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Thank You!

We appreciate your participation in this year's CLA Continuing Education event. Each year we strive to create an environment where you feel excited to be part of our unique day, and our intent is that you feel rejuvenated after investing your time with us – *we hope you found this to be the case!*

The following pages include slides from all of our presenters. We hope you will reference them as you reflect on the topics and discussions from the day.

Please reach out to us with any questions or if we can help you in any way.

With tremendous gratitude,
Our Raleigh CLA Family

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Behavioral Ethics - 2022

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Learning Objectives

At the end of this session, you will be able to:

- Identify key steps in becoming the best ethical version of yourself
- Recognize the distinction between ethical intentions and ethical behaviors
- Describe how behavioral ethics considerations apply to real-world examples





Ethics in the News



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GUESS WHO??

One of the largest pharmaceutical companies in the world, with assets to match, is in hot water after creating a new company with limited assets and assigning responsibility for all legal liabilities related to a multi billion-dollar lawsuit in order to protect company capital and assets.

As soon as the company was created, it filed for bankruptcy which put all the lawsuits on hold. The intent was to prevent excessive payouts and force the claimants to lower their settlement amounts in a bid to save money. This moved the cases from tort litigation to the bankruptcy litigation.



GUESS WHO??

This powerful economic institution acted swiftly to adopt new rules regarding the investing and trading activities of senior officials, seeking to resolve what has been the most intense ethical scandal in the entity's 109-year history.

GUESS WHO??

The world's third-largest accounting firm with reported global revenue of \$40 billion for fiscal year 2021 was slapped with a \$100 million fine, the largest ever on an audit firm, by the SEC.



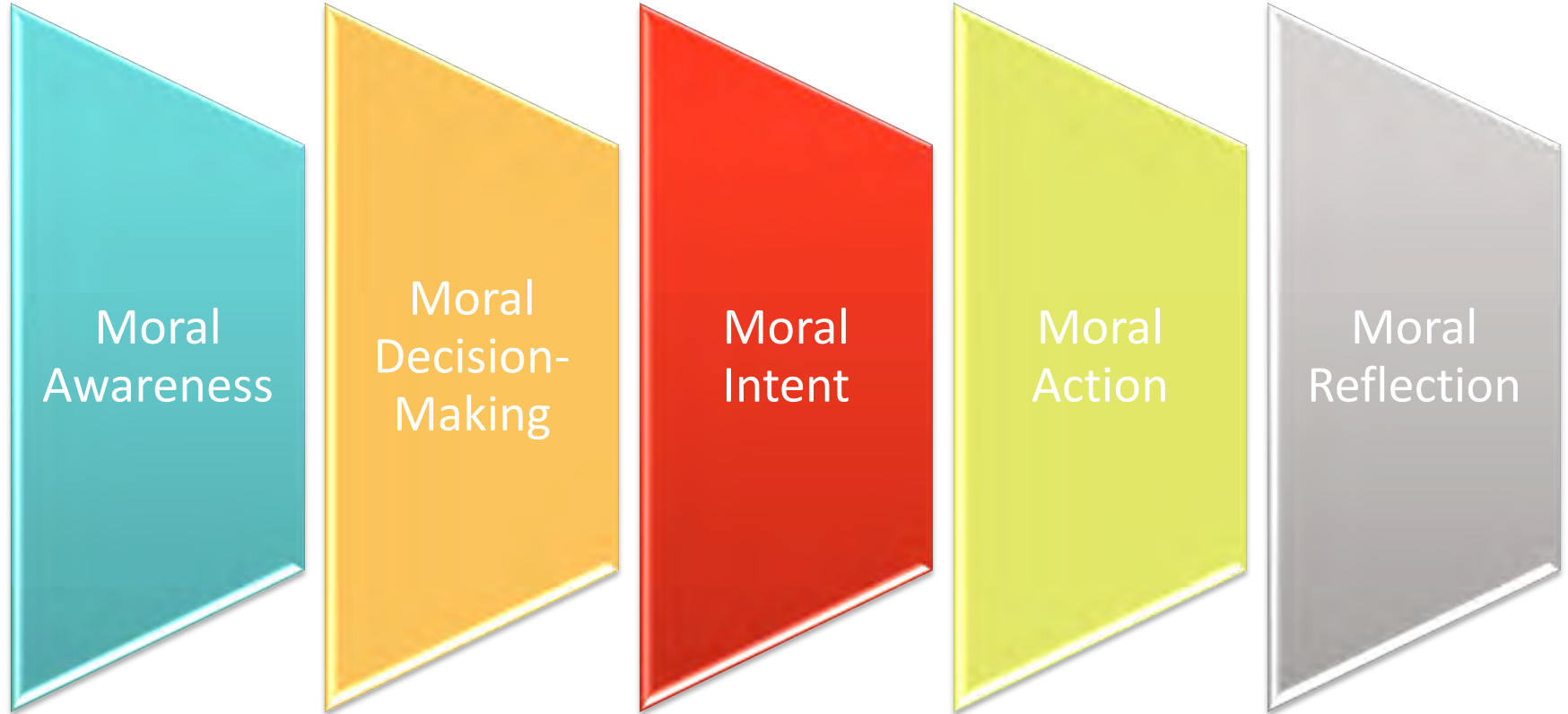
Becoming the Best Ethical Version of Yourself

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Becoming the Best Ethical Version of Yourself



Source: Some of these ideas originally stemmed from a theoretical model of ethical decision-making developed by Professor James Rest (University of Minnesota, 1994)

Moral Awareness



A diagram illustrating the components of Moral Awareness. It features three horizontal teal bars, each preceded by a white circle with a teal outline. The circles are connected by a vertical teal line. The first circle is at the top, the second in the middle, and the third at the bottom. Each circle is connected to its corresponding bar by a short teal line segment.

Recognition that there could be an ethical issue in a decision

Being focused solely on other aspects of the decision at hand could lead to inadvertently omitting ethical considerations (moral myopia)

People generally see what they expect to see

Moral Awareness

Ever have the feeling
something isn't right?

Listen to your gut
instinct!



Moral Decision-Making

Right vs. Wrong



Rationalizing

- the ends justify the means

- is it really that big of a deal?



Caution: self-interests get in the way of the moral decision process



Moral Decision-Making

First ask yourself - do I
genuinely believe this is
right?



Then follow it up with -
would other objective third
parties believe this is right?

Tip to being objective:
surround yourself with other ethical people



Moral Intent



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You know the saying

Good People

can do

BAD THINGS?



Moral Intent – Most Common Rationalizations

“I know this is wrong, but...”

Denial of Responsibility:
shift blame to someone
else (my boss made me
do it)

Denial of Injury: no one
will get hurt

Denial of Victim:
convince ourselves the
person or company
deserves it

Social Weighting: the
other party did
something much worse
than I did

Appeal to Higher
Loyalties: boss/co-
workers/family are
counting on me

Feeling of worth: I
“deserve” this due to
perceived mistreatment



Moral Action

It takes 3 things to turn moral intent into moral action...

OWNERSHIP

Take responsibility for our actions & how they affect others; make efforts to ensure the outcomes of our actions are positive

COURAGE

Standing up & doing the right thing, even if we risk losing our job; ethical dilemmas may require us to make sacrifices to preserve our integrity

EFFICACY

Belief in our ability to act ethically and to induce others to do so in the face of moral adversity



Moral Reflection



Make time to pause
and reflect



Be honest and
vulnerable



Identify when a course
correction is needed



Don't be afraid to hit
that reset button



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Tangible and Abstract Bias on Ethical Decision Making

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Let's Hear From You...

You have \$100 to donate to charity and it must all go to just one cause. Which would you choose?

- A. American Cancer Society
- B. Save the Elephants
- C. Doctors without Borders
- D. American Red Cross
- E. St. Jude Children's Hospital

Polling question for purposes of audience engagement only. Not required for CPE credit.



Tangible and Abstract Bias

Psychological studies show that human decision-making is naturally impacted more by vivid, tangible, contemporaneous factors than by factors that are removed in time and space.



Examples of Tangible Influences:

Personal
Financial
Benefit

Health and
well being
of family
members

Increased
profits/higher
stock price

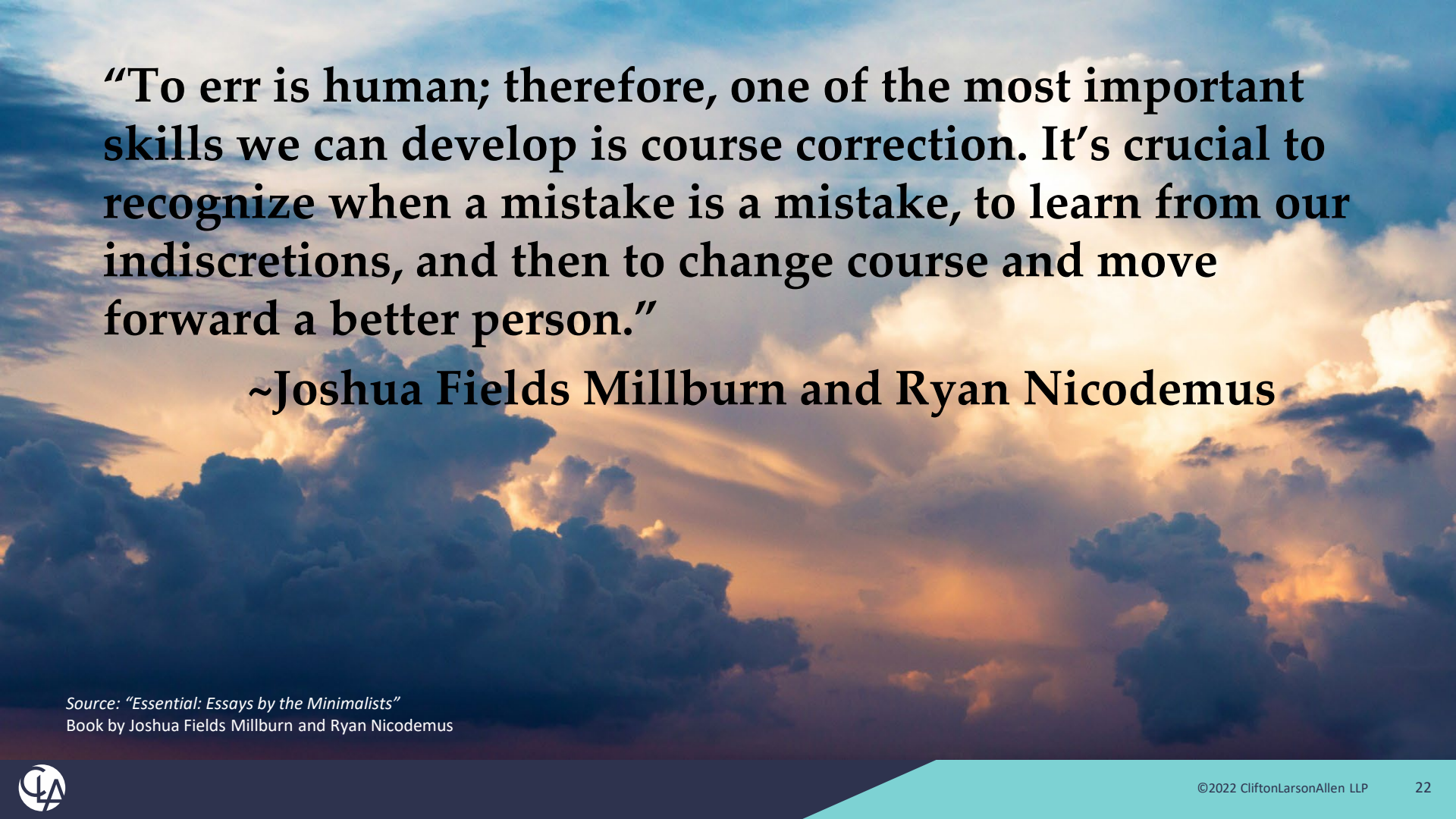
Examples of Abstract Influences:

Impacts to
future
generations

Health and
well being
of children
overseas

Safety of
“faceless”
consumers





“To err is human; therefore, one of the most important skills we can develop is course correction. It’s crucial to recognize when a mistake is a mistake, to learn from our indiscretions, and then to change course and move forward a better person.”

~Joshua Fields Millburn and Ryan Nicodemus

Source: “Essential: Essays by the Minimalists”
Book by Joshua Fields Millburn and Ryan Nicodemus



Any Questions??



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Thank you!!

Kim Boyle
CAST Engagement Director, CLA



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Uprooting Alzheimer's

Clifton Larson Allen

CAST Event

September 22, 2022

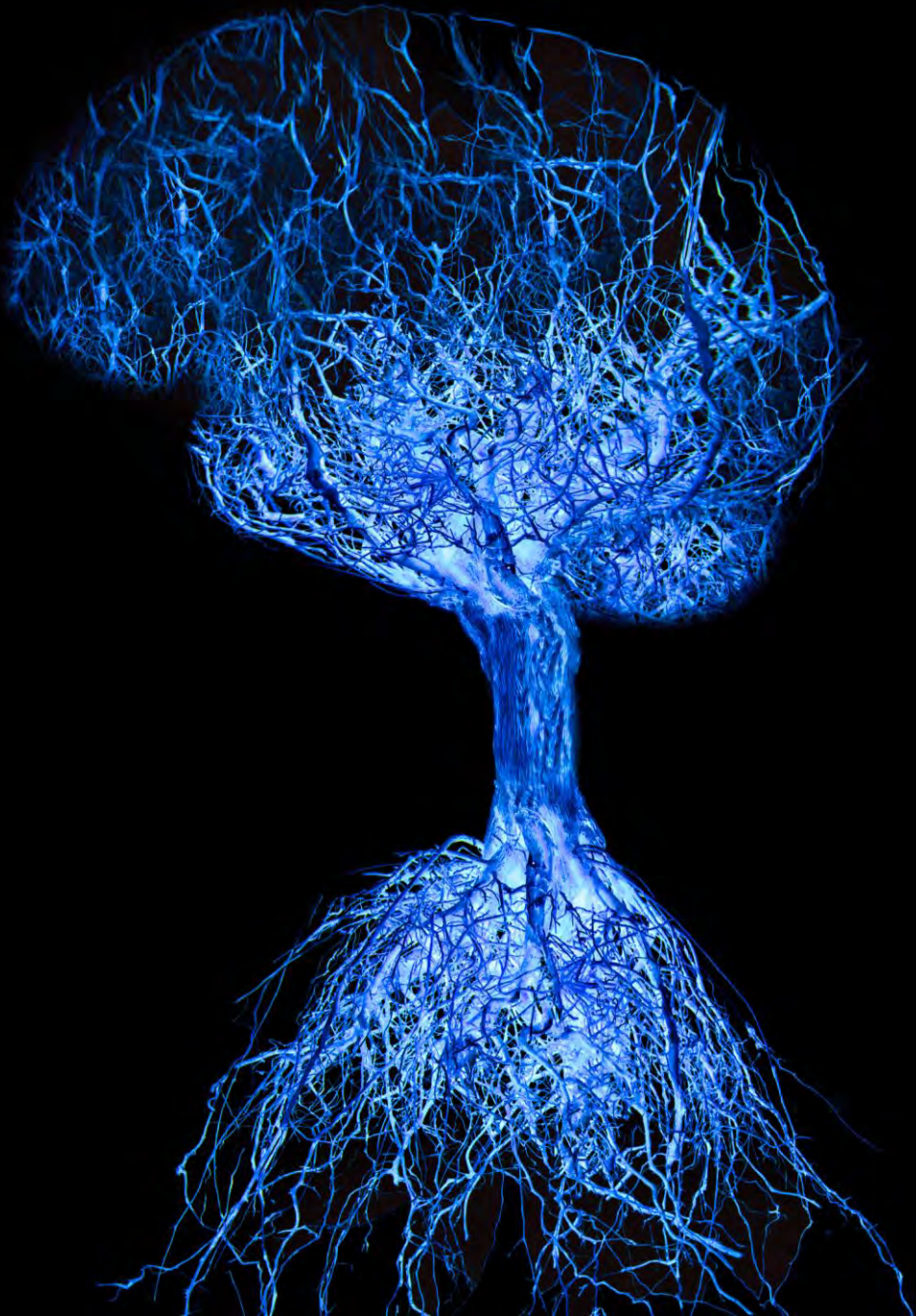
Kiara Simone Eily MD FAARFM,
ABAARM

Take Away Points

Alzheimer's pathophysiology may start 20 years before significant symptoms appear.

- ▶ Early Prevention is Possible





Take Away Point

There are many root contributors

- ▶ Nutritional
- ▶ Immune
- ▶ Infectious
- ▶ Neurotransmitter Imbalances
- ▶ Toxins
- ▶ Heavy Metals
- ▶ Insulin/Diabetes
- ▶ Vascular
- ▶ Genetics

Objectives

Discuss	Discuss Early Signs warranting a cognitive assessment and intervention
Discuss	Discuss several root causes of cognitive decline used in the functional medicine model
Review	3, Review some of my cases
Introduce	Introduce Dale Bredesen's Recode Protocol

The Socioeconomic Burden

- ▶ Third leading cause of death in the United States, following only cardiovascular disease and cancer
- ▶ Annual cost has climbed from \$183 billion 5 years ago to \$321 billion
 - ▶ \$206 billion Medicare and Medicaid
 - ▶ Non-paid care givers



Early Warnings

- ▶ A. Erectile Dysfunction
- ▶ B. Hearing Loss
- ▶ C. Anosmia Loss of Smell
- ▶ D. Insomnia
- ▶ E. Premature Graying

Benefits of Early Screening

- ▶ The Pathophysiology of Alzheimer's starts 20 or more years before significant symptoms develop
- ▶ Prevention Prevention Prevention
- ▶ Less stigma when cognitive assessments become routine like colonoscopies

Cognoscopy

Dr Dale Bredesen's tool
used in his RECODE
protocol

It includes lab test that
measure some of the
markers in My Fight
Alzheimer's protocol and a
cognitive assessment called
CNS vital signs.



Food/Nutrition

How healthy are your nutritional roots?

Nutritional Deficiencies are common The SAD Diet

- ▶ Common deficiencies are:
 - ▶ Vitamin D
 - ▶ Magnesium
 - ▶ Vitamin B12
 - ▶ Omega 3s

Food/Nutrients

- ▶ Food Sensitivities also must be uprooted'
- ▶ Some common foods that trigger immune responses and adversely affect brain health
- ▶ Are gluten other grains dairy and lectins
- ▶ Inflammatory foods sugars processed foods, MSG

Flow

Healthy Vessels are required to get the nutrients to the brain.

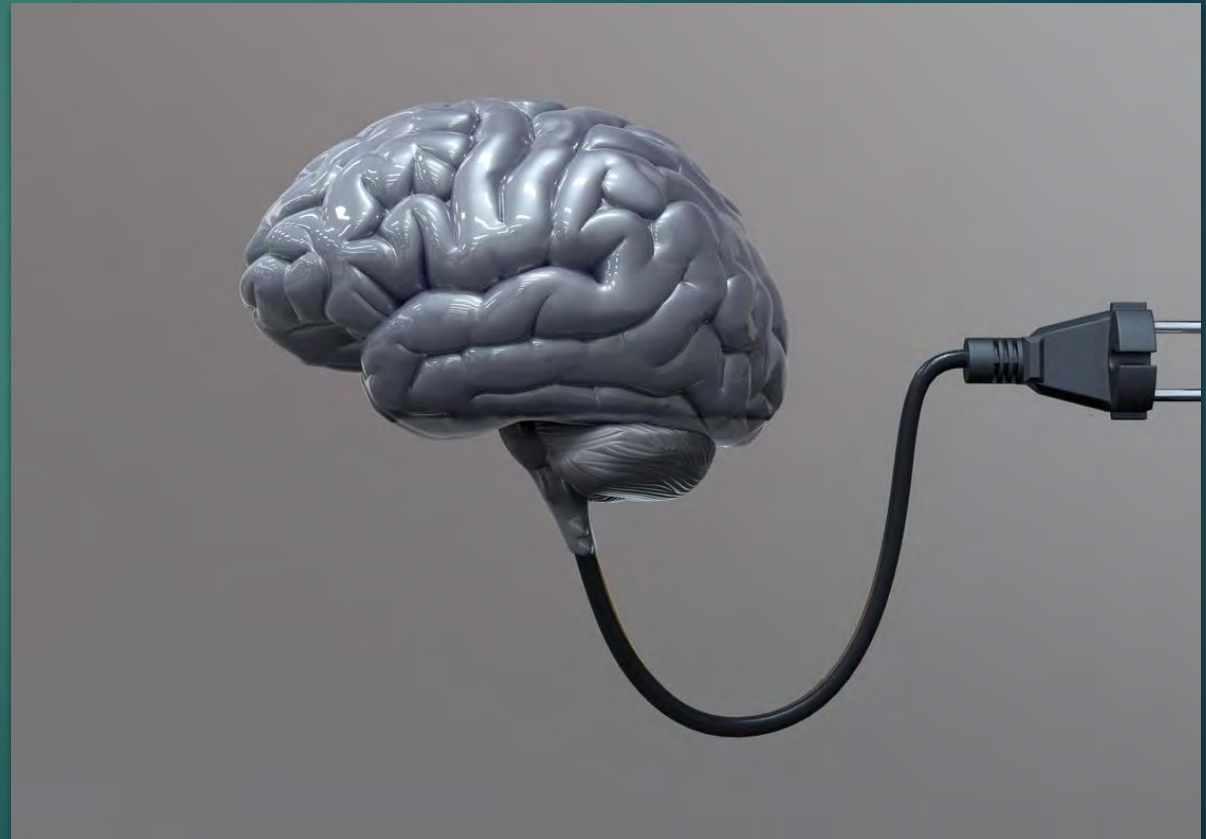
The arteries are damaged by diabetes, cholesterol, hypertension and inflammatory/immune conditions like lupus

Controlling the above conditions will uproot the root of poor flow

Nitrous oxide is not only key to flow in erectile dysfunction it improves cerebral blood flow

Fuel

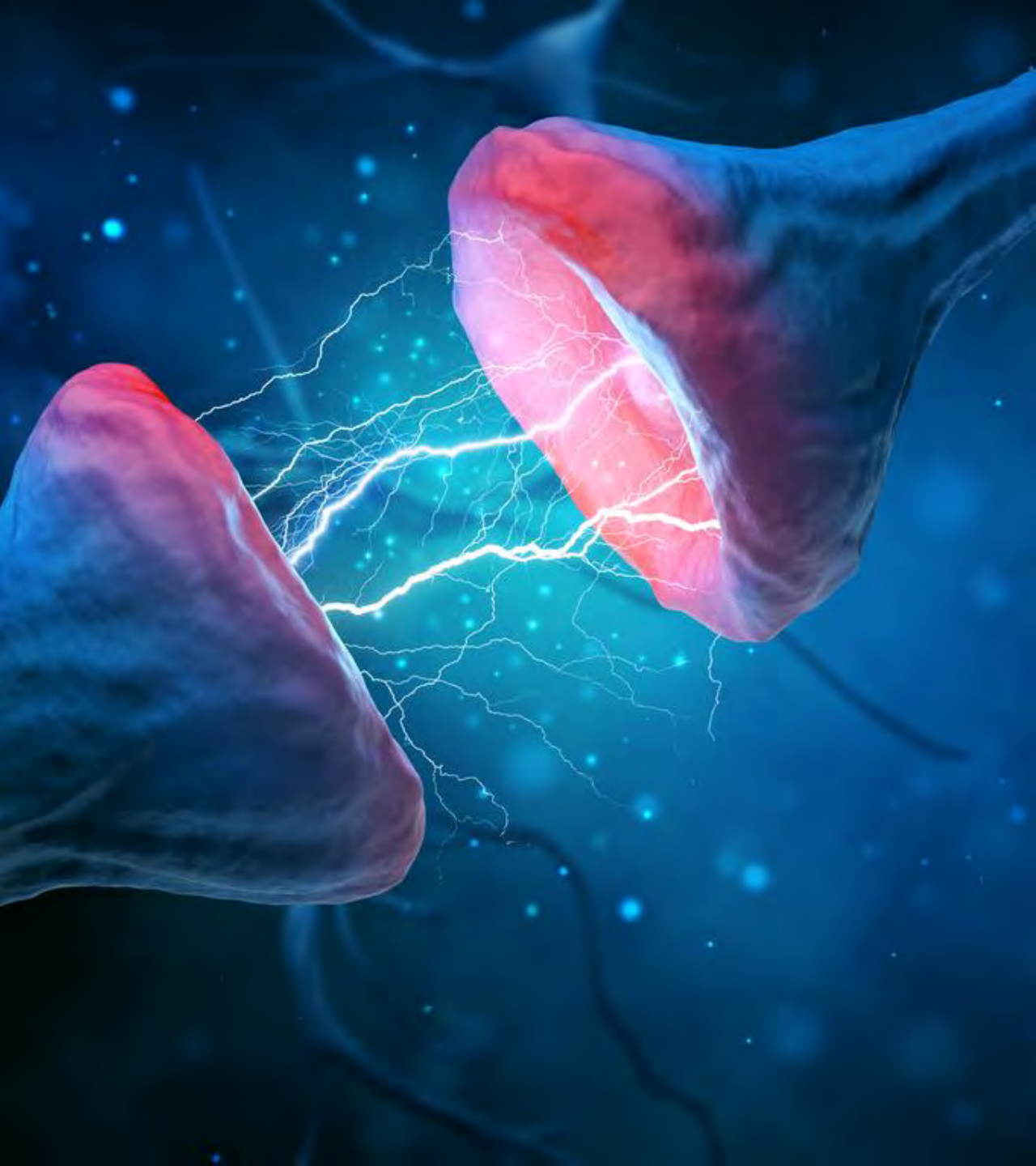
- ▶ Mitochondria produce the energy source ATP to fuel our brain
- ▶ No ATP is like having no gas in the tank
- ▶ Multiple factors affect our mitochondria
 - ▶ Genetics
 - ▶ Toxins
 - ▶ Infections
 - ▶ Drugs Statins
- ▶ CoQ10/PQQ can help in addition to treating the toxins and infections





Fitness

- ▶ Exercise
 - ▶ increases oxygenation
 - ▶ Improves Insulin Sensitivity
 - ▶ Increases Brain Derived Neurotropic Factors
- ▶ Brain Exercises
 - ▶ Brain HQ
 - ▶ Word Find Crossword Puzzles



Focus

Neurotransmitters

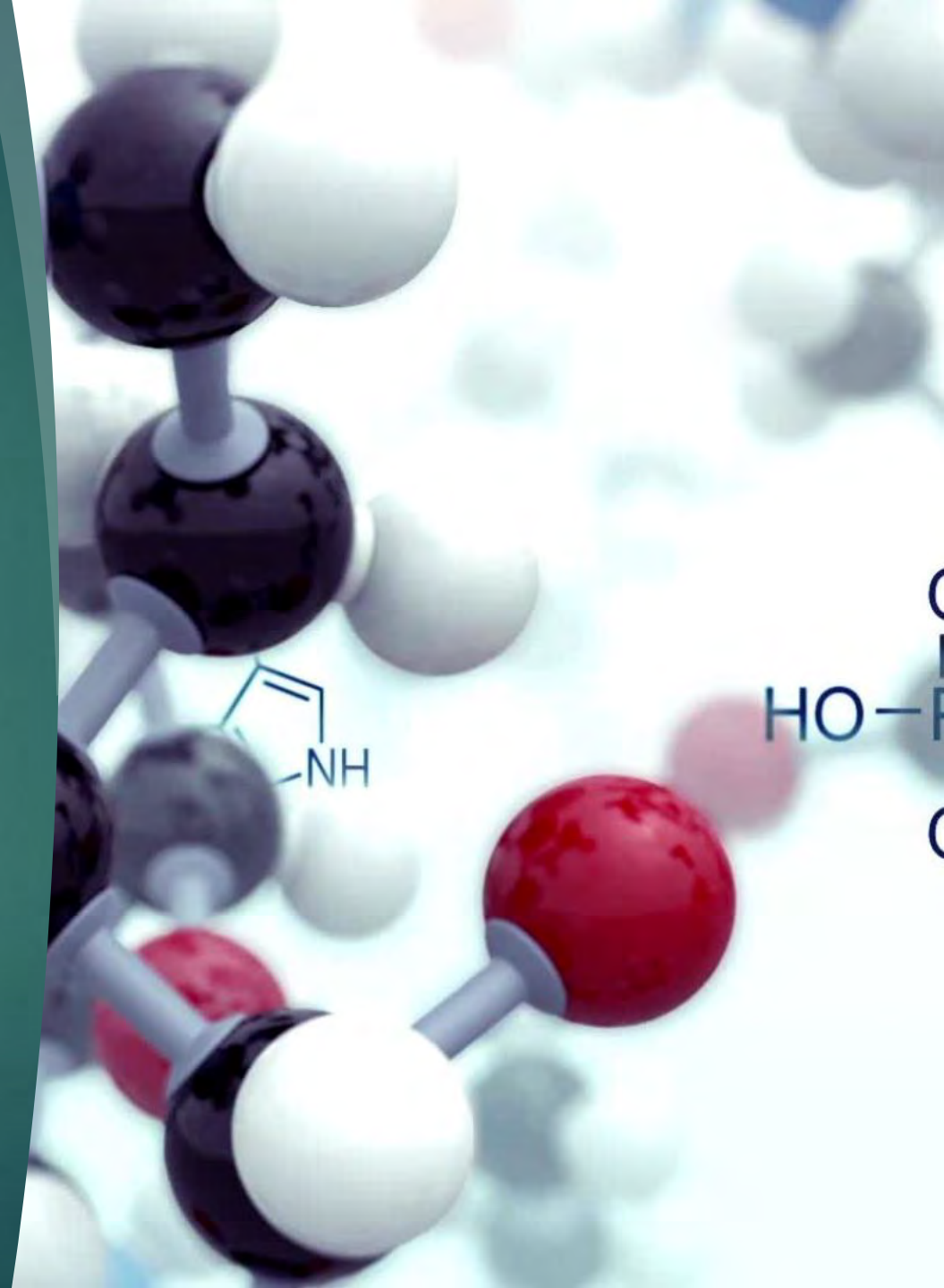
- ▶ Gaba/Glutamate Balance
 - ▶ Gaba reduces neuronal excitability
 - ▶ Gaba friendly substances:
 - ▶ Alcohol,
 - ▶ CBD,
 - ▶ Gabapentin
 - ▶ Sleep medicines
 - ▶ Valium,, Xanax,
 - ▶ Muscle relaxers
- ▶ Glutamate is the most common neurotransmitter in the brain. It is always excitatory,

Focus Neurotransmitters

- ▶ Gaba/Glutamate Imbalance Signs and Symptoms
 - ▶ Insomnia "Doc I can't shut down my brain"
 - ▶ Medicating with THC or alcohol
 - ▶ Anxiety
 - ▶ Muscle stiffness/tightness
 - ▶ Sensitivities to Light, Noises, Chemicals

Gaba Support

- ▶ Magnesium "Calm"
- ▶ Vitamin B6
- ▶ Zinc



Insulin



- ▶ Type 2 diabetics have a two -fold increase of Alzheimer's
- ▶ Screen Early

Some scientist refer to Alzheimer's Disease as Type III Diabetes

- ▶ Post-mortem evaluation of brains of Alzheimer's disease but did not have type 1 or type 2 diabetes showed many of the same abnormalities as the brains of those with diabetes, including low levels of insulin in the brain.
- ▶ Insulin excess or deficiency contributes to cognitive decline



Genetics and Cognitive Decline

APOE

- ← The APOE gene is involved in making a protein that carries cholesterol in the bloodstream.
- ← Each person inherits two APOE alleles, one from each biological parent.
- ← APOE ϵ 2 is relatively rare and may provide some protection against the disease.
- ← APOE ϵ 3, the most common allele, plays a neutral role in the disease
- ← APOE ϵ 4
 - ← Increases risk for Alzheimer's disease
 - ← Associated with an earlier age of disease onset.
 - ← Inheriting an APOE ϵ 4 allele does not mean that a person will definitely develop Alzheimer's.

Beyond APOE

Family History may increase your risk for getting Alzheimer's

Aggressive early tailored risk modification reduces this risk

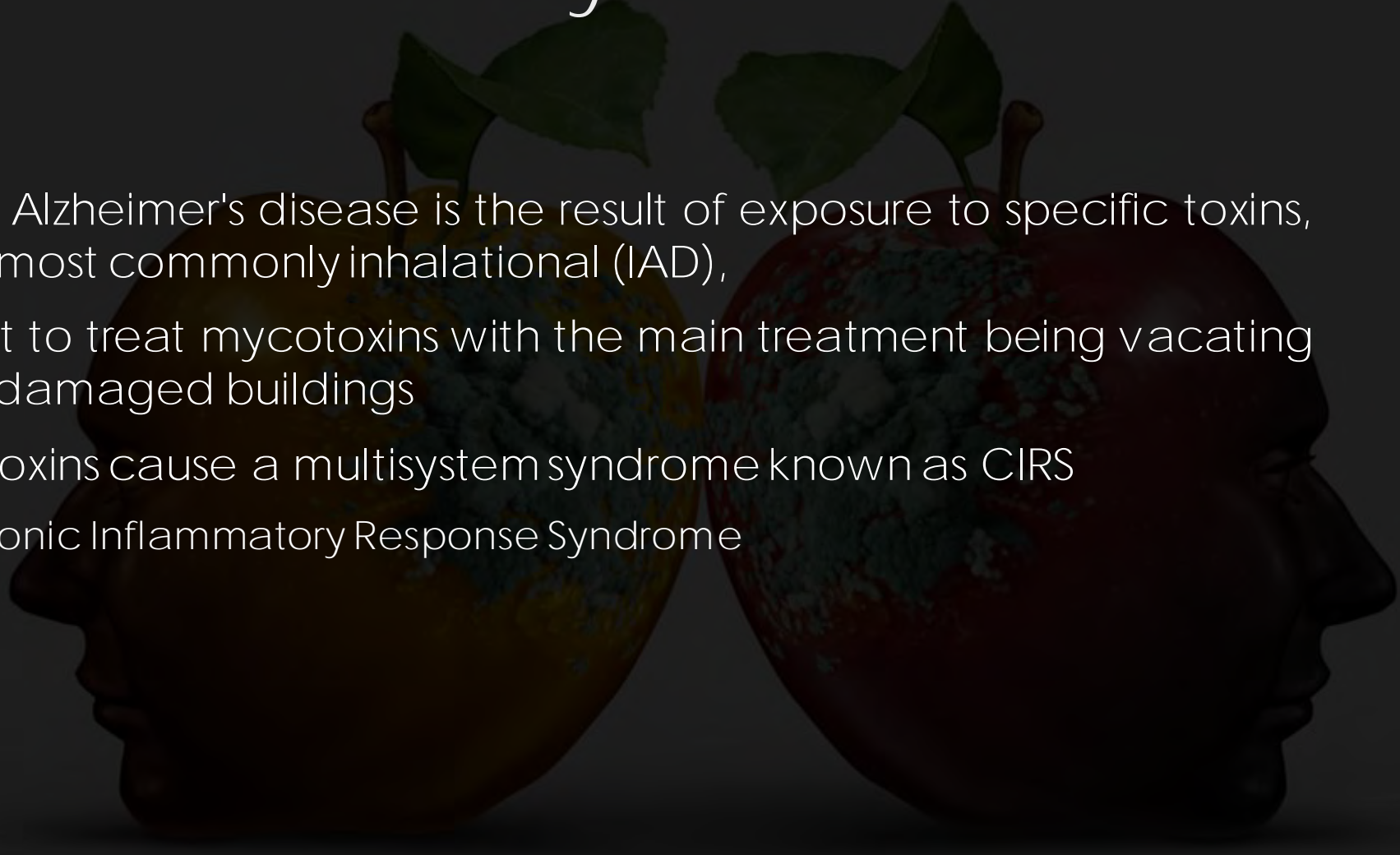
Example grandma with Alzheimer's triggered by mold

Or

Parent with Alzheimer's triggered by poorly controlled diabetes

Toxins: Mold and Mycotoxins

- ▶ Type 3 Alzheimer's disease is the result of exposure to specific toxins, and is most commonly inhalational (IAD),
- ▶ Difficult to treat mycotoxins with the main treatment being vacating water damaged buildings
- ▶ Mycotoxins cause a multisystem syndrome known as CIRS
 - ▶ Chronic Inflammatory Response Syndrome



SLEEP LOSS PRECEDES ALZHEIMER'S SYMPTOMS

The brain does its best housecleaning while we sleep this is called glymphatics
Inadequate sleep causes inefficient glymphatics

Sleep apnea deprives the brain of oxygen

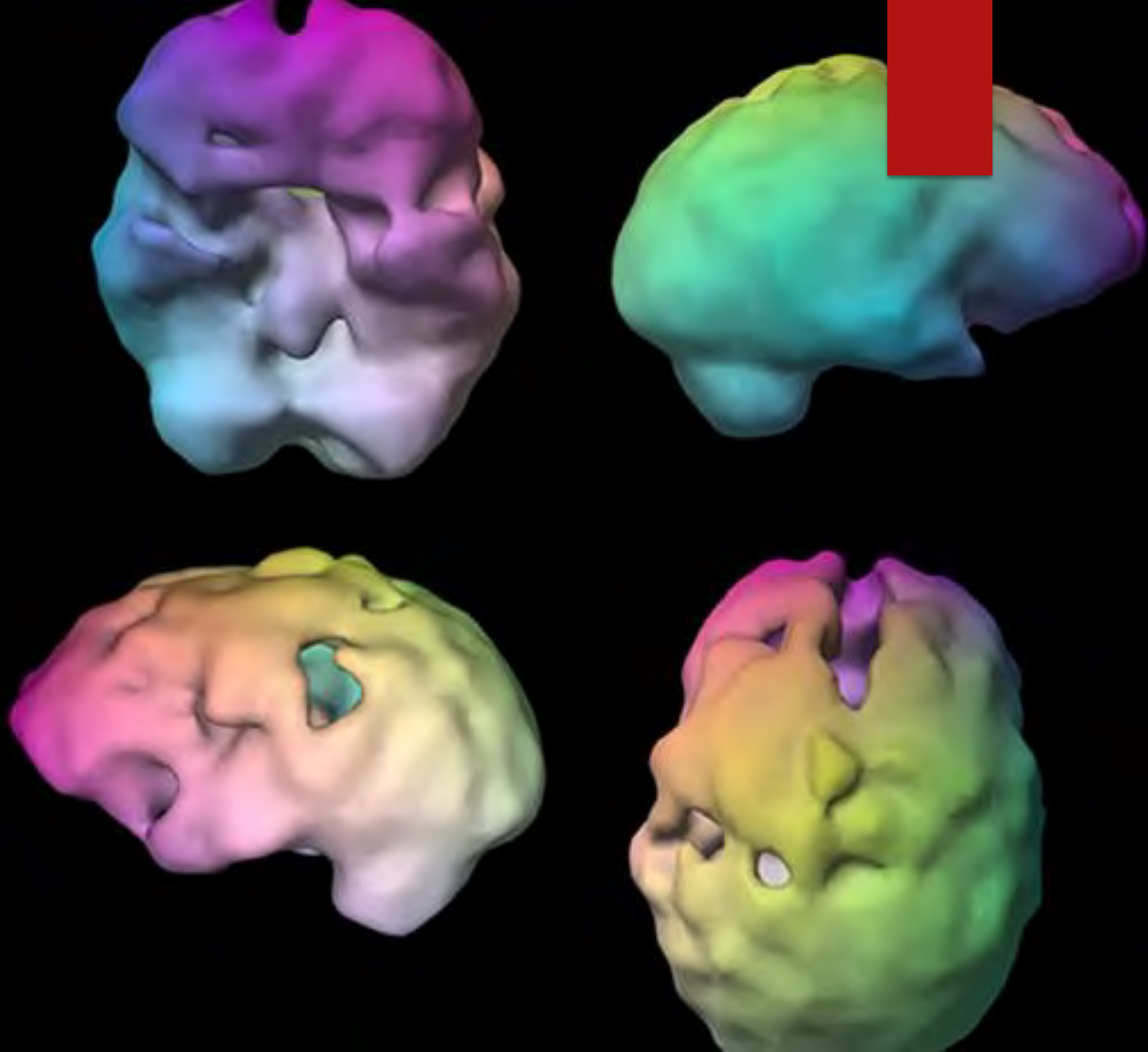
MOST TRADITIONAL SLEEP AIDS HAVE ADVERSE EFFECTS ON COGNITION



Diagnostic Test: SPECT Scan

This test looks on brain
function rather than
structure

Functional decline
precedes structural
changes of MRI and CT
scans



Case 1

82 yo female

Movement disorder,
hearing loss, mild
cognitive disorder
,neuropathic foot
pain

PMH: HTN , Benign
Tremor and Non-
parkinsonian
movement disorder

GERD, IBS

Meds: metoprolol,
omeprazole, miralax,
experimental med
movement disorder,

Longterm use of
Reglan and
Cogentin which are
anticholinergics

Case 1 Treatment

Mold exposure
Vacated Water
Damaged
Residence

Significant
improvement when
out of moldy
environment

Diet low in
processed sugars

Multivitamin/Mineral

resveratrol oregano
oil

Probiotics

Major improvements
after treatment
for gut infection
with antibiotics

Astounding
improvement when
treated with a
binder used to treat
mycotoxins

Case 2

78 yo female

Visual-spatial deficits
and executive
dysfunction difficulty
concentrating easy

distractibility after
minor MVC

Cortisol am 24

TSH 6.2

SPECT scan:
Decreased
prefrontal cortex,

Decreased temporal
lobe

Decreased parietal
lobe

Case 2

Fish oil 3,000 day

Catalase

Glutathione nasal
spray

Phosphatidylserine
100mg

Methylcobalamin
SQ

Bcomplex

ASEA redox
supplement 4
ounces twice a day

Citocholine CDP
start 250mg
increase over
several weeks to
1,000mg

CoQ10 200 mg bid

Curcumin 400mg

Synapsin nasal spray

Oxaloacetate for
high cortisol

Armour thyroid 30
mg

Case 3

83 yo presented with severe cognitive decline nonverbal wheel chair bound in Hospice Care

Past Medical History

- Bipolar disorder
- Hypertension on a beta blocker
- High Cholesterol on a Statin

Longterm use of psychiatric medicines

Husband passed recently of Alzheimer's

Diagnosed with vascular dementia

Case 3

Daughter did not
want any
aggressive
treatment

Start vitamin D3/K2
5000IU/150mcgs

Start CoQ10 a
200mg since she
was on a statin and
a beta blocker.

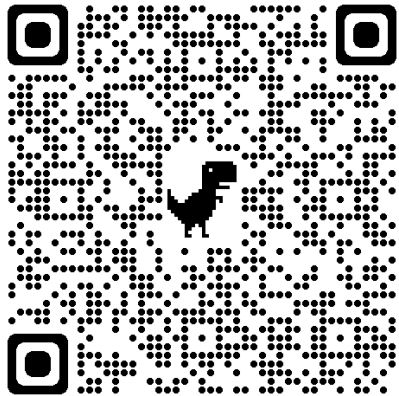
2 months later

She was speaking.

She was feeding
herself finger food

She
remains wheelchair
bound

Resilience + Effort = Impact



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Let's Talk ESGs

Maria Kingery

360IMPACT

Our Objectives & Agenda

Our Objectives:

- ❖ Learn about current state of ESGs
- ❖ Learn about opportunities and challenges of ESGs
- ❖ Learn from each other's experience
- ❖ Maybe get a little inspired?

Agenda:

- ❖ A little about Me & My Experience w/ ESGs
- ❖ ESG Overview - Why Should You Care?
- ❖ Conversation - What's Your ESG Experience?
- ❖ Current State of ESG Reporting - the good, the bad, the ugly
- ❖ Ideas for implementation
- ❖ Conversation - What's the impact for your business?
- ❖ Conclude

Ground Rules:

- Respect differing viewpoints
- Be fully present
- Assume positive intent
- Focus on facts, not opinions
- Speak from experience
- Be succinct in your shares

Thanks to Dr. Chris Wedding:

Executive in Residence at Duke's Fuqua School of Business, where he teaches energy finance and management consulting via the Fuqua Client Consulting Practicum (FCCP), and an Associate Professor with the Nicholas School of the Environment at Duke University, where he teaches on corporate sustainability strategy, green real estate, and clean energy.

He has over 20 years of experience in private equity, investment banking, executive education, and academia, with a focus on energy and the environment.

360IMPACT

My Perspective:



360IMPACT

Inc.
Best
Workplaces
Honoree
2022



Certified



Corporation

This company meets the
highest standards of social
and environmental impact



Well, depends who you ask



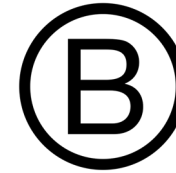
STRONGER TOGETHER.



2021



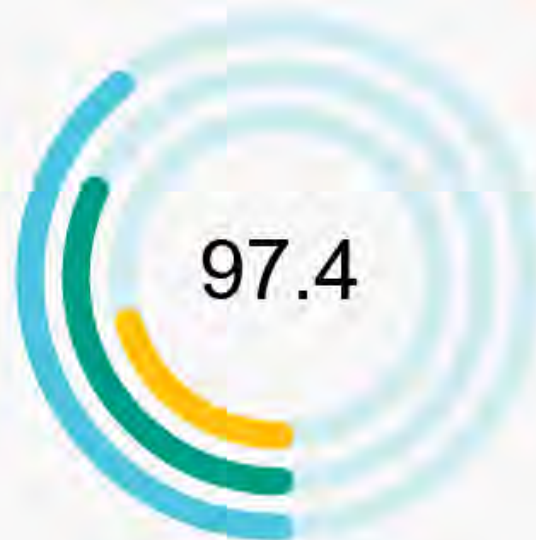
Certified



Corporation

Overall B Impact Score

Based on the B Impact assessment, Southern Energy Management earned an overall score of 97.4. The median score for ordinary businesses who complete the assessment is currently 50.9.



- 97.4 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

Governance

Workers

Community

Environment

Customers

Governance 6.1

Governance evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect their mission and formally consider stakeholders in decision making through their corporate structure (e.g. benefit corporation) or corporate governing documents.

Mission & Engagement 1.2

Ethics & Transparency 2.4

+ Mission Locked 2.5

What is this? A company with an Impact Business Model is intentionally designed to create a specific positive outcome for one of its stakeholders - such as workers, community, environment, or customers.

Governance

Workers

Community

Environment

Customers

Workers 25.4

Workers evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction. In addition, this section recognizes business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment.

Financial Security	9.9
Health, Wellness, & Safety	5.9
Career Development	4.0
Engagement & Satisfaction	5.5

Governance

Workers

Community

Environment

Customers

Community 13.9

Community evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic

Diversity, Equity, & Inclusion **3.0**

Economic Impact **3.7**

Civic Engagement & Giving **3.5**

Supply Chain Management **1.1**

Governance

Workers

Community

Environment

Customers

Environment 48.6

Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes the direct impact of a company's operations and, when applicable its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less

Environmental Management	6.7
Air & Climate	5.0
Water	1.0
Land & Life	3.8
+ Renewable or Cleaner-burning Energy	18.8
+ Resource Conservation	13.1

What is this? A company with an Impact Business Model is intentionally designed to create a specific positive outcome for one of its stakeholders - such as workers, community, environment, or customers.

Governance

Workers

Community

Environment

Customers

Customers 3.2

Customers evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts & media products, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations.

Customer Stewardship **3.2**

+ Impact Improvement **0**

+ Serving in Need Populations **0**

What is this? A company with an Impact Business Model is intentionally designed to create a specific positive outcome for one of its stakeholders - such as workers, community, environment, or customers.



Previous Overall B Impact Scores

2016 Overall B Impact Score **91.5**

2014 Overall B Impact Score **109.5**

2013 Overall B Impact Score **108.9**

2009 Overall B Impact Score **106.6**

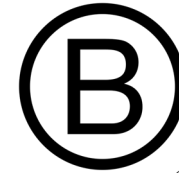
Best for the World

Every year, B Lab recognizes the B Corps that have achieved the highest verified scores in the five impact areas evaluated on the B Impact Assessment.

Best For The World: Environment	2022
Best For The World: Environment	2021
Best For The World: Environment	2019
Best For The World: Environment	2018
Best For The World: Environment	2017
Best For The World: Environment	2013
Best For The World: Environment	2012
Best For The World: Overall	2012



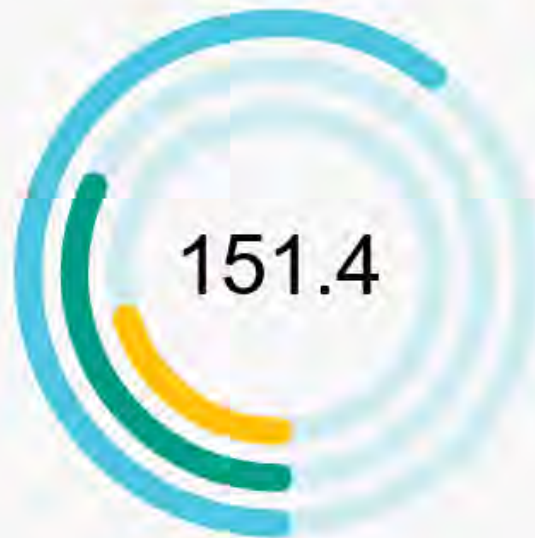
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Overall B Impact Score

Based on the B Impact assessment, Patagonia Works earned an overall score of 151.4. The median score for ordinary businesses who complete the assessment is currently 50.9.



- 151.4 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

What is ESG?
And why should you care?

SUSTAINABLE DEVELOPMENT GOALS



The Key Elements of ESG Reporting



Environmental pillar

Climate change	Natural resources	Pollution & waste	Environment opportunity
Carbon emissions	Water stress	Toxic emissions & waste	Opportunities in clean tech
Product carbon footprint	Biodiversity & land use	Packaging material & waste	Opportunities in green building
Financing environmental impact	Raw material sourcing	Electronic waste	Opportunities renewable energy
Climate change vulnerability			



Social pillar

Human capital	Product liability	Stakeholder opposition	Social opportunity
Labor management	Product safety & quality	Controversial sourcing	Access to communication
Health & safety	Chemical safety		Access to finance
Human capital development	Financial product safety		Access to health care
Climate change vulnerability	Privacy & data security		Opportunities in nutrition and health
	Responsible investment		



Governance pillar

Corporate governance	Corporate Behaviour
Board diversity	Business ethics
Executive pay	Anti-competitive practices
Ownership	Corruption & instability
Accounting	Financial system instability
	Tax transparency

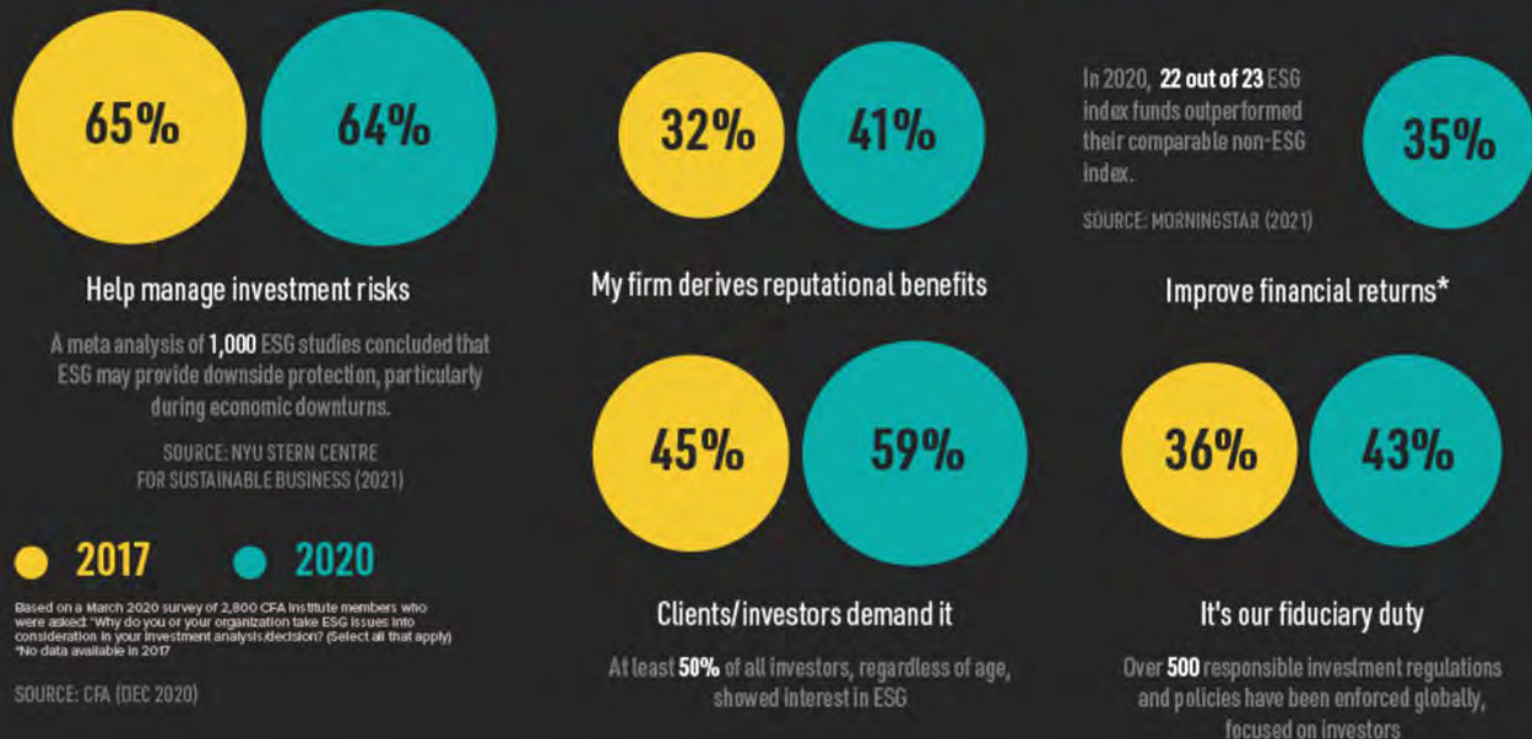
SOURCE: PWC

Environmental, social, and governance (ESG) investing has never been more popular than it is today—but why?

Here are the top 5 forces driving the rapid growth of ESG investing based on a survey of 2,800 investors.

SOURCE: CFA (DEC 2020)

Top 5 Drivers of ESG Investment (% of respondents)



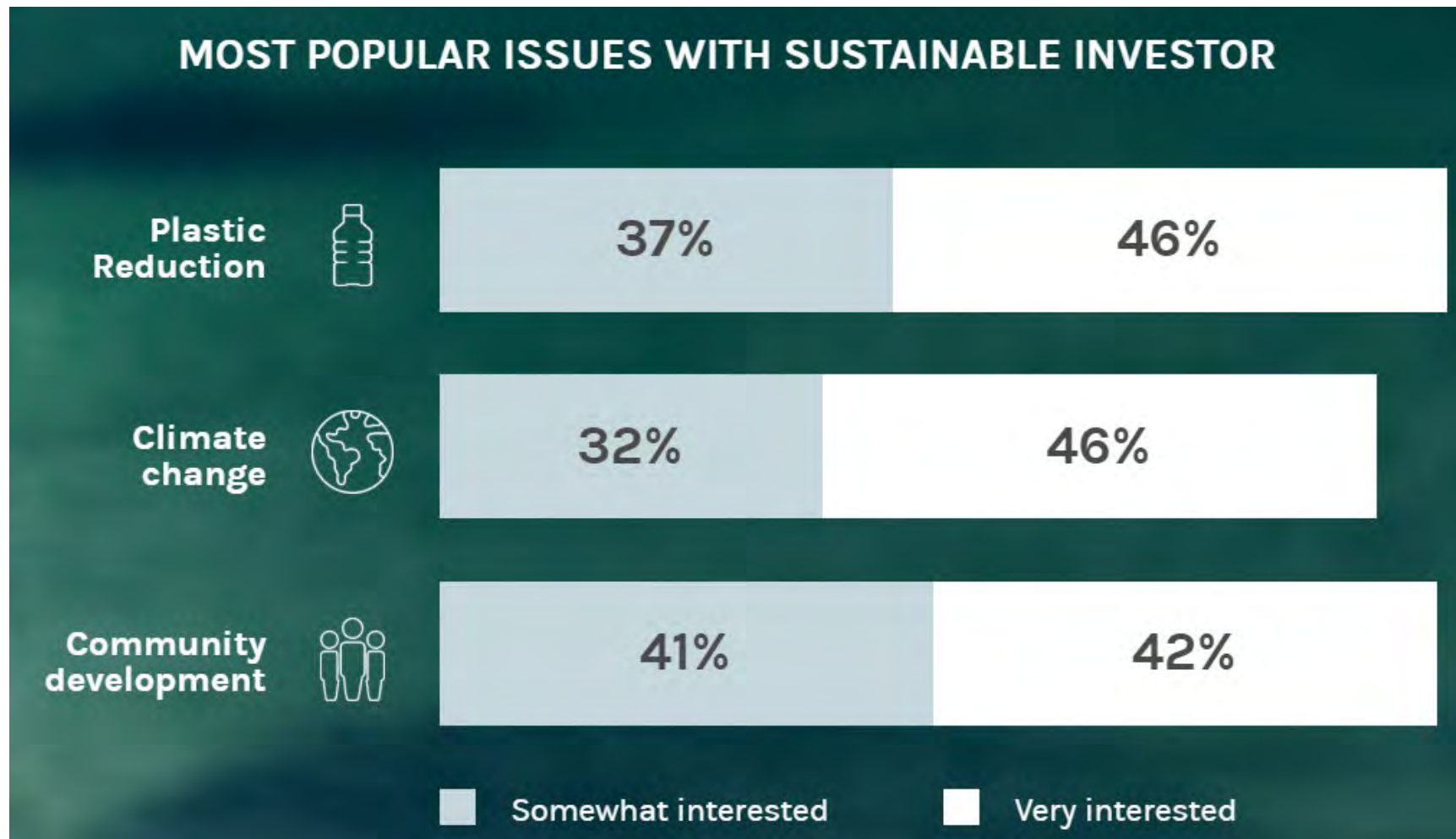
Source: Visual Capitalist

Top areas of ESG interest

Top Specific ESG Criteria for Money Managers 2020



Top areas of ESG interest



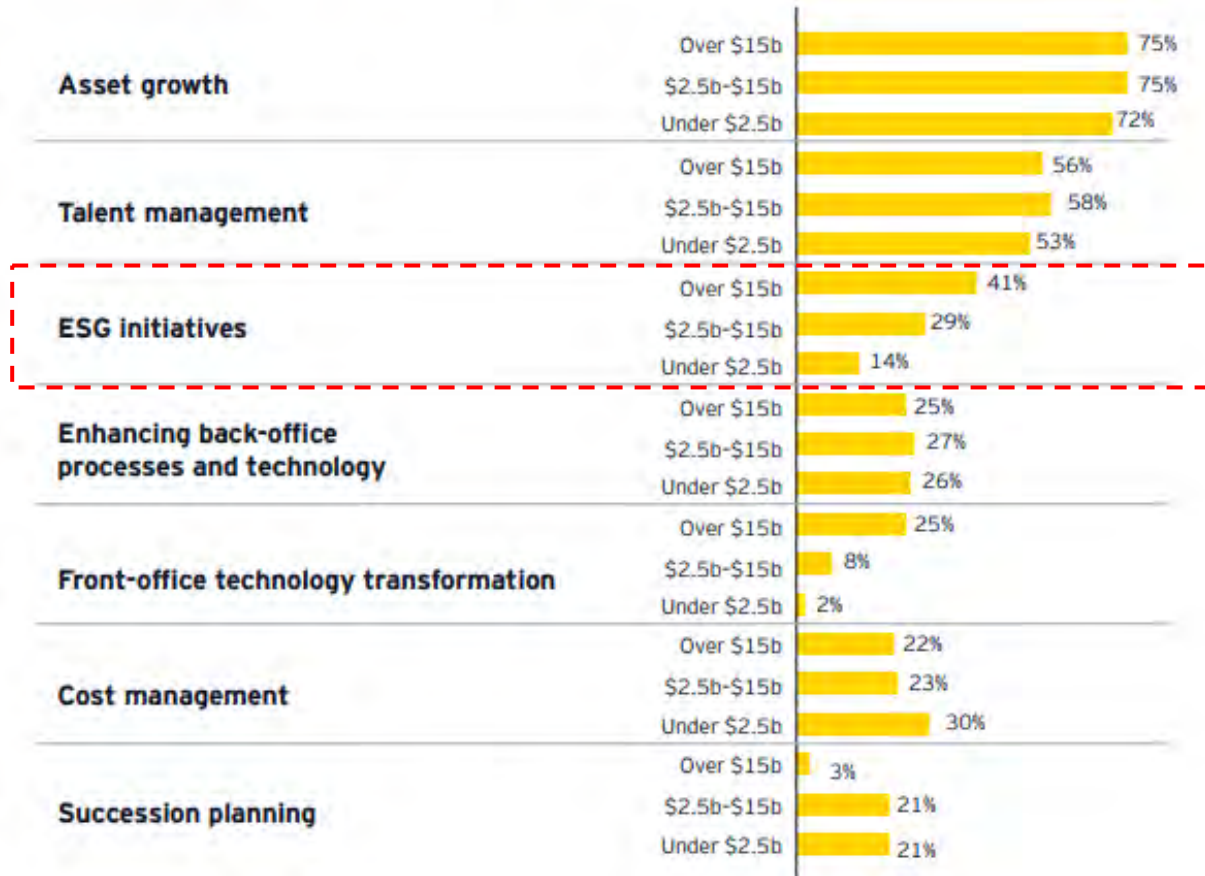
Why is ESG growing?

Private equity (PE) firms showing increased attention to ESG

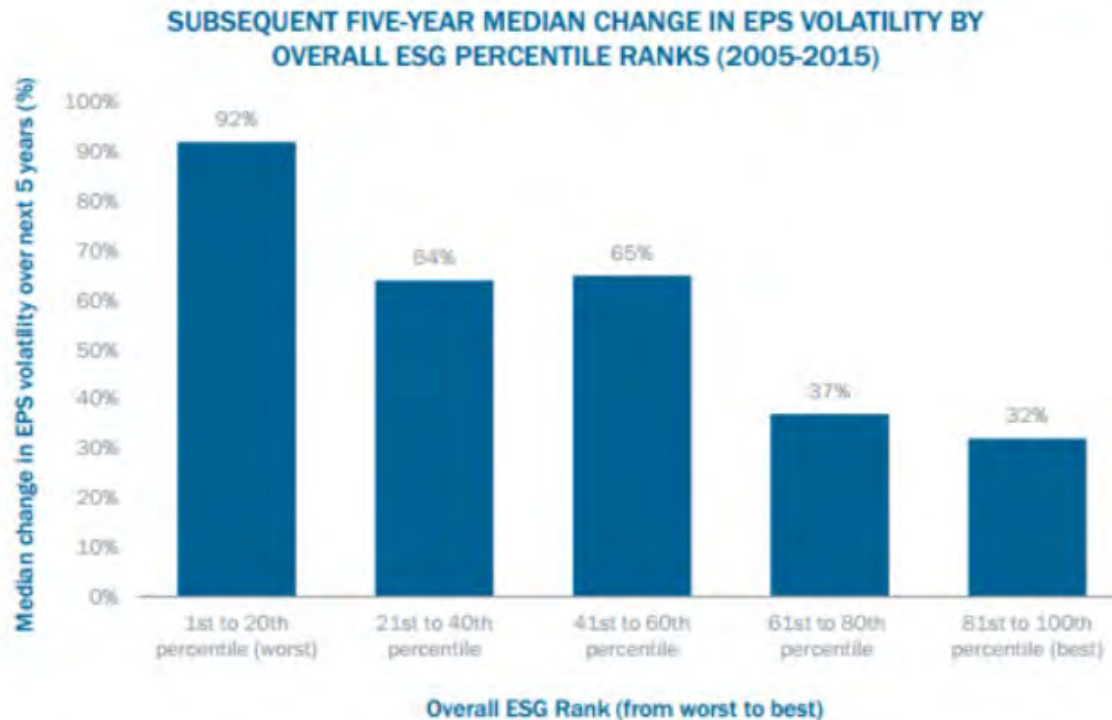


ESG => Top 3 priority for PE

What are your top strategic priorities?



ESG investing has been shown to reduce risk and profit variability



“ESG is a better signal of earnings risk than any other metric we have found.”

BofA Merrill Lynch *TransformingWorld* Thematic Research “Environmental, Social & Governance (ESG) – The ABCs of ESG,” September 10, 2018.

“Larry’s Letters” are becoming more direct re: ESG

BlackRock

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Larry Fink's 2021 letter to CEOs



Have you been to their website recently? Whoa.

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A Fundamental Reshaping of Finance

Dear CEO,

As an asset manager, BlackRock invests on behalf of others, and I am writing to you as an advisor and fiduciary to these clients. The money we manage is not our own. It belongs to people

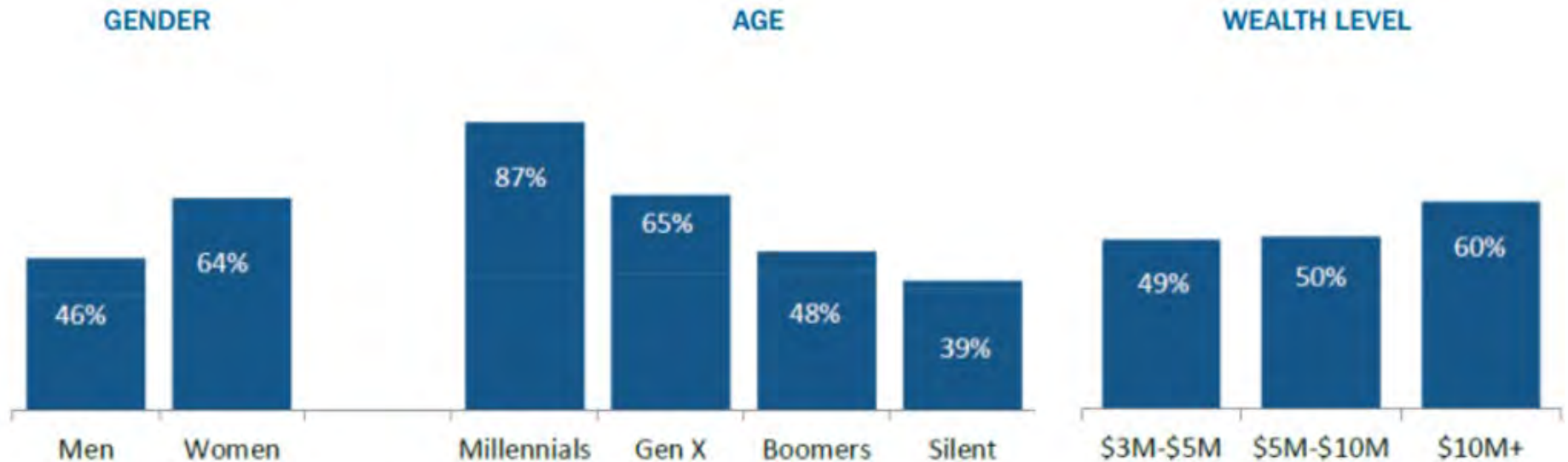
Climate change has become a defining factor in companies' long-term prospects. Last

Climate Risk Is Investment Risk

As a fiduciary, our responsibility is to help clients navigate this transition. Our investment conviction is that sustainability- and climate-integrated portfolios can provide better risk-adjusted returns to investors. And with the impact of sustainability on investment returns increasing, we believe that sustainable investing is the strongest foundation for client portfolios going forward.

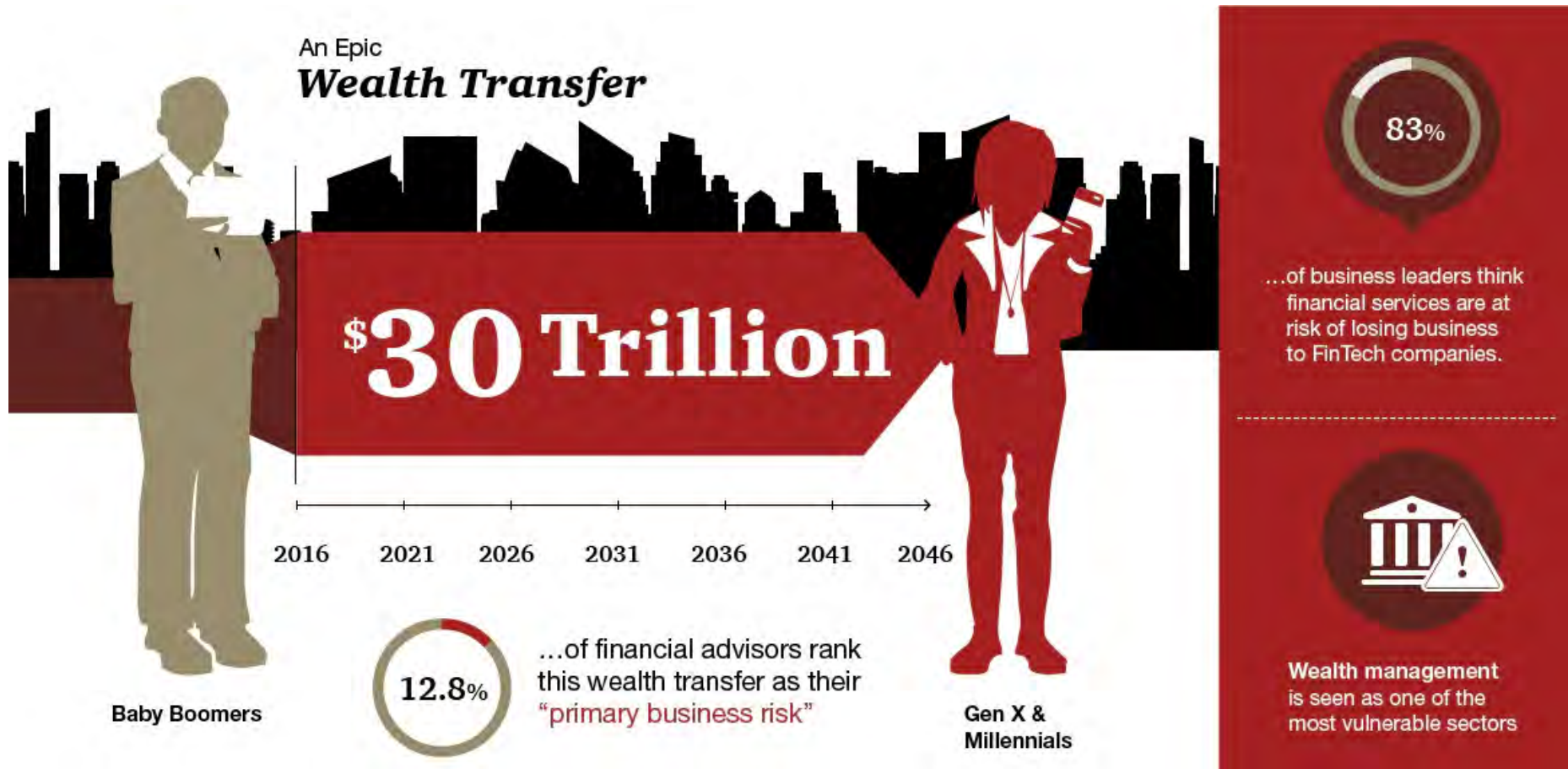
Interest in ESG investing varies by demographic

PERCENT OF INVESTORS WHO AGREE ON IMPORTANCE OF ESG TO INVESTMENT DECISION-MAKING



Source: U.S. Trust Bank of America Private Wealth Management, 2018 U.S. Trust Insights on Wealth and Worth – Detailed Findings.

ESG growth will be driven in part by demographic shifts globally, from Baby Boomers to Gen X and Millennials



Broken trust is fueling desire for accountability, especially with younger generations:

High-profile examples of ESG-related incidents:

- 2001 Enron Corporation accounting fraud
- 2010 Deepwater Horizon oil spill
- 2015 Volkswagen emissions test cheating
- 2018 Facebook data privacy scandal

Risks and Opportunities are real.

Example from Pax World Funds: Climate change

Risks

- Increasing vulnerability to catastrophic weather
- Insurance expenses
- Supply chain interruption



Increase in Severe Weather

Opportunities

- Recovery specialists
- Portable power providers
- Hazardous material identification and clean up

- Water-reliant production processes
- Increased expenses



Droughts and Water Shortages

- Water treatment and reuse
- Water management systems
- Valve, pump and pipe improvements

- Increased costs in materials and production
- Reputational risk



Resource Availability and Accessibility

- Recycling and processing
- Production efficiencies

Example from Pax World Funds: Gender equity

Risks

- Reputational risk
- Discrimination and harassment claims



Lack of Gender Diversity

Opportunities

- Potential financial performance benefits with lower risk
- Better problem-solving and decision-making
- Increased innovation

- Challenges attracting and retaining employees
- Legal action



Pay Inequality

- Employee satisfaction
- Reputational benefits and positive press

- Not reaching productivity potential
- Stifled economic growth



Unequal Workforce Participation

- Improved productivity
- Improved capacity for innovation
- Improved decision- and policy-making of institutions

Big Companies Setting Net Zero Carbon Goals

Forbes

Mar 24, 2021, 09:30am EDT | 5,710 views

A Fifth Of World's Largest Companies Committed To Net Zero Target



Disha Shetty Contributor

Science

I write on climate change, environment and public health.

\$368B for Climate Investments in Inflation Reduction Act

TIME

SPOTLIGHT STORY FAR FROM HOME

POLITICS • CLIMATE CHANGE

The Inflation Reduction Act Is About to Jumpstart U.S. Climate Policy and Change the World

Forbes

ENERGY

The Inflation Reduction Act Is The Most Important Climate Action In U.S. History

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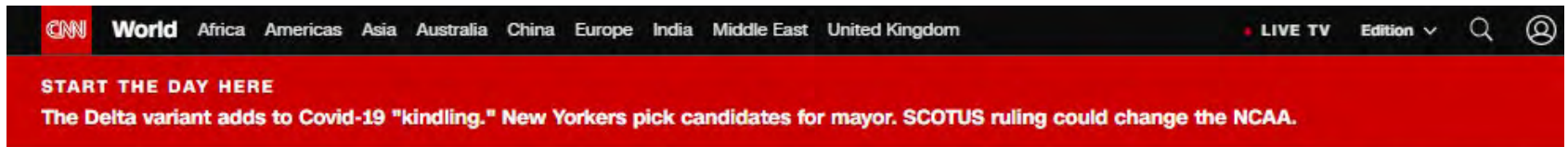
Fewer Cures, Costlier Energy

The so-called Inflation Reduction Act has at its heart the most foolish trade-off imaginable.

By Stephen Moore and Tomas J. Philipson

Aug. 7, 2022 12:52 pm ET

Countries and Corporations Commit to Net Zero



G7 leaders share a bold vision for a net zero future. But the devil is in the lack of detail



By [Angela Dewan](#), CNN

🕒 Updated 12:17 AM ET, Mon June 14, 2021



US President Joe Biden, center, and other G7 leaders arrive for a photo during a reception at The Eden Project in England on June 11, with Queen Elizabeth II, left.

From Voluntary to Mandated? Oh my!

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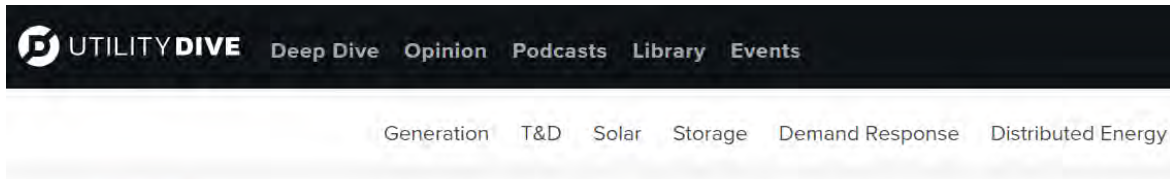
From nice to have to mainstream: ESG in private equity

February 2021 | FEATURE | PRIVATE EQUITY

Financier Worldwide Magazine

- In Europe, for example, the **new Disclosure Regulation** sets out detailed rules that will **require firms, including most PE fund managers, to disclose how ESG considerations form part of their investment decision-making process and how their investment decisions impact sustainability factors.**
- The regulation **applies to fund managers**, financial advisers and many other EU-regulated firms, as well as non-EU fund managers **marketing their funds in the EU.**

SEC and Nasdaq May Require ESG Disclosure



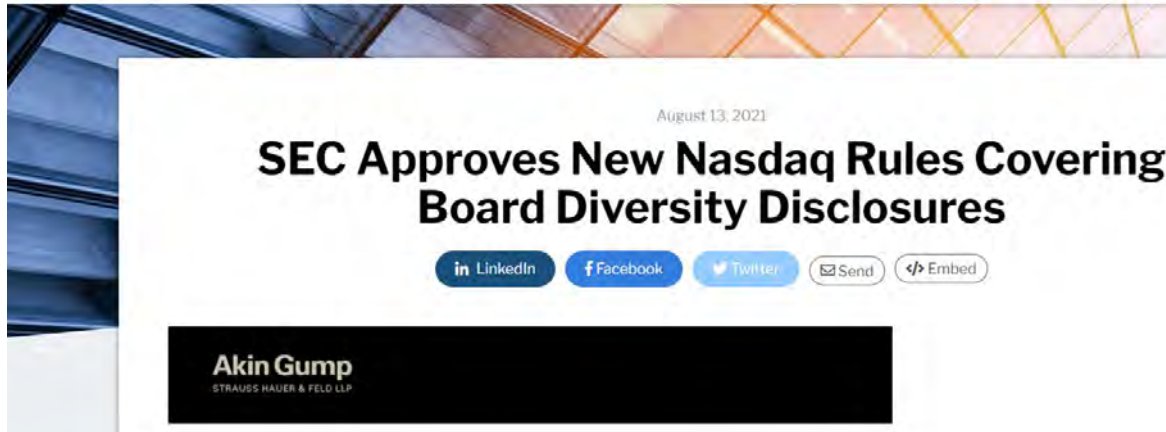
BRIEF

SEC may require climate risk disclosures in expanded 10-Ks: Gensler

Published Aug. 2, 2021

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SEC's proposed GHG disclosure rule could be really powerful and disruptive



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Press Release

SEC Proposes Rules to Enhance and Standardize Climate-Related Disclosures for Investors

FOR IMMEDIATE RELEASE
2022-46

Washington D.C., March 21, 2022 — The Securities and Exchange Commission today proposed rule changes that would require registrants to include certain climate-related disclosures in their registration statements and periodic reports, including information about climate-related risks that are reasonably likely to have a material impact on their business, results of operations, or financial condition, and certain climate-related financial statement metrics in a note to their audited financial statements. The required information about

It's not all sunshine and rainbows:

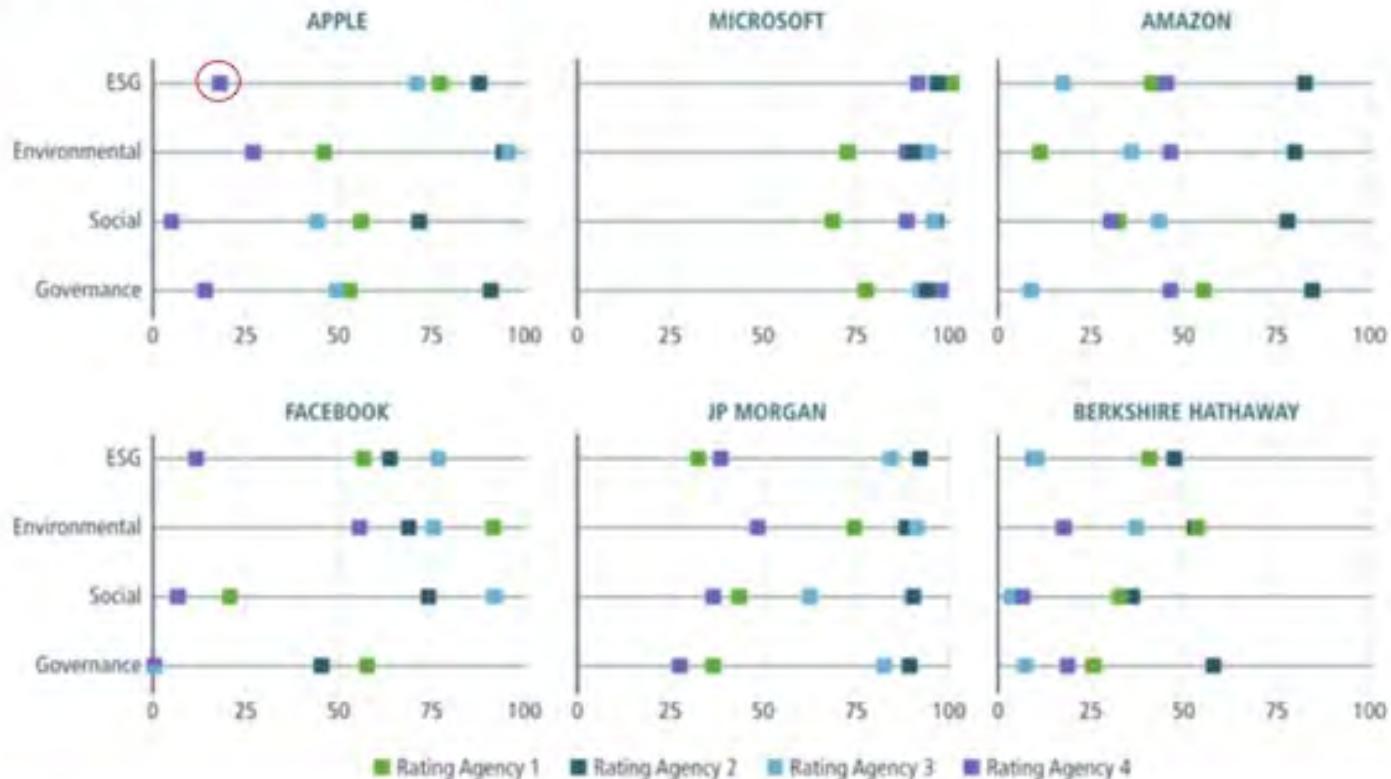
**What are some of the current
challenges with ESG reporting?**

Fundamental Challenge: Lack of A Consistent Reporting Framework



Different Providers, Different Results

Third Party Data Providers

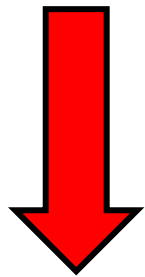


There is confusion about trade offs. Language matters.

INVESTOR VIEWS ON SUSTAINABLE INVESTING

Sustainability and financial gains are a trade-off

ESG practices can potentially lead to higher profitability and may be better long-term investments



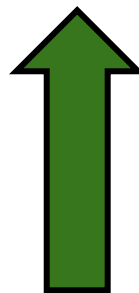
Strongly agree

Somewhat agree



Strongly agree

Somewhat agree



Another challenge: What really matters in ESG reporting?

**The
Economist**

ESG should be boiled down to one simple measure: emissions

Three letters that won't save the planet



Mark Harris

Source: The Economist, ESG should be boiled down to one simple measure: emissions," 2022.

Who defines the values rewarded in ESG?



Biblical ETF provider renounces ESG labels in war with 'liberal activists'

FINANCIAL TIMES

Anti-abortion protesters in the US. Inspire Investing scores companies negatively if they support abortion, in vitro fertilisation or LGBT rights © Suzi Altman/FT

A Christian faith-based exchange traded fund provider has removed all environmental, social and governance labels from its suite of products after claiming that “intolerant liberal activists” have “weaponised” the concept of sustainable investing.

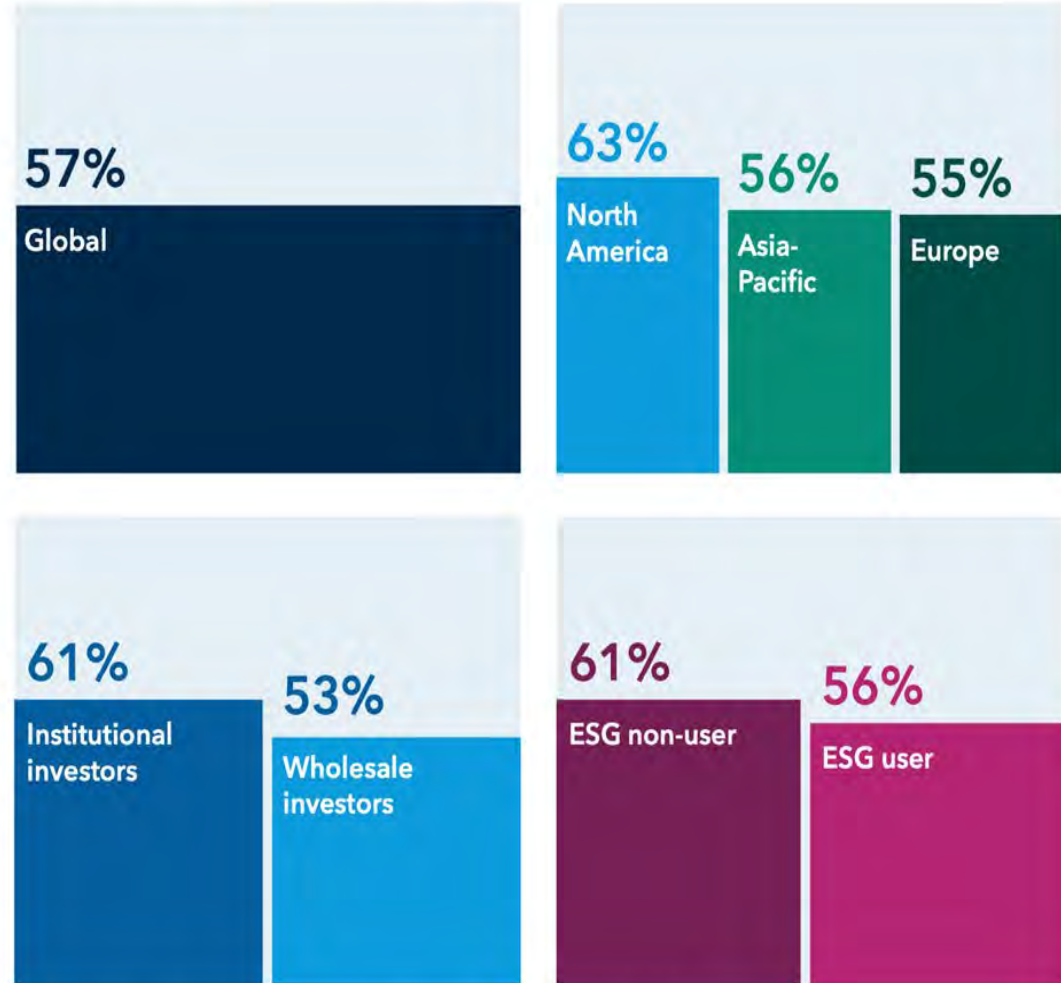
Inspire Investing, which changed the names of four of its exchange traded funds to label them as ESG funds as recently as March, said in an article on its website that it had decided to renounce ESG because “hard-left activists were seeking to strong-arm companies into acquiescence with their extremist policies” on ESG issues.

Perhaps the biggest challenge of all: Lack of trust

Prevalence of greenwashing

Q

How prevalent do you think greenwashing is within the asset management industry?
Rate on a scale of 0-10.



Percentage of respondents who rated prevalence 7-10

And lack of trust is often justified.

The problem of greenwashing:

- A study in May by Aneesh Raghunandan of the London School of Economics and Shiva Rajgopal of Columbia Business School concluded that asset managers did not “walk the talk” when they claimed to be picking stocks that engage in stakeholder-friendly behaviour.
- Their analysis of American mutual funds between 2010 and 2018 found that companies in esg investment portfolios *violated labour laws, paid more fines and had higher carbon emissions than those in non-esg portfolios sold by the same institution.*”

And let's not overlook the many challenges of implementation:

Top challenges when implementing ESG



Source: Capital Group ESG Global Study 2021

Can the industry self-regulate itself?

Bloomberg

US Edition ▾

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Markets

ESG Funds Managing \$1 Trillion Are Stripped of Sustainable Tag by Morningstar

- Over 1,200 funds no longer merit ESG label, analysis finds
- Move feeds into fears fund industry is rife with greenwashing

By [Frances Schwartzkopff](#) and [Saijel Kishan](#)

February 10, 2022 at 7:59 AM EST *Updated on February 10, 2022 at 9:27 AM EST*

Before the 2021 introduction of Europe's anti-greenwash rulebook -- the Sustainable Finance Disclosure Regulation -- asset managers in the region removed the ESG label from \$2 trillion worth of funds

What does effective reporting even look like?

Effective reporting – 4 Cs

Concise

Concise reporting focuses on the priorities and most material information, and avoids clutter and information overload.

Consistent

Consistent reporting allows for an assessment of performance trends over time; it enables managing and understanding the insights delivered by the reported data.

Current

Current reporting presents a useful window that gives insights into the operations, impacts and potential of business opportunities, rather than a rear-view mirror showing what happened in the past.

Comparable

Comparable reporting allows information users to benchmark performance against peers. It enables businesses to track and assess their impacts, and then make decisions that will improve these over time.

Source: CFSInstitute.org

New state and federal policies could make it harder for asset manager to consider ESG in their processes

THE WASHINGTON INSIDER Investments

July 27, 2020 *By Mark Schoeff Jr.*

SEC, DOL take different approaches to regulating ESG investing

The DOL proposal likely would chill the use of socially responsible investments in retirement accounts; the SEC focuses on disclosure

Oh wait: New President, new perspective on ESG at Dept. of Labor

September 5, 2021
Volume XI, Number 248

THE
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Not So Fast: DOL Changes Course on Trump-Era ESG Investment Rule

Monday, March 22, 2021

The United States Department of Labor's ("DOL") Employee Benefits Security Administration ("EBSA") announced on March 10, 2021 that it will not enforce certain final rules put into place under President Trump related to environmental, social, and governance ("ESG") investing. In particular, the EBSA will not enforce a controversial DOL rule pushed through last year that would significantly limit investors' ability to consider ESG criteria in most retirement investing and effectively prevent ESG investments from being included in such portfolios. In addition, the EBSA announced that it will not enforce a Trump-era proxy voting rule that discouraged the use of proxy voting to promote ESG criteria.

Former Blackrock exec not a fan of ESG



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SUSTAINABLE FUTURE

Blackrock's former sustainable investing chief now thinks ESG is a 'dangerous placebo'

PUBLISHED TUE, AUG 24 2021 6:50 AM EDT



Silvia Amaro
@SILVIA_AMARO

SHARE    

KEY POINTS

- Tariq Fancy argued that financial institutions have an obvious motivation to push for ESG products given these have higher fees, which then improves their profits.
- But there are other issues with ESG investing, according to Fancy, including its subjectivity and the unreliability of data and ratings.

Reality Check on the Current State of ESG: More questions than answers

- **Is the ESG market big or niche?** - “In the industry at large, Morningstar, a fund tracker, says esg assets in mutual funds and exchange-traded funds (etfs) were almost \$2.8trn at the end of the first quarter. That is roughly the size of the cryptocurrency market. But it is still niche compared with global portfolio investment as a whole. “
- **Why do we have so much variability in ESG ratings?** - “The esg rating agencies are the veritable acme of inconsistency. A study of six of them found that they used 709 different metrics across 64 categories. Only ten categories were common to all—and they do not include such basics as greenhouse-gas emissions.”
- **How should Exxon and Tesla be compared on ESG rankings?**
- **Which is better - government intervention or market-based solutions?** - “The most salient criticism is that by promoting a second-best solution such as esg, the private sector may be giving policymakers an excuse to avoid imposing what many see as the best way to respond to climate change: coordinated carbon taxes.”

Despite ALL THAT

**ESG presents a
tremendous opportunity
(and may soon be a necessity).**

**How can you participate?
Where do you begin?**

Some guidance from members of the World Business Council for Sustainable Development



Overview ▾

Vision 2050

Imperatives ▾

Pathways ▾

Redefining Value

Projects ▾

Members

The logo for 3M, consisting of the letters "3M" in a bold, red, sans-serif font.

The logo for AB InBev, featuring the letters "AB" in red and "InBev" in black, with a small red triangle above the "B".

The logo for ABB, consisting of the letters "ABB" in a bold, red, sans-serif font.

The logo for Abbott, featuring a blue stylized "A" icon followed by the word "Abbott" in a black sans-serif font.

The logo for Accenture, featuring the word "accenture" in a lowercase, grey, sans-serif font, with a small grey triangle above the "t".

The logo for Acciona, featuring a red stylized tree icon followed by the word "acciona" in a black sans-serif font.

The logo for the Aditya Birla Group, featuring a red and orange geometric pattern above the text "ADITYA BIRLA GROUP" in a red, uppercase, sans-serif font.

The logo for Amazon, featuring the word "amazon" in a lowercase, black, sans-serif font, with a yellow curved arrow underneath.

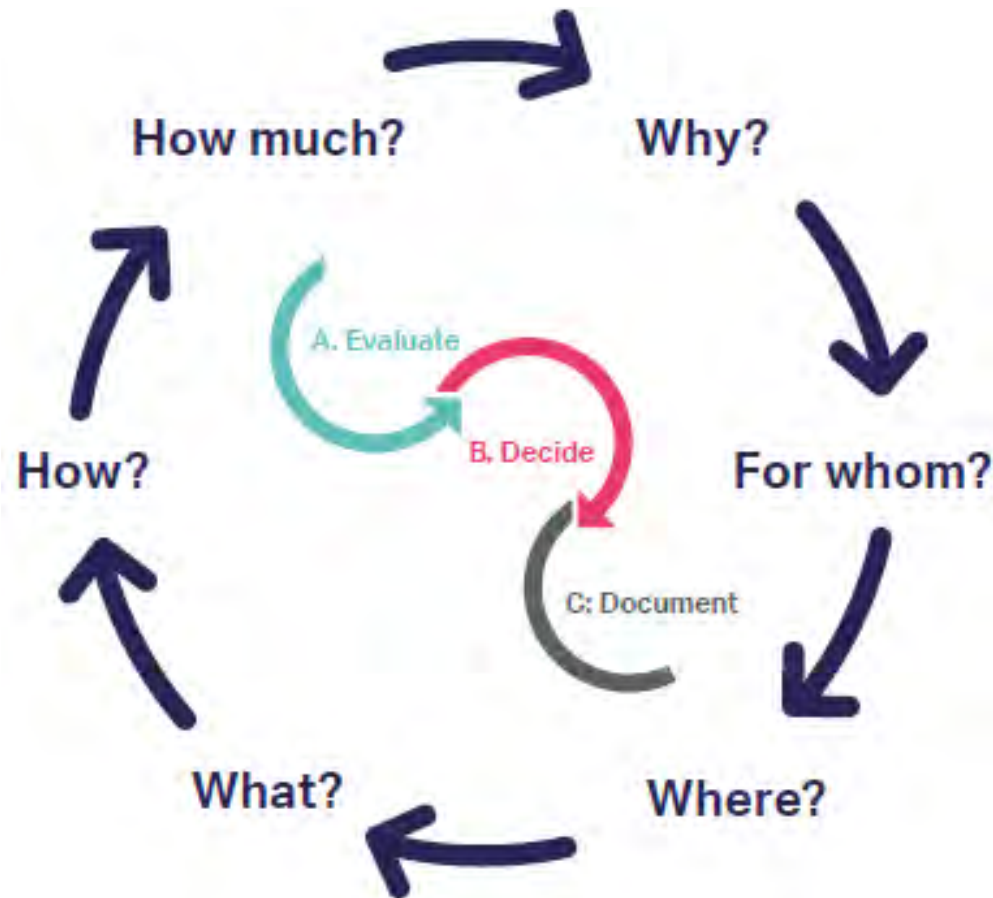


The logo for APRIL, featuring the word "APRIL" in a bold, blue, sans-serif font, followed by a small green globe icon.

The logo for Aptar, featuring the word "Aptar" in a black sans-serif font, followed by a green stylized triangle icon.

The logo for Arabesque, featuring the word "arabesque" in a lowercase, black, sans-serif font.

Process steps: Evaluate - Decide - Document



Key Questions to Ask

1. Why report ESG information?
2. For whom should ESG information be reported?
3. Where should ESG information be reported?
4. What ESG information should be reported?
5. How should ESG information be prepared and presented?
6. How much ESG information should be reported?

Process steps:

Evaluate - Decide - Document

Evaluate

Evaluate your options in a neutral, objective manner, according to a list of criteria.

Decide

Make decisions by relying on the evaluation process, assumptions, opinions and the subjective judgment of management and experts.

Document

Document the process and decision along with any uncertainties or sensitivities that affected judgement.

Evaluate

Checklist:

- ☐ Support for the objectives and purpose of reporting
- ☐ Evidence of business value
- ☐ Evidence of value to the intended audience for information
- ☐ Whether information is supportable and useful
- ☐ Whether information can be clearly communicated

Decide

Checklist:

- ☐ Understand assumptions and limitations
- ☐ Seek internal and external expert advice

Document

Checklist:

- ☐ Sources used and relied upon
- ☐ Discussions held and with whom
- ☐ The approval process and decision-makers
- ☐ Information evaluated, prepared or provided under conditions of uncertainty
- ☐ Challenges and barriers through the judgement process
- ☐ Boundaries and scope of assessments and information
- ☐ Internal controls, checks and balances
- ☐ Key factors that could change and lead to reassessment
- ☐ Qualifications linked to known and unknown risks and uncertainties

That's A LOT!

What can your business do today to take advantage of the trends in ESG?

How might it help your business?

What are the risks of action/inaction?

SO why bother?

**My perspective:
What does being a B Corp really do for us?**






“I wanted a perfect ending. Now I’ve learned, the hard way, that some poems don’t rhyme, and some stories don’t have a clear beginning, middle, and end. Life is about not knowing, having to change, taking the moment and making the best of it, without knowing what’s going to happen next. Delicious Ambiguity. ”

-Gilda Radner

360IMPACT

A dark, atmospheric photograph of a mountain valley. The scene is filled with dense evergreen trees, and a thick layer of mist or fog hangs in the air, partially obscuring the landscape. In the upper left, a small, light-colored building is visible on a hillside. The overall tone is somber and contemplative, with a muted color palette of greens, greys, and browns.

"Never doubt that a small group
of thoughtful, committed
citizens can change the world.
Indeed, it's the only thing that
ever has."

- Margaret Mead



We'll get you there.

The Elephant in the Room

How do emotions power behavior?

CPAs | CONSULTANTS | WEALTH ADVISORS

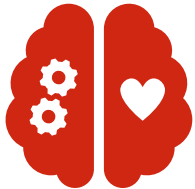
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Emotion motivates us to change



We approach change in the middle



Emotion powers change, logic guides it

Change is the only constant

Heraclitus



How do we get the competitive advantage?

“Instead of being really good at doing some particular thing, companies must be really good at learning how to do new things.”

HBR Adaptability: the new competitive advantage



Tweakers



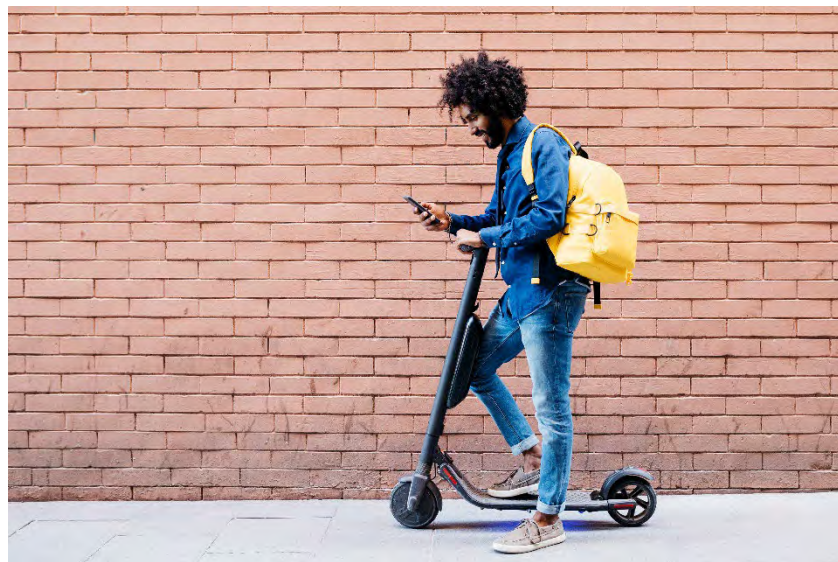
Radicals





1993 Motorola Bag Phone







Emotion motivates us to change



We approach change from the middle



Emotion powers change, logic guides it







**The last time I saw a
"speed Limit 65" sign on
the interstate:**

① Start presenting to display the poll results on this slide.

- Compliance
- Involvement
- Short Term Progress



Results

Actions

Beliefs

Experiences

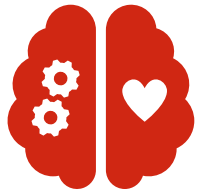
- Commitment
- Investment
- Lasting Performance



Emotion motivates us to change



We approach change from the middle



Emotion powers change, logic guides it

The Rider:
our rational, logical
brain

The Elephant:
our emotional, visceral
brain

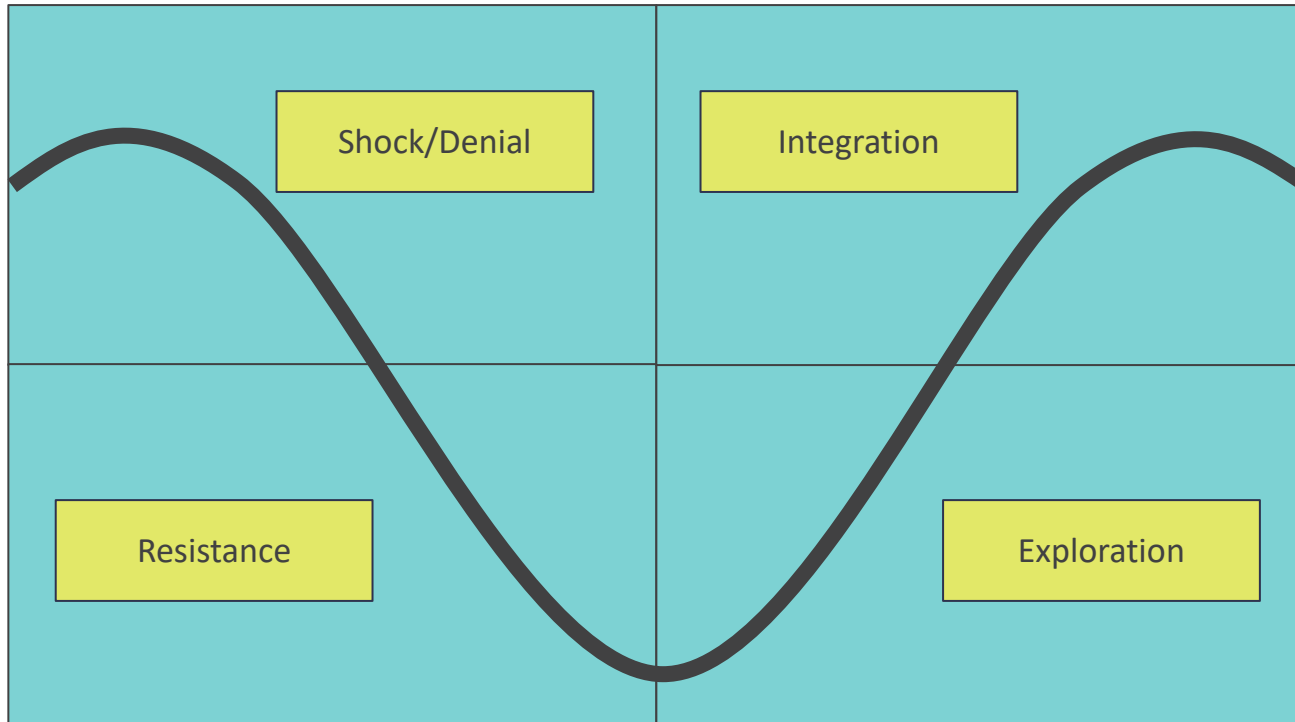


A moment on clarity....

- *Why* are we doing this?
- How much of my life will this impact?
- What's the end result?
- What do you want *me* to do?



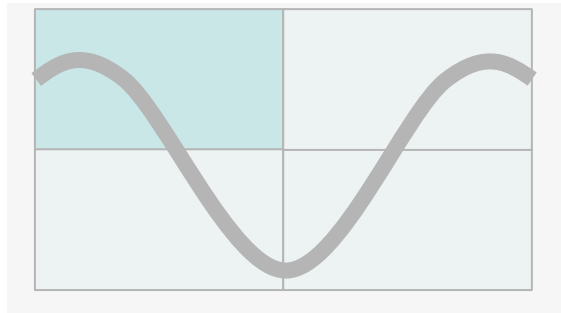
The Emotional Curve of Change



Shock and Denial

Person in Transition

- Stress
- Confusion
- Uncertainty
- “This is just the flavor of the week”
- “I can outlast this”



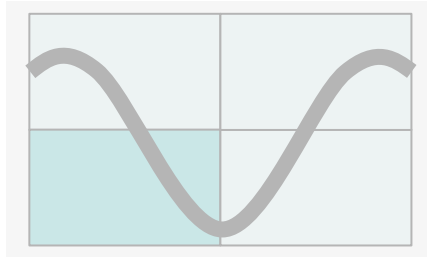
Person Leading Change

- Excited about the change
- Sees the possibilities
- Knows how much there is at stake
- Tries to get quick buy in

Resistance

Person in Transition

- Anger
- Withdrawal
- Frustration
- Sabotage
- Blaming



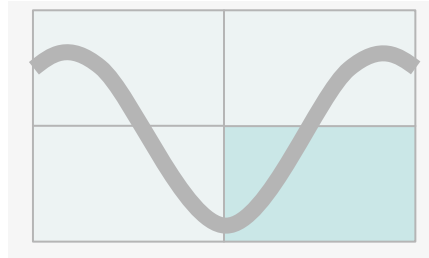
Person Leading Change

- Impatient
- Defensive
- May be tempted to force the change
- “Stop complaining just do it!”

Exploration

Person in Transition

- Focus shifts from what's lost to what's new
- Attempt the new way
- Expose deficiencies of the new way



Person Leading Change

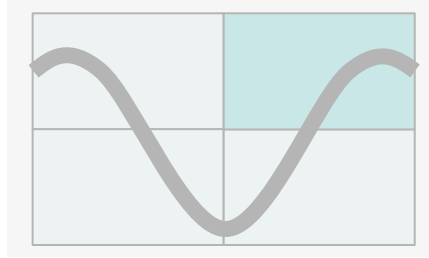
- Excitement about the exploration
- Impatient with mistakes and low productivity
- Weariness of leading
- Feedback feels like complaints



Integration

Person in Transition

- Commitment
- On board and moving forward
- The new way is cemented into the culture of the organization.
- The new way has become the standard way of accomplishing the task.



Person Leading Change

- Commitment
- Pride
- Celebration



Let's Talk

1. What can you do as the Person in **Transition** in each stage of change?
2. What can you do as the Person **Leading** Change in each stage of change?



Person in Transition

- Confusion
- Denial

- Anger
- Withdrawal

- Attempts the new way
- Exposes deficiencies

- On board
- New way = standard way

Shock and Denial

Resistance

Exploration

Integration

Person Leading Change

- Excited about the change
- Sees the possibilities

- Impatient with resistance
- Defensive

- Impatient about mistakes
- Feedback feels like criticism

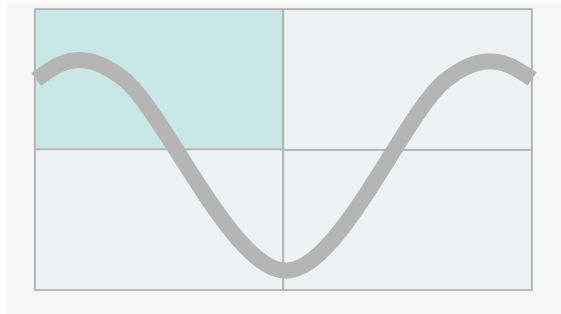
- Excited
- Proud

Shock and Denial

Person in Transition

- Confusion
- Denial

- Direct your questions to a reliable source
- Avoid gossip and rumor



Person Leading Change

- Excited about the change
- Sees the possibilities

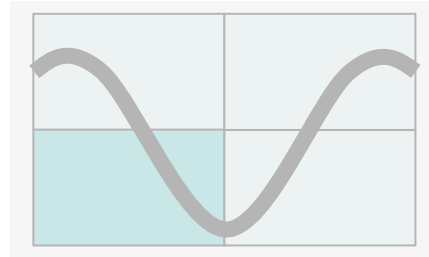
- Communicate clearly
- Model change
- Don't waffle

Resistance

Person in Transition

- Anger
- Withdrawal

- Focus on the facts
- Manage your emotions
- Continue asking questions



Person Leading Change

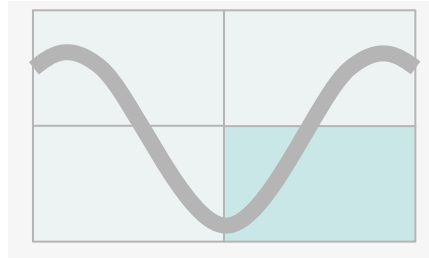
- Impatient
- Defensive

- Listen with empathy
- Describe the pain of the old way, find the reward for the new way
- What looks like resistance may be a lack of clarity

Exploration

Person in Transition

- Attempt the new way
 - Expose deficiencies of the new way
-
- Search for positives
 - Know your feedback may be heard as complaints
 - Clearly communicate both + and -



Person Leading Change

- Impatient about mistakes
 - Feedback feels like complaints
-
- Reward all attempts at change
 - Address all concerns
 - Be highly visible

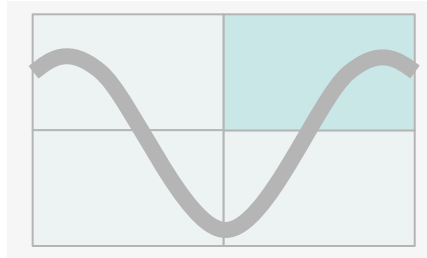


Integration

Person in Transition

- On board and moving forward
- The new way is cemented into the culture of the organization.

- Celebrate the change
- Recognize your coworkers



Person Leading Change

- Pride
- Celebration

- Celebrate the change
- Recognize both team and individual achievement

If these two ever disagree, who would you bet on?



Person in
Transition

Shock and Denial

Resistance

Exploration

Integration

Emotion

- Confusion
- Denial

- Anger
- Withdrawal

- Attempts the new way
- Exposes deficiencies

- On board
- New way = standard way

Ideas to address this stage?

Person
Leading Change

Shock and Denial

Resistance

Exploration

Integration

Emotion

- Excited about the change
- Sees the possibilities

- Impatient with resistance
- Defensive

- Impatient about mistakes
- Feedback feels like criticism

- Excited
- Proud

Ideas to address this stage?