought leaders from academia, industry, civil society, policy, and government worked on the report. I had the opportunity to contribute directly to this report and have worked on finding consensus on the critical issues related to the fate of the planet.

In my understanding, planet positivity refers to products, processes, organizations, and actions which conjointly serve the flourishing of people and nature on Earth (Zsolnai, 2026).

Paul Polman introduced the concept of “Net Positive” business functioning (Polman & Winston, 2021a, 2021b). Net positive business means that companies give back more to society and the environment than they take during their functioning. It implies that the total environmental and social impact of the company's

operations is positive. This allows that environmental or social harms can be compensated for by creating greater social or environmental benefits. Planet positivity is more demanding as it does not permit trade-offs between the environmental and social impacts of companies. It requires developing creative solutions that serve both people and nature at the same time.

Another difference between planet positivity and net positive business is that planet positivity is a fractal-like concept, which means that it can be interpreted at different levels of the humanity-nature nexus, from the individuals and communities to industries and countries to regions and the world as a whole (Zsolnai, 2026).

I would summarize the main features of planet positive businesses as follows. Planet positive businesses (i) have a purpose to serve the common good, (ii) give priority to intrinsic motivation over extrinsic ones, (iii) consider both the material and non-material needs and desires of people, and (iv) measure success in multi-dimensional, holistic terms.

We are collecting cases of planet positive businesses across all industries from all over the world. I will mention just a few engaging examples.

Patagonia, Inc. is an example of a company engaged in sustainable value creation and managing for all stakeholders. Patagonia is a California-based company operating in the outdoor clothing and equipment sector. It promotes simple and frugal lifestyles and uses business to protect and restore natural ecosystems. Patagonia was founded in 1973 by climber and environmental activist Yvon Chouinard. In 2024, the company employed approximately 3,000 people in more than 50 countries on five continents and generated sales of approximately 1.5 billion USD.

“Planet positive businesses (i) have a purpose to serve the common good, (ii) give priority to intrinsic motivation over extrinsic ones, (iii) consider both the material and non-material needs and desires of people, and (iv) measure success in multidimensional, holistic terms.”

“The financial wealth that Patagonia creates entirely goes to protecting the Earth.”

Patagonia aims to produce the best outdoor products without doing unnecessary harm to nature. It makes its effects on the natural environment fully transparent and sufficiently reduces and neutralizes the environmental impacts throughout its supply chain. The initiatives of Patagonia include increasing consumer consciousness, enhancing product durability, monitoring the company's carbon footprint, embracing environmental movements and campaigns, and promoting business transformation by supporting businesses with similar commitments (Patagonia, 2025).

Due to Yvon Chouinard's personal values, derived from a nature-respecting mountaineering culture and Zen Buddhism, environmental and social sustainability have always been central to Patagonia. The overarching core values of Patagonia are a sense of interconnectedness with the natural environment and all beings, the pursuit of harmony, responsibility, cooperation, and the intention to foster stakeholders' internal development and self-realization. To fulfill its purpose, Patagonia has bought large areas of wild nature in Patagonia, Chile, to preserve them for future generations (Chouinard, 2006; Patagonia, 2025).

In 2022, Yvon Chouinard made an extraordinary move. He famously proclaimed that “Earth is now our only shareholder” and developed a legal arrangement to ensure that the financial wealth that Patagonia creates entirely goes to protecting the Earth (Ims & Zsolnai, 2022).

Interface, Inc. was founded by Ray C. Anderson in 1973 in Atlanta, USA. It is one of the world's largest manufacturers of modular office and household carpet, floor mats, and office fabric. The company sells its products and services in more than 100 countries,

employs over 4,000 people, and had sales of more than 1.3 billion USD in 2024. Interface faithfully represents its founder's commitment to industrial ecology and sustainability (Anderson, 2009), and is known for significant industry innovations, valuable brands, and outstanding social and environmental performance.

For more than three decades, Interface has been among the most well-recognized companies in the world for its sustainability efforts. Through its "Mission Zero" and "Climate Take Back" programs and its attempts to climb its own "Mount Sustainability," the company seeks to completely eliminate the negative effects of its operations and reverse negative ecological processes. Interface has been particularly focused on sending zero waste to landfill, reducing fossil fuel energy use to zero, eliminating water waste, and emitting zero greenhouse gases (Interface, 2025).

Organic India is an example of how a company can improve the human-nature nexus. Organic India is a private limited liability company with 350 employees in Lucknow, Uttar Pradesh, India. Inspired by the simple life teachings of *Papaji* (a wise teacher, guide, and mentor), Prashanti de Jaeger and Bharat Mitra started a small business in the 1990s to provide Ayurvedic herbal formulations to support people's health and well-being. In 2006, the company was renamed Organic India and continues to stand for its values, such as service to all, total integrity, commitment to quality, and respect and devotion to Mother Nature (Zsolnai, 2015).

The main product of Organic India is organic Tulsi tea. In addition, they produce Ayurvedic and medicinal herbs, as well as other organic foods and spices. The company has melded Indian health wisdom and cutting-edge technology to create premium products that ensure the maximum retention of potency and

“Organic India promotes holistic, sustainable development for all beings through organic agriculture, service, sanctity, and integrity.”

“Triodos Bank practices long-term impact investment and applies pressure for the integral development of society.”

nutritional values. The company promotes holistic, sustainable development for all beings through organic agriculture, service, sanctity, and integrity. It helps farmers to regenerate the soil and make a decent living. Over the years, Organic India has evolved into a global leader in promoting organic products and supporting sustainable farming, wild crafting, and village/tribal agricultural communities in India and beyond (Organic India, 2025).

Triodos Bank is an example of a company that practices long-term impact investment and applies pressure for the integral development of society. Triodos Bank is a public limited liability company with 1,700 employees in the Netherlands. It is recognized as a pioneer of sustainable and ethical banking. Triodos only lends to organizations and invests in projects that benefit people, communities, and nature (Hofstra & Klosterman, 2018).

The name of the bank, “Triodos,” refers to “three ways,” meaning the bank’s operations are based on three pillars: people, planet, and profit. Projects are evaluated simultaneously against financial, social, and environmental criteria. Triodos finances companies, institutions, and projects that add cultural value and benefit people and the environment with the support of depositors and investors who wish to encourage social responsibility and a sustainable society. It is influenced by the anthroposophical movement (Triodos Bank, 2025).

Table 1 shows the main characteristics of the selected planet positive companies.

Table 1
Characteristics of planet positive companies

	Values	Purpose	Strategy	Outcomes
Patagonia, Inc. (USA)	The ethos of nature-respecting mountaineering and Zen Buddhism	Producing the best outdoor clothing products and apparel without causing unnecessary harm to nature, and using business to protect and restore natural ecosystems	Minimalist style, transparency, innovation in retailing of ecological outdoor clothing and apparel, “activist company” that develops consumer consciousness and supports environmental movements	Monitoring and reducing the carbon footprint of the company, material, product, and value chain innovations, participation in regenerative agriculture, and buying large areas of wild nature in Patagonia, Chile
Interface (USA)	Industrial ecology, purpose-driven and restorative economy, consciousness, compassion, genuineness in doing business	Doing right for a positive future and showing that sustainability is good for business, transforming itself into an agent of restoration and a catalyst for the redesign of the industry	Globally producing commercial and household modular flooring, using “The Natural Step” sustainability methodology and the concept of “Mount Sustainability,” radical product and process innovation, close cooperation with members of the value chain	Programs to become carbon negative by 2040, to eliminate all negative impacts, a cyclical, gentle business model involving radical redesign of processes and products mimicking nature, and improvement of life for all stakeholders
Organic India (India)	Hindu spirituality	Make Indian herbs in the Ayurveda tradition accessible to people while respecting Mother Nature in doing business	Producing and supplying genuine, organic products for sustainability-aware, healthy living	Creating fair and sustainable livelihoods for thousands of local farmers and contributing to the restoration of soil in India
Triodos Bank (The Netherlands)	Anthroposophy and vision of a sustainable society	Banking for positive social, environmental, and cultural change	Screening investments by using financial, social, and environmental criteria simultaneously	Financing more than 40,000 sustainability and community development projects over 30 years

Source: Adopted from Zsolnai, 2026.

I would conclude that our primary job today is to develop and implement economic, business, and social models that serve the flourishing of life on Earth (including human, non-human, and future life). It is not

“Our primary job today is to develop and implement economic, business, and social models that serve the flourishing of life on Earth.”

just something “nice to do,” but it is a vital necessity for our survival on a fastly deteriorating planet.

Aboriginal societies managed to survive on Earth for 20,000–40,000 years. One of the most important, common messages of their cultures and practices is that if we help nature to flourish, then nature will help us to flourish. Otherwise, we will suffer and will not survive.

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ESG Governance and Wise Leadership: Towards Planet Positive

The planet positive agenda is a radical response to the social and environmental crises of our time: all economic activity must prioritize the flourishing of human and non-human life, present and future, above maximizing financial wealth. By implication, the shareholder-value maximizing way of doing business is planet negative.

Planet positive entrepreneurship commits to strategies based on sustainable value creation. Planet negative companies are perceived as exploiting societies through predatory behaviors. Sir Paul Marshall, chairman of Marshall Wace, the global investment firm, is an advocate for free enterprise and free markets but shares the concern of planet positive advocates that they can be captured and moved towards the predatory behaviors of corporatism and cronyism unless they are firmly checked (Marshall, 2025). He argues that innovation combined with good governance will ensure human flourishing. Innovation on these terms aligns with the planet positive agenda of developing products, processes, organizations, and actions that make a positive impact on nature, society, and future generations.

Many innovative companies have instilled principles of doing business that take them close to the ideals of planet positive. Triodos Bank, for example, developed

“Many innovative companies have instilled principles of doing business that take them close to the ideals of planet positive.”

human and ecological sustainability in banking, with a focus on social and environmental enterprises or companies with strong credibility for having a planet positive impact. Lumituuli produces and sells wind-generated electricity exclusively to its Finnish shareholders, reinvesting all profits into new renewable energy projects. LEGO focuses on circular economy concepts, including a donation program for recycled bricks repackaged for children in need. Companies like illycaffè, Dyson Farming, Wildfarmed, and Tokaj Pendants Winery are innovating with regenerative agriculture and technologies to make a positive ecological impact.

ESG performance

Most multinational companies report on their environmental, social, and governance (ESG) performance and stakeholder engagement, while averring the claim that “the business of business is business.” But many will point to multinational companies that they are planet negative in their operations and outputs. The typical answer is that they are responding to consumer choices. Tobacco companies will respond with their ESG strategies, such as the support they give to tobacco farmer livelihoods and their push towards “smoke-free products.” Fossil fuel companies will say that human survival is critically dependent on oil and gas and that they minimize negative impacts through their distribution chains.

ESG disclosures by companies are now required by national and transnational regulatory frameworks, such as the *European Sustainability Reporting Standards* (ESRS). In what has been regarded as a highly transformative regulation, the ESRS requires “double materiality” reporting: a company’s material impact on people, the environment, and the economy, and

the financial impact on a company's performance and value. At a global level, the *IFRS Accounting Standards*, the global language of financial statements required in more than 140 jurisdictions, now require that companies disclose ESG data to meet the IFRS Sustainability Standards. ESG issues are increasingly being translated into questions of risk, capital allocation, disclosure, corporate value, and accountability. The planet positive challenge to companies is whether the business model and strategy of the company are undergoing the changes necessary to improve their ESG performance, or whether the disclosures are minimal for PR and reporting purposes.

Based on an assessment of a company's sustainable performance (people, planet, and profit), we may imagine an ESG governance continuum that places privately owned companies with high-profile positive impacts closest to planet positive economics, and other companies positioned at different stages between the regulatory minimum standards and planet positive entrepreneurship. (*Figure 1*)

Figure 1

The ESG governance continuum



Source: Author's own creation

“The planet positive challenge to companies is whether the business model and strategy of the company are undergoing the changes necessary to improve their ESG performance.”

“Two cases of planet positive entrepreneurship in agriculture are Dyson Farming and Wildfarmed.”

The chief differentiator between companies on the ESG Governance Continuum is between those companies that comply with ESG regulations but operate with an unsustainable business model and those that are finding ways to go beyond regulatory standards to new business models and create new sources of competitive advantage by solving environmental or social problems through innovation—planet positive entrepreneurship.

Planet positive entrepreneurship

Two cases of planet positive entrepreneurship in agriculture are Dyson Farming and Wildfarmed.

Dyson Farming’s strawberry operation in Lincolnshire, UK, has engineered a Hybrid Vertical Growing System (HVGS). Instead of growing strawberries exclusively in horizontal rows, plants are arranged on rotating structures that use the vertical space inside an 11-hectare glasshouse. Robots can identify ripe fruit, while other technologies are used to manage crop health and growing conditions. The system combines natural sunlight with LED lighting and is designed to increase production from the same footprint. Energy crops and agricultural waste are converted into energy in an anaerobic digestion plant, and the resulting electricity and heat are used in the glasshouse, while digestate is returned to the farm as fertilizer. Dyson reports that the system has increased yields by approximately 2.5 times in trials. Creative entrepreneurship, which can re-engineer traditional processes, can result in greater efficiencies and positive social and environmental impacts.

Wildfarmed is a planet positive company that has redesigned the farming model around the health of the soil. Its model connects farmers with buyers who want

grain produced under defined regenerative standards and then sells the resulting flour and other products to commercial customers. Wildfarmed's network of 150 farmers is paid a premium of approximately one-third above standard commodity prices for grain produced within its regenerative system. The company helps its growers to optimize soil health by mimicking natural systems that support soil health, resulting in stronger crops, richer biodiversity, and long-term productivity. Six UK water companies pay Wildfarmed growers a premium per hectare, rewarding them for preventing pollution before it starts. The company's proposition combines farming practices with traceability, product quality, and a differentiated market position, and the first new branding model in which the flour used in bakery products carries the Wildfarmed brand, with over 1,000 retailers displaying the Wildfarmed logo.

There are multiple examples of planet positive enterprises across the world, but very few penetrate the large mainstream markets for industrial goods and mass consumer markets. Their governance structures are designed to secure a planet positive ethos. Companies closer to the ideals of planet positive are privately owned, and this can include ownership structures in which employees or customers hold voting rights. Triodos Bank is governed by a voting-trust foundation designed to protect its sustainable, ethical mission. The LEGO Group is privately owned by the Kirk Kristiansen family and 25 percent owned by the LEGO Foundation, dedicated to championing children's right to play.

Most of the world's largest corporations are financed by equity or loan capital from investors who only invest with the prospect of a return that will at least keep their investment ahead of inflation. But an estimated 1.2 billion people worldwide hold occupational or private

“There are multiple examples of planet positive enterprises across the world, but very few penetrate the large mainstream markets for industrial goods and mass consumer markets.”

“To support the movement of big companies towards planet positive business models, boards must demonstrate that the quality of their leadership on ESG is critical to financial performance and corporate valuation.”

pensions and are thus indirect investors or beneficial owners in corporations. In OECD countries, pension funds were valued at over USD 63 trillion in 2024 (OECD, 2025). These huge institutional funds hold large sway in capital markets, and companies compete to be included. These indirect investors, or their intermediaries, make pension fund choices to maximize their pensions on retirement for their economic self-preservation. This pressure pushes publicly invested companies to generate financial returns but also to report on the positive and negative impacts of their operations on people and the planet.

To support the movement of big companies towards planet positive business models, boards must demonstrate that the quality of their leadership on ESG is critical to financial performance and corporate valuation. Frequently, investors will refer to ESG metrics to assess impact-driven value creation as levers or proxies for superior performance. Alex Edmans, a finance professor at London Business School, has shown that understanding ESG is critical to understanding the value of a business. Investors, he says, “are more likely to divest from an ESG laggard, driving down its stock price, increasing its cost of capital, and hindering its expansion” (Edmans, 2023a; 2023b).

The financial dimensions of ESG reporting do provide the grounds for good governance to mitigate the social and ecological damage of a company’s operations. Nestlé, for example, is on course to source 50 percent of key ingredients from farmers aligning with regenerative agricultural practices by 2030. The Nestlé Agricultural Framework measures progress against five pillars: biodiversity, water, soil health, diverse cropping systems, and livestock integration.

Multinational companies like Nestlé, either from regulatory, investor or stakeholder pressure, are attempting to move towards greater social and environmental responsibility, but without adopting the radical changes required by the planet positive agenda. They are operating in a free-market system under investor influence, although both good and bad management leadership have shown that investor influence is not always dominant. Strong CEOs such as former Unilever chief Paul Polman have shown that planet positive initiatives can be successful and be supported by investors. Polman melded ideals with the requirement for shareholder value by combining five principles for companies to thrive by giving more than they take (Polman & Winston, 2021).

1. Ownership of all impacts and consequences, intended or not
2. Operating for the long-term benefit of business and society
3. Creating positive returns for all stakeholders
4. Driving shareholder value as a result, not a goal
5. Partnering to drive systemic change

The influence of a CEO on commitments towards planet positive is highlighted by Unilever's change of CEO and senior leadership team since Polman. The Unilever Sustainable Living Plan has been retired, and sustainability targets have been scaled back, with no clear sustainability strategy.

The Unilever example illustrates that the critical factor in moving multinational companies towards planet positive is the quality of governance at the top and the senior leadership tier. The quality of a company's environmental and social impacts, its profitability, and the risk and volatility of its returns are all influenced

“The critical factor in moving multinational companies towards planet positive is the quality of governance at the top and the senior leadership tier.”

by the quality of its governance. A study of ESG scores across over 9,000 companies in 2023 shows that, in every sector, companies in the top decile of corporate governance scores significantly outperform all other companies on sector-average ESG scores. (*Table 1*)

Table 1

ESG scores across over 9,000 companies in 2023

	All companies ESG average	Top decile corporate governance ESG average
Aerospace and defence	23.0	32.8
Apparel and textiles	18.6	35.4
Automotive	28.9	39.6
Energy	28.4	44.9
Financial services	26.9	39.2
Food and drink	22.6	34.9
Health and pharma	21.5	35.9
Home and personal care	22.8	29.4
Hospitality	19.4	34.2
Household goods	19.3	26.9
Industrial and building	21.3	36.0
Materials	24.8	43.3
Media	18.0	32.9
Retail	19.7	31.3
Technology	23.5	34.9
Transport and travel	26.1	47.6
Utilities	32.8	40.0

Source: Author's own creation. S&P Global ESG Scores reproduced by permission of S&P Global Market Intelligence: Copyright © 2023. S&P Global Market Intelligence.

Wisdom leadership

Quality of governance reflects wisdom, virtue, and excellent managerial competence. Virtue is a strange word to use in the context of governance, but it is a word that captures the highest of human aspirations

for the wellbeing and flourishing of humanity and nature. Many free-market capitalists extol human virtues of care, integrity, and trust, which are vital to good governance. Marshall (2023) claims that “Ultimately, free markets only truly prosper in societies where there is a proper shared understanding of virtue and mutual honour... The biggest danger to free markets today is that we are losing that shared understanding of virtue. When virtue breaks down, you begin to see the emergence of mutant strains of capitalism.” Similarly, Karl Mahler, former head of investor relations at Hoffmann-La Roche, says that “in the end, it’s about management credibility and capability. Stakeholders want the company’s leaders to be authentic, transparent, and clear about their shortcomings.” (Mahler, 2023)

Governance studies use Tobin’s Q (the Market-to-Book Assets ratio) as a measure of corporate valuation because it is sensitive to changes in board structure, shareholder rights, audit quality and other governance mechanisms. Researchers treat changes in Q as evidence of governance-driven changes in firm value. Recent research using Tobin’s Q gives evidence that a company’s ESG score positively affects Tobin’s Q and ESG corporate misconduct negatively impacts Tobin’s Q. This adverse effect is significantly mitigated in firms characterized by strong board independence, gender-diverse boards and well-developed ESG strategies (Brighi, Della Bina, & Venturelli, 2025; Elamer, & Boulhaga, 2024). However, ESG practices may not substantially increase short-term profitability, even when they contribute to investor perceptions and long-term market value. Navigating the vicissitudes of capital and competitive markets towards business that is at least moving forward in ESG, if not on the radical reformation required by planet positive ideals, requires wise leadership as well as technical governance competence.

“Quality of governance reflects wisdom, virtue, and excellent managerial competence.”

What do we mean by “wise leadership”? Monika Ardelt (2023) developed the widely used *Three-Dimensional Wisdom Scale* and summarized wisdom as being “associated with a multitude of positive characteristics, such as ego integrity and maturity, judgment and interpersonal skills, and an exceptional understanding of life.” A synthesis of research (Thompson, 2016) into the nature and practice of wisdom identifies five dimensions of wise leadership. (Table 2)

Table 2
Dimensions of wise leadership

Rationality	Using reason, logic, expert knowledge, and data appropriately as part of a decision-making process.
Perceptivity (or trans-rationality)	Intuition and insight from learned experiences and the ability to foresee consequences of actions.
Ethical Character	Practicing courage, care, respect, justice, truth, goodness, integrity, benevolence, and care.
Pragmatism	Solution-finder and explorer. Knowing why, how, and when to adapt to the environment.
Self-mastery	Self-aware, emotional control, EQ. Self-transcendent, equanimity, humility, and self-restraint, managing ambiguity and complexity.

Source: Author’s own creation.

Quality governance demands practical wisdom with an exceptional understanding of the pragmatics of business and the wider world to enable sound judgments in conditions of uncertainty. Intezari’s (2015) research has shown that practical wisdom “enhances organizational capacity for coping with ambiguity and for implementing sustainability.”

Wise leaders will, more often than not, stand back from egocentric or instinctive responses and reach sound judgments for the common good of investors and stakeholders. They will bring creative solutions to business challenges and lead investors and stakeholders rather than being lost in the milieu of voices demanding

attention. Shareholder value is an outcome of wise stewardship rather than its sole objective.

Companies that are on the way towards planet positive entrepreneurship are demonstrating the innovative capacity of wise leadership and stewardship of human and natural resources because the private or cooperative ownership of their enterprises is already founded on principles to promote sustainable value creation. The challenge for corporate boards is more complex and requires a different kind of governance expertise that can innovate for stakeholder and investor wellbeing. In making board appointments, the chairman and CEO should be wise leaders in the practice of their governance responsibilities for the common good and the success of their companies.

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Financing Nature's Future: Capital, Disclosure, and the Global Biodiversity Economy

The global risk landscape has undergone a violent and irreversible paradigm shift. A decade ago, the greatest threats to the global economy were widely perceived by market leaders and geopolitical analysts to be weapons of mass destruction, financial system failures, and localized asset bubbles. Today, that paradigm has been almost entirely inverted, with environmental threats having eclipsed all other long-term economic concerns. Extreme weather events, critical and irreversible changes to Earth systems, and the accelerating collapse of biodiversity are now recognized as the most severe systemic risks humanity will face over the coming decade (cf., the World Economic Forum's Global Risks Report, 2026 and prior years). We have firmly entered the "nature finance moment," a critical juncture demanding that we fundamentally redefine exactly how global capital interacts with the natural world (Shrivastava *et al.*, 2019).

What we face today is not merely an environmental crisis; it is a profound financial emergency. Biodiversity is not simply an ecological metric or a philanthropic cause; it is the fundamental, irreplaceable infrastructure of the global economy and a strict prerequisite for

“Biodiversity is the fundamental, irreplaceable infrastructure of the global economy and a strict prerequisite for human flourishing.”

human flourishing. Over half of the global gross domestic product is moderately or highly dependent on nature, representing approximately \$44 trillion in economic value (Paulson Institute *et al.*, 2020). When biodiversity declines, we lose the critical ecosystem services that sustain our communities and supply chains, ranging from carbon capture and atmospheric regulation to water filtration, soil regeneration, and natural disaster mitigation (Paulson Institute *et al.*, 2020). Our current financial architecture, however, remains mathematically hardwired to liquidate the planet's natural capital to subsidize short-term corporate profits (Jackson & Victor, 2015). We are rapidly running out of time to correct this structural market failure. Reforming business for human flourishing requires a radical, unprecedented redirection of capital toward a nature-positive economy.

The calculus of survival: breaching planetary boundaries

To fully grasp the magnitude and urgency of biodiversity finance, we must first look at the physical limits of our planet. The concept of planetary boundaries, continually updated by the international scientific community, provides a framework for the safe operating space of humanity (Stockholm Resilience Centre, 2025). Recent updates to this framework reveal a stark and terrifying reality for global markets: humanity has now breached seven of the nine critical planetary boundaries that maintain a stable and habitable Earth system (Stockholm Resilience Centre, 2025). (*Figure 1*)

Figure 1

The planetary boundaries



Note: Image AI-created using Google Gemini, based on data provided by the Stockholm Resilience Centre & Potsdam Institute for Climate Impact Research, 2025.

With the recent crossing of the ocean acidification boundary, more than three-quarters of vital Earth system functions are no longer in the safe operating space. This creates an environment of exponentially increasing unpredictability for corporate risk management, insurance underwriting, and global supply chain logistics (Public Safety Canada, 2024). To understand the financial materiality of this crisis, we must examine the specific boundaries that have been violated.

The first breached boundary is climate change, which represents systemic atmospheric destabilization and drives extreme weather volatility worldwide (Stockholm Resilience Centre, 2025). The second is biosphere integrity, characterized by accelerating species extinction and the catastrophic loss of genetic diversity, fundamentally weakening ecosystem resilience. The third is land-system change, which was breached a

“Breaching multiple boundaries severely alter risk profiles, rendering historical data models obsolete and introducing unprecedented volatility into sovereign debt and corporate valuation models.”

decade ago and continues to manifest in relentless deforestation, severely impacting regional hydrology and terrestrial carbon sinks. The fourth boundary, freshwater use, was officially breached in recent years as both surface water and soil moisture limits were exceeded (Stockholm Resilience Centre, 2025).

The fifth boundary involves biogeochemical flows, representing the severe disruption of the global nitrogen and phosphorus cycles, largely due to industrial agriculture, which creates massive aquatic dead zones. The sixth boundary is the introduction of novel entities, reflecting the overwhelming accumulation of plastic, microplastics, and synthetic chemical pollution in the biosphere. Finally, the seventh and most recently breached boundary is ocean acidification, which directly threatens marine food webs, global fisheries, and coastal infrastructure by dissolving the carbonate structures of marine organisms (Stockholm Resilience Centre, 2025).

The key insight for the financial sector is that breaching multiple boundaries simultaneously triggers non-linear ecological feedback loops. These feedback loops severely alter risk profiles, rendering historical data models obsolete and introducing unprecedented volatility into sovereign debt and corporate valuation models (Shrivastava *et al.*, 2019).

In Canada, which I have called home for the past twenty-five years, the frequency and severity of human-made natural disasters have increased exponentially in recent years with wildfires, heat waves, and both water shortages and flooding making headlines almost every year. The picture is similar in Europe, where wildfires and heat waves make summer headlines on the Iberian Peninsula and Greece every summer, several rivers across Europe become non-navigable due to low water

levels, and yet severe floods wreak havoc and claim lives following more frequent and more severe storms and torrential downpours across the continent.

The geography of risk: global biodiversity hotspots

This planetary destabilization does not occur uniformly across the globe. The financial risks—and the corresponding investment opportunities for what we call “nature-positive capital”—are highly concentrated in specific, critically vulnerable geographies known as biodiversity hotspots (Conservation International, n.d.).

Currently, there are thirty-six recognized biodiversity hotspots globally, concentrated heavily in regions such as the Amazon Basin, the Congo Basin, the Coral Triangle, and the forests of Southeast Asia (Conservation International, n.d.). To qualify scientifically as a hotspot, a region must meet two strict criteria representing both irreplaceability and vulnerability. It must contain at least 1,500 endemic vascular plant species, meaning these species are found nowhere else on Earth. Furthermore, it must have already lost at least seventy percent of its original primary natural vegetation.

These thirty-six regions represent a mere two and a half percent of the Earth's total land surface. Yet, astonishingly, they support more than half of the world's endemic plant species and nearly forty-three percent of all endemic bird, mammal, reptile, and amphibian species (Conservation International, n.d.). Crucially for the global economy, the forests, wetlands, and remnant habitats within these hotspots account for an estimated thirty-five percent of the ecosystem services that human populations and heavy industries rely upon. These services range from macroclimate regulation and monsoon cycle maintenance to water

“The financial risks are highly concentrated in specific, critically vulnerable geographies known as biodiversity hotspots.”

“The most destructive failure is the financial principle of discounting future values.”

purification and the provision of raw genetic materials for the pharmaceutical and agricultural sectors.

Directing global finance to these precise locations yields the highest possible return on investment for global ecological stability. Failing to protect these hotspots will almost surely guarantee systemic economic shocks that will reverberate through every tier of the global financial system. When an ecosystem in a hotspot collapses, it does not merely affect local communities; it disrupts global commodity markets, triggers mass climate migration, and strands massive amounts of corporate assets.

The structural failures of mainstream finance

Despite the existential threat posed by failing ecosystems and the clear concentration of geographical risk, the flow of global capital remains vastly misaligned with ecological reality. This misalignment is not accidental; it is the direct result of deeply embedded structural failures within mainstream economic theory and financial modeling. There are six primary structural failures that currently prevent the global financial apparatus from supporting environmental sustainability (Jackson & Victor, 2015; Shrivastava *et al.*, 2019; Walker, 2026).

The first and most destructive failure is the financial principle of discounting future values (Jackson & Victor, 2015). In traditional corporate finance, if a project delivers cash or value in the future, analysts discount that future value back to present-day dollars using the standard present value formula: When applied to ecological assets using standard corporate discount rates, the mathematics actively incentivize environmental destruction (Jackson & Victor, 2015). If a

government or corporation applies a standard seven percent discount rate, a thriving, biodiverse rainforest providing one billion dollars' worth of ecosystem services fifty years from now is mathematically valued at just 34 million dollars today. This calculus of destruction makes it economically rational to immediately clear-cut that forest for short-term timber revenue, invest those profits in the stock market, and leave future generations with a dead ecosystem. Mathematics inherently dictates that the future is worth exponentially less than the present (Walker, 2026).

The second failure is the persistent reliance on the assumption of infinite growth, a premise that conflicts directly and undeniably with the physical reality of a finite planet (Shrivastava *et al.*, 2019). Mainstream finance requires continuous compound growth to service interest-bearing debt, treating natural resources as limitless inputs rather than absolute boundaries.

The third failure is the systemic ignoring of externalities. Social and environmental impacts are treated as off-balance-sheet items, completely excluded from the valuation models that determine capital allocation.

The fourth failure is the culture of extreme short-termism, where financial returns are assessed almost exclusively on quarterly cycles. This creates a tragedy of the horizon, where long-term, catastrophic risks like climate change and nature loss are completely ignored by current market actors, who are incentivized only by immediate bonuses.

The fifth failure involves predictive modeling that relies heavily on past performance bias. Financial risk models base their predictions on extrapolating historical data, an approach that is inherently flawed and dangerous given the unprecedented environmental disruptions

“Mainstream finance requires continuous compound growth to service interest-bearing debt, treating natural resources as limitless inputs rather than absolute boundaries.”

“Massive, quantifiable misallocation of global capital.”

and non-linear climate shifts expected in the coming decades.

Finally, the sixth failure lies in the traditional, narrow interpretation of fiduciary duty, which has historically been restricted solely to maximizing financial returns for shareholders (Walker, 2026). This narrow legal interpretation has allowed, and sometimes compelled, asset managers to view the maximization of profits through environmental degradation as an acceptable business practice (Shrivastava *et al.*, 2019).

The mathematics of destruction: the finance gap

These structural failures manifest in a massive, quantifiable misallocation of global capital. The biodiversity finance gap represents the most significant and dangerous market failure in modern economic history. While governments and philanthropic organizations pledge billions toward conservation, the broader financial system continues to pour trillions into environmentally destructive practices.

As *Table 1* illustrates, the current financial flows reveal a stark imbalance. Nature-positive finance, which encompasses all investments in Nature-based Solutions, currently totals approximately 220 billion dollars annually (UNEP, 2026). This sector is massively underfunded, with private capital contributing a negligible fraction of that total. Conversely, environmentally harmful subsidies provided by governments globally have surged in recent years, reaching a staggering 1.7 trillion dollars annually (UNEP, 2026). These subsidies artificially lower the cost of destructive practices in industrial agriculture, fossil fuel extraction, and unsustainable fisheries, actively driving ecosystem collapse.

Table 1
The Global Nature Finance Ledger (2024–2026)

Financial flow category	Annual capital volume	Impact trajectory
Environmentally Harmful Subsidies	1.7 trillion USD	Surged by 55% in recent years. Governments actively fund the destruction of their own ecological infrastructure.
Private Nature-Negative Finance	5.6 trillion USD	Most of the nature-negative finance originates from the private sector flowing into unsustainable agriculture and extraction.
Nature-Positive Finance	~220 billion USD	Global finance favors ecosystem destruction over protection by a ratio of roughly 30:1. Nature-positive finance is massively underfunded. Private finance contributes less than 25 billion USD of this total, leaving governments to shoulder the burden.
The Annual Funding Target	571 billion USD	The new capital required annually by 2030 to meet global biodiversity and land degradation targets.

Source: The United Nations Environment Programme (UNEP) State of Finance for Nature reporting, supplemented by Bloomberg NEF (UNEP, 2026; Bloomberg NEF, 2025).

Methodology: Comprehensive aggregation and comparative analysis of global public and private finance flows directed toward Nature-based Solutions (NbS) versus global capital flows explicitly directed toward environmentally degrading activities and industries.

Beyond public subsidies, private nature-negative finance accounts for the largest portion of the ledger. An estimated 5.6 trillion dollars of private capital flows annually into high-impact utilities, extractive industries, and supply chains deeply linked to deforestation and habitat destruction. When combined, the total nature-negative capital flows reach approximately 7.3 trillion dollars per year (UNEP, 2026). This means that for every single dollar the global economy invests in protecting nature, it spends more than thirty dollars destroying it. To merely halt the decline of biodiversity and meet global climate targets by the end of the decade, the international community must mobilize an estimated 571 billion dollars annually in new, nature-positive capital while simultaneously dismantling the trillion-

“The market urgently requires robust, standardized frameworks that measure and disclose nature-related risks.”

dollar network of harmful subsidies. We cannot simply fund our way out of this crisis while actively subsidizing our own destruction.

A new framework for disclosure: TNFD and geospatial data

To correct these systemic failures and redirect capital, the market urgently requires robust, standardized frameworks that measure and disclose nature-related risks with the exact same rigor currently applied to financial accounting. The Taskforce on Nature-related Financial Disclosures (TNFD) serves this precise purpose, acting as the biodiversity equivalent to the carbon-focused reporting standards that have reshaped markets over the past decade (TNFD, 2023).

By late 2025, hundreds of global organizations representing over 22 trillion dollars in assets under management had formally committed to the TNFD framework, publishing thousands of aligned reports (TNFD, 2023). The core of the TNFD methodology relies on a structured, four-step process known as the LEAP approach, designed to move corporations from basic spatial awareness to comprehensive strategic governance (TNFD, 2023).

The LEAP process begins with the “Locate” phase, which requires organizations to identify their direct and indirect interfaces with nature across all geographies and value chains. Because biodiversity risk is inherently spatially dependent, identical industrial emissions can have vastly different ecological consequences depending entirely on their proximity to sensitive habitats. Following this, organizations move to the “Evaluate” phase, where they must assess their specific dependencies and systemic impacts on provisioning,

regulating, and cultural ecosystem services. The third phase, “Assess,” requires financial institutions to determine material risks, carefully segmenting them into physical ecosystem disruptions, regulatory transition risks, and systemic market shifts. Finally, the “Prepare” phase demands the development of actionable transition plans and resource targets, and the deep integration of nature-positive innovation into corporate governance and public financial reporting (TNFD, 2023).

To execute this complex framework effectively, financial markets are increasingly relying on highly sophisticated geospatial foundational instruments. Datasets such as the Spatial Hazard Events and Losses Database for the United States (SHELDUS) provide critical historical hazard tracking, while the Emergency Events Database (EM-DAT) supplies comprehensive global disaster data. Furthermore, tools like the European Pollutant Release and Transfer Register (E-PRTR) provide precise, facility-level pollution monitoring. By overlaying these datasets with protected area maps, financial institutions can build accurate models for pricing physical risk and underwriting environmental insurance, bringing the true cost of nature loss onto the balance sheet.

Biodiversity credit markets: integrity through technology

Disclosure alone will not close the funding gap. To actively mobilize private capital at the necessary scale, we must develop rigorous, high-integrity financial instruments that provide a return on nature-positive investments. Biodiversity credit trading is rapidly emerging as a critical market mechanism designed to impose strict financial costs on nature loss while creating lucrative rewards for verified conservation and restoration.

“We must develop rigorous, high-integrity financial instruments that provide a return on nature-positive investments.”

“Robust biodiversity credit markets must completely abandon simplistic, area-based measurements that treat all land equally.”

However, designing a functional biodiversity credit market is infinitely more complex than carbon trading. A metric ton of carbon dioxide has the exact same atmospheric impact regardless of whether it is emitted in Budapest, Tokyo, or Montreal. Biodiversity, conversely, is hyper-local and characterized by extreme ecological heterogeneity. A hectare of restored boreal forest in Northern Canada cannot ecologically offset a hectare of destroyed coastal wetland in the global south.

Therefore, robust biodiversity credit markets must completely abandon simplistic, area-based measurements that treat all land equally. Instead, they require dynamic, systems-thinking methodologies that mathematically quantify ecosystem condition, species distinctiveness, and systemic ecological connectivity. Most importantly, these markets must utilize stringent Monitoring, Reporting, and Verification (MRV) protocols to ensure environmental integrity.

Modern MRV relies heavily on the European Space Agency's Sentinel satellite network, utilizing radar capabilities to measure forest biomass, high-resolution optical sensors to track vegetation health, and specialized instruments to monitor atmospheric and oceanic conditions. By combining continuous, real-time satellite telemetry with rigorous on-the-ground ecological validation conducted by qualified professionals and Indigenous land guardians, these markets can guarantee that every credit issued represents a real, measurable, and permanent ecological gain, effectively eliminating the risk of corporate greenwashing. (*Figure 2*)

Figure 2
Satellite MRV in action



Note: Image AI-created using Google Gemini, based on author's data (see Walker *et al.*, 2026).

A groundbreaking precedent: the Cali Fund and the universal 0.1% paradigm

Can we realistically expect multinational corporations to pay directly for the restoration of the biosphere? Until recently, this was a purely theoretical question debated in academic circles. Today, the framework for this exact mobilization is actively being built on the international stage (Walker, 2026).

At the Convention on Biological Diversity COP16 meetings, governments launched a truly groundbreaking financial mechanism: the Cali Fund (CBD, 2025). This United Nations-administered Multi-Partner Trust Fund was explicitly designed to capture a fraction of the immense corporate wealth generated

by industries that commercialize Digital Sequence Information (DSI) derived directly from nature’s genetic resources (CBD, 2025). (Table 2)

Table 2
The Cali Fund architecture (COP16)

Strategic Component	Framework Details	Expected Market Impact
Targeted Sectors	Pharmaceuticals, agricultural biotechnology, cosmetics, and nutraceuticals utilizing DSI.	Captures value from industries that rely heavily on biodiversity but have historically paid nothing for genetic resources.
The Financial Levy	Targeted companies are requested to contribute either 1% of their profits or 0.1% of their annual revenue .	Provides a scalable, mathematically predictable revenue stream resistant to creative corporate accounting.
Capital Allocation	A minimum of 50% of the fund’s resources is directly allocated to Indigenous Peoples and Local Communities (IPLCs).	Empowers the most effective custodians of biodiversity, bypassing inefficient state bureaucracies.
Revenue Potential	Projected to generate billions of dollars annually as corporate compliance scales globally.	Establishes the first truly global, private-sector funded endowment for nature restoration.

Source: The Secretariat of the Convention on Biological Diversity and official COP16 Decisions framework (CBD, 2025).

Methodology: Analysis of the multilateral benefit-sharing mechanism designed to mobilize corporate capital to phase out nature-negative flows and scale nature-positive investments worldwide.

The architecture of the Cali Fund targets specific, highly profitable sectors. The financial levy mechanism is both elegant and unprecedented: targeted companies meeting specific size thresholds are formally requested to contribute either 1 percent of their annual profits or 0.1 percent of their total annual revenue to the fund (CBD, 2025). Crucially, the capital allocation strategy mandates that a minimum of 50 percent of the fund’s total resources must be directly allocated to Indigenous Peoples and Local Communities, recognizing their indispensable and proven role as the primary, most effective custodians of global biodiversity (CBD, 2025).

Economic models project that as compliance scales, this agreement could generate billions of dollars annually for frontline conservation efforts.

The Cali Fund sets an extraordinary and vital precedent in international finance. It establishes the legal and economic principle that businesses profiting from the biosphere owe a direct, quantifiable, and recurring financial return to the preservation of that biosphere.

While the Cali Fund currently targets specific sectors, it provides a functional blueprint for a much broader, systemic reform of global capitalism. What if future global agreements expanded this mandate across all sectors? Every corporation globally—from real estate and manufacturing to technology and logistics—relies entirely on the stability of Earth's ecosystem services. If a universal framework required every medium and large corporation to contribute just 0.1 percent of their annual revenue to nature restoration, it would fundamentally and permanently restructure the global economy (Walker, 2026).

To understand the scale of this proposal, consider mathematics. A 0.1 percent levy on the projected global gross domestic product of roughly 117 trillion dollars would yield well over 100 billion dollars annually in predictable, recurring revenue. While this figure alone would not entirely close the massive 571-billion-dollar annual funding gap, it would establish an unparalleled, continuous baseline flow of private capital directly into Nature-based Solutions. When this massive influx of capital is paired with the aggressive, phased dismantling of the 1.7 trillion dollars in harmful government subsidies (UNEP, 2026), a universal 0.1 percent corporate mandate transitions from a theoretical academic exercise into a mathematically sound, entirely feasible pathway to achieving long-term planetary stability.

“The Cali Fund provides a functional blueprint for a much broader, systemic reform of global capitalism.”

“Nature is the ultimate asset class, and its ecological bankruptcy guarantees our own financial collapse.”

Conclusion

The data is unequivocal: we have crossed many of our planetary boundaries, and the margin for incremental, voluntary sustainability initiatives has completely vanished (Stockholm Resilience Centre, 2025). Reforming business for human flourishing requires acknowledging a fundamental economic truth: nature is the ultimate asset class, and its ecological bankruptcy guarantees our own financial collapse. By universally embracing rigorous spatial disclosure frameworks, scaling high-integrity biodiversity credit markets backed by satellite technology, and demanding universal corporate financial contributions to ecological restoration based on the 0.1 percent revenue model, we can build an economic system that actively heals the planet it relies upon. The financial tools exist, the ecological science is clear, and the unprecedented mechanisms for global capital mobilization are currently being built. The only remaining variable is our collective willingness to implement them before the mathematical realities of ecological collapse become irreversible.

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