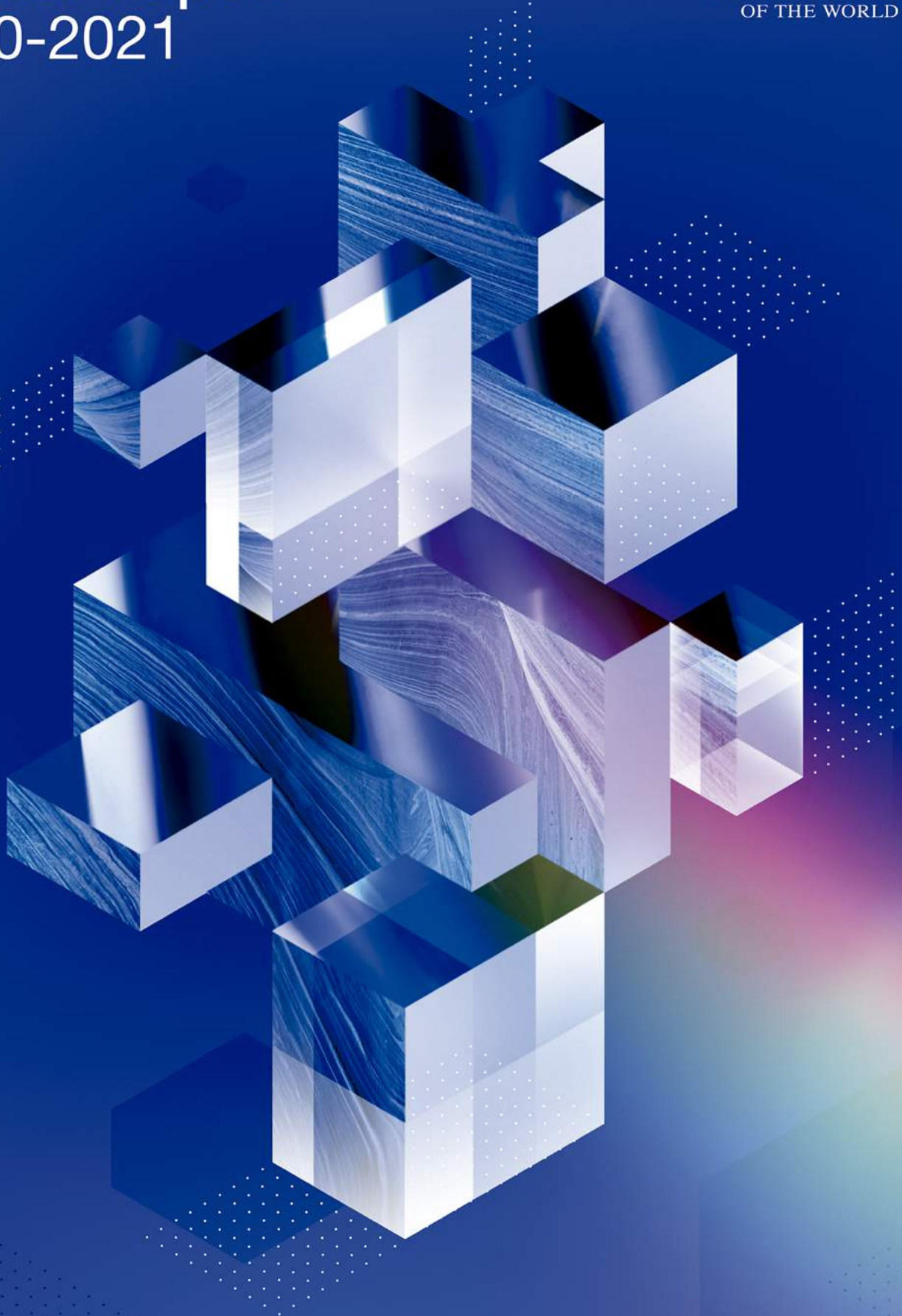


# Annual Report 2020-2021



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Note on the photos in this report: Working for people and the planet is our main ambition. The photos in this report reflect this. The series begin with a photo from our headquarters, and continue with various photos of the planet and the challenges we are all together facing, as an expression of our social and environmental responsibility.

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## Measuring Stakeholder Capitalism: Metrics and Disclosures

*Based on the Stakeholder Capitalism Metrics that were elaborated by the World Economic Forum's International Business Council in cooperation with Deloitte, EY, KPMG and PWC, the World Economic Forum is reporting for the first time on its ESG performance.*

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## Reflections from the Founder

*Why the World Economic Forum exercises a leadership role in today's political, economic and social context*



# Chairman's Statement

**Klaus Schwab**, Founder and Executive Chairman



The world has fundamentally changed since we celebrated the World Economic Forum's 50th anniversary in Davos in January 2020. A tiny virus has shown us how devastating it can be: COVID-19 grew to a pandemic with tragic consequences for many institutions and individuals. But this past year has also shown us how we can achieve a better future. We can do so by *building our economy on new concepts, by intensifying cooperation between business and government and across nations, and by exercising systems leadership.*

The World Economic Forum has for many years pioneered and developed the capabilities and capacities most needed to meet those three requirements:

- To achieve social and economic progress in a world of increased expectations, it has been leading the transition from shareholder capitalism to stakeholder responsibility.
- To respond to global, regional and industry challenges, it has built collaborative platforms, integrating the most relevant and knowledgeable people and organizations.
- To exercise systems leadership, it is equipping decision-makers with the most up-to-date knowledge, and showing them how various topics are interconnected.

In all these areas, which are deeply interwoven, we made substantial progress over the past year.

## Stakeholder responsibility

The Forum was created just over 50 years ago as a not-for-profit foundation to promote the stakeholder concept, which held that the purpose of a company was to engage all its stakeholders in shared and sustained value creation. Now, finally, that concept has become mainstream. In 2020, we released an updated *Davos Manifesto*. And in the past year, much more progress was made in “walking the talk” on stakeholder responsibility:

- Under the leadership of Bryan Moynihan, Chairman and Chief Executive Officer of Bank of America, and with the four leading audit companies, Deloitte, EY, KPMG and PwC, our International Business Council developed common [Stakeholder Capitalism Metrics](#). They allow consistent and comparable reporting on environmental, social and good governance (ESG) performance. The metrics are already part of the strategic decision-making and reporting system of many of our Partner companies. We are now in discussions with global standard setters and regulatory agencies to mainstream this pioneering effort.
- In my book *Stakeholder Capitalism: A Global Economy that Works for Progress, People and Planet*, written with my colleague Peter Vanham and published in early 2021, I highlighted the pivotal change in thinking about the role of enterprise in today's society. A corporation is a social organism, as well as a profit-seeking economic unit.
- We also developed a conceptual framework for the public sector to integrate ESG metrics into national and international accounts. To accurately measure the well-being of people, we must go beyond the fixation on GDP growth.

Practising stakeholder responsibility has become essential for companies that want to cultivate their most precious capital: trust. Customers, employees and investors want to be associated with a company that cares about the planet and society and that adheres to ESG standards. They want companies to incorporate social and environmental responsibility in all their business activities.

But companies today must go beyond being compliant with the ESG standards relevant to their activities. They should also exercise [Global Corporate Citizenship](#). That means they should use their unique capabilities and know-how as

businesses to help address the broader global challenges the societies they operate in are facing, now and in the future.

That the World Economic Forum now counts more Partners from business than at the beginning of the pandemic shows the extent to which the global business community is embracing the concepts of stakeholder responsibility and global corporate citizenship.

## Platforms for public-private cooperation

To exercise concepts such as stakeholder responsibility and global corporate citizenship effectively, appropriate platforms for public-private cooperation are needed. This is an area in which the World Economic Forum has become the global leader. The Forum applies the following principles to ensure the success of each of its [platforms](#). Each must:

1. Involve **multiple stakeholders**. They must comprise the most influential and knowledgeable people and organizations.
2. Have a **well-defined purpose**. Their objective is to examine problems and opportunities related to a major global challenge, search for solutions and, whenever possible, join in common action.
3. Be **future-oriented**. The members of our 50 Global Future Councils and the voice of our 10,000 Global Shapers, a community of young leaders under the age of 30 organized in over 450 city Hubs all over the world, keep us looking to the future.
4. Be **nurtured by entrepreneurship**. One of our major achievements last year was building [UpLink](#) as a crowdsourcing platform for innovative ideas. It now has over 30,000 registered users, who have contributed more than 1,800 solutions to 20 innovation challenges.
5. Be at the forefront of the **Fourth Industrial Revolution**. Through our network of Centres for the Fourth Industrial Revolution, we are deeply involved in providing a base for global technology governance.
6. Be **well curated**. A team of over 400 in-house specialists, supported by 140 Fellows and seconded staff from other organizations, ensures our content is factual, relevant and adds value, and includes the most knowledgeable stakeholders in all our efforts.
7. Make specific efforts to **generate public support**, making use of the fact that the Forum is the international organization with the greatest public reach. Each month, the Forum reaches 6 million readers and 28 million followers on social media.
8. Be **agile**. Our partners provide the capability to start a platform or undertake an initiative to respond in real time to sudden needs. Our COVID Action Platform, for example, was set up even before COVID-19 was declared a pandemic in March 2020.

These principles are distinctive to the World Economic Forum and allow it to assume leadership in shaping a global economy that works for progress, people and the planet.

In addition to curating our purpose-oriented platforms, the Forum created online peer communities this past year in response to COVID-related lockdowns. Our *global*, *regional* and *industry Action Groups*, for example, provided needed opportunities to cultivate interaction on common strategic issues. The Forum's communities of *Chief Human Resources Officers*, *Chief Economists*, *Chief Risk Officers* and *Chief Financial Officers* allowed professionals to do the same.

## Systems leadership

In today's world, business, economic, social, technological, environmental and political developments are deeply interwoven. Challenges are complex, requiring more than simple answers. The World Economic Forum connects the dots. The ability to place every issue into its larger ecosystem is what distinguishes the Forum from other organizations. Our five Centres ensure the integration of political, economic, social and ecological aspects into everything we do:

- The *Centre for the New Economy and Society* designs cohesive, sustainable and resilient economic systems.
- The *Centre for Nature and Climate* enhances the stewardship of our global commons.
- The *Centre for Industry Transformation* drives responsible change in industry transformation and growth.
- The *Centre for Global and Regional Cooperation* serves as the epicentre within the Forum of shaping stakeholder cooperation at the global and regional levels.
- The *Centre for the Fourth Industrial Revolution* works to pilot new approaches to technology adoption and governance.

Moreover, a world in which national and local interests drive policies requires deep national anchoring. That is one reason we operate a Network of Centres for the Fourth Industrial Revolution, with centres in Colombia, India, Israel, Japan, Norway, Saudi Arabia, South Africa, the UAE and the US (all active before July 2020). This past year, centres were also established in Brazil, Rwanda and Turkey. One of their important aims is to blend globalization and localization.

Finally, to exercise intellectual guidance, the Forum has developed both a notable network of academic institutions and experts and its own research activities and knowledge tools. In addition to its flagship reports on *Global Competitiveness*, the *Global Gender Gap* and *Global Risks*, last year the Forum published over 1,000 pieces on *Agenda*, its article repository. Its weekly



summary now has 480,000 subscribers. Forum [Transformation Maps](#), developed to illustrate the interconnected positioning of hundreds of global issues, are now used as a public service by over half a million users.

## Future developments

Thanks to the support and engagement of our constituents, we made great progress in a number of areas last year despite the restrictions imposed on in-person interactions. We put great effort into being at the forefront of virtual cooperation by creating highly professional **Forum Studios** at our various locations. We have learned to make virtual interaction lively, efficient and impactful.

In the future, small action-oriented peer communities and task forces will combine virtual and in-person interaction throughout the year to achieve the greatest impact. We will launch Villa Mundi near our headquarters in Geneva, a state-of-the-art conference centre optimally equipped for physical and digital interaction with our high-level communities.

But there is one thing that only physical interactions can achieve: building trusted personal relationships. For more

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**“The ability to place every issue into its larger ecosystem is what distinguishes the Forum from other organizations.”**

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than 50 years, the World Economic Forum Annual Meeting in Davos-Klosters has become the place to feel the global pulse at the beginning of each year and to create strategies for the future. In a world where trusted bonds continue to dissolve, such a global multistakeholder gathering is needed now more than ever. Preparations for the Annual Meeting 2022 are advancing with great enthusiasm while maintaining the flexibility needed to preserve the health and safety of our participants.

Finally, this past year was a special and challenging time for our staff and secondees around the world. At a time when we were all focused on the safety and well-being of our loved ones, our team of exceptional professionals nonetheless remained mission-focused on the opportunity – and, indeed, our obligation – to serve the public good.

# President's Statement

**Børge Brende**, President of the Managing Board



The past year was one of major accomplishment for the World Economic Forum, as our 19 [Platforms](#) and 5 Centres delivered impact in a challenging global environment.

While the need for stakeholder coordination was never more pronounced, restrictions imposed by the pandemic required new approaches to collaboration. By pivoting to virtual dialogues and digital tools to align stakeholders, the Forum continued to serve as *the* global platform for multistakeholder cooperation. The Forum concluded the year with a greater number of partners than at the start, a testament to the effects achieved on immediate, emerging and ongoing global priorities.

The Forum quickly built a digital infrastructure for peer-to-peer exchanges at the global and regional levels, primarily in the form of a **Global Action Group**, seven **Regional Action Groups** and over a dozen **Industry Action Groups**. These virtual communities brought together leaders from government, business and civil society in outcome-oriented dialogues – ones that focused on addressing supply-chain continuity, reactivating regional economies and advancing trade agreements.

The work of these communities was anchored by the virtual **Davos Agenda** week in January, which convened over 160 public figures and 1,700 business and civil-society leaders, as well as many heads of state and government. Special addresses were given by [President Emmanuel Macron](#) of France, [Chancellor Angela Merkel](#) of Germany, [Prime Minister](#)

[Narendra Modi](#) of India, [President Vladimir Putin](#) of Russia, [Prime Minister Suga Yoshihide](#) of Japan and [President Xi Jinping](#) of China, alongside UN [Secretary-General Antonio Guterres](#) and EU Commission [President Ursula von der Leyen](#), among others. The participation of these global leaders underscored the importance of continuing global dialogue despite the challenges the pandemic posed and even as many nations cast their focus inward.

The issues covered by the Forum's **Agenda Dialogues** were sustained through working sessions over the course of the year. In focusing on major, ongoing priorities, such as tackling [climate change](#), improving [global public health](#), and reactivating [trade](#) and [travel](#), the sessions offered stakeholders the ability to address the numerous facets necessary to advance a true recovery. The Forum's communities of Global Shapers (youth leaders under 30 years of age), Social Entrepreneurs and Young Global Leaders convened to address similar issues through the year. And our public engagement team reached millions of people around the world – all a demonstration of the Forum's commitment to transparency and inclusive dialogue.

The Forum's Annual Report is being released at a time when great progress is being made in the fight against the pandemic, but a quick end to the crisis remains elusive. Many countries in the Global South continue to face inadequate access to vaccines, respirators and other urgent medical supplies. Because of this, the Forum, together with its Partners, continues to use the [COVID Action Platform](#) to coordinate action by business and government. And, the Forum is one of only four non-state members of the facilitation council (governing body) of the [ACT Accelerator](#), which aims to equitably distribute vaccines, treatments and diagnostics.

Even as we battle the pandemic, our societies, communities and people can only be truly healthy if we provide long-term, equitable opportunities for all. This aim is a focal point of our **Centre for the New Economy and Society**, which launched the [Racial Justice in Business Partnership](#) in support of the Black Lives Matter and social justice movements around the world. The centre also continued its work on [Closing the Gender Gap Accelerators](#) and began implementing its [Reskilling Revolution](#) initiative, which works to provide 60 million individuals with the reskilling and upskilling training needed in today's economy. In addition, the centre released a special edition of the [Global Competitiveness Report](#), looking at how economies





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are performing on the road to pandemic recovery, and created a Chief Economists community and Chief Human Resources Officers community, to facilitate learning and the exchange of insights among these groups.

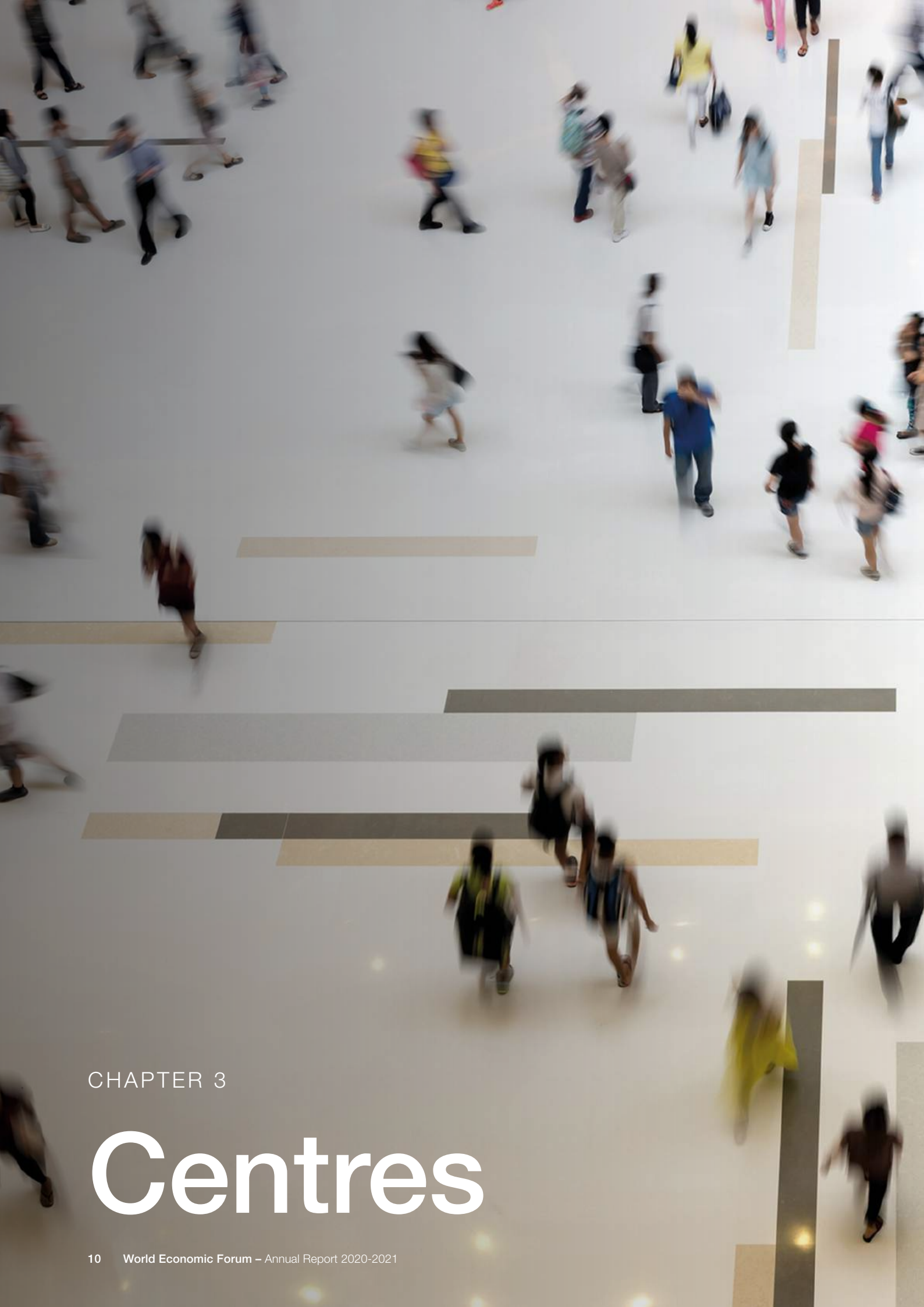
Making progress on all of these socio-economic challenges is crucial because we live in the era of the Fourth Industrial Revolution, which brings tremendous opportunity but also risks exacerbating existing inequities. The Forum's **Centre for the Fourth Industrial Revolution** and **Centre for Industry Transformation** have focused on delivering more inclusive opportunities in the digital and innovation spaces. The Forum's [Global Technology Governance Summit](#) looked at how emerging technologies can be designed and deployed in a responsible way, and the Forum launched the [EDISON Alliance](#) to deliver digital access to half the global population that lacks it by 2025.

Climate change – the most important ongoing priority of our lifetime – was once a future risk but is now firmly a reality. The year 2020 was one of the warmest on record, with intense storms, heatwaves and floods taking a toll around the world. The devastation that a warming planet can bring – and the clear need for multistakeholder coordination – is why the Forum doubled down on convening stakeholders to work together in taking more ambitious climate action. The **Centre for Nature and Climate** advanced several initiatives measurably: the [Trillion Trees](#) initiative, for example, opened new country chapters in the United States and China, and the number of fellows and direct-funded jobs increased. And on [UpLink](#), entrepreneurs and innovators from around the world crowdsourced their solutions to meet the UN Sustainable Development Goals.

The interrelated nature of our priorities means that significant progress towards achieving our goals can only happen if stakeholders take a holistic approach. Addressing economic, environmental and societal challenges cannot be done in isolation. This is why the Forum launched the [Stakeholder Capitalism Metrics](#), which enable companies to measure and report on their ESG performance. The Forum is pleased to be among the first organizations to present its performance on these metrics, which is outlined in this Annual Report.

Ultimately, reaching a more resilient future requires deepened multistakeholder partnerships and revitalized multilateral relationships. For this reason, the **Centre for Global and Regional Cooperation** focused on identifying opportunities to renew partnerships at the regional and global levels. The Platform for Shaping the Future of Trade and Global Economic Interdependence worked to align stakeholders in ensuring trade not only fuels growth, but also benefits people and the planet. And the release of the Global Action Group's [Principles for Strengthening Global Cooperation](#) offered a roadmap towards achieving greater collaboration.

Though we are living through one of the most trying periods of our lifetimes, I am hopeful for what lies ahead. The work of the Forum makes clear that multistakeholder collaboration can solve not only the challenges that come upon us, but can also proactively shape a healthier, more equitable and more resilient tomorrow. With the continued collaboration of our partners across business and government, I am confident we will realize a better future ahead.



CHAPTER 3

# Centres



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# Centre for Global and Regional Cooperation

Børge Brende, President of the Managing Board

## Global cooperation

The COVID-19 crisis emerged in a geopolitically unsettled world – one that demanded greater global cooperation to address shared challenges but that saw several actors taking competitive postures across a number of domains. From technology to trade to climate change, what were once opportunities for potential international collaboration risked becoming enduring friction points, as parties sought to gain strategic advantage over perceived rivals.

Within this turbulent global context, the Centre for Global and Regional Cooperation launched the **Global Action Group** in June 2020 to reorient leaders away from rivalry and towards cooperation. Steered by six co-chairs – leaders from business and government – and comprised of approximately 30 ministers, CEOs, heads of international organizations and experts, the group convened quarterly for virtual dialogues focused on shaping global cooperation in three primary areas: geo-economics, frontier technologies, and peace and security.

Ahead of the Forum's Davos Agenda in January 2021, the Global Action Group released a set of seven [Principles for Strengthening Global Cooperation](#). The principles presented a foundation for global, multistakeholder cooperation, and served as a basis for the group to reconvene in 2022 to explore the pillars necessary to support a cooperative global order: a stronger multilateral system, deeper public-private coordination and a more equitable global economy. The group's recommendations will be released ahead of the World Economic Forum Annual Meeting 2022.

## Regional cooperation

The Forum fostered public-private cooperation on regional challenges and ensured coordination between global issues and local implementation. Six Regional Action Groups made up of political and business leaders met on over 30 occasions to discuss the response to COVID-19 and the recovery. And, the centre convened 18 high-level Country Strategy Dialogues that brought together CEOs with heads of state and government to identify mechanisms for strengthening markets, facilitating industry competitiveness and growing economies.

Highlighted achievements include:

- In Africa, country initiatives were launched in Kenya (Closing the Gender Gap Accelerator) and Ghana (Country Financing Roadmap for the Sustainable Development Goals); Nigeria joined the Global Plastic Action Partnership and Champions for Nature community; and Cyril Ramaphosa, President of South Africa, chaired a Country Strategy Dialogue on economic reconstruction and recovery in his country.
- In Asia-Pacific, the Forum created the Smart Industry Readiness Index (SIRI) in partnership with Singapore's Economic Development Board; and the Global Future Council on the Korean Peninsula shed light on the humanitarian impact of sanctions on the Democratic People's Republic of Korea compounded by the COVID-19 pandemic, searching for other innovative solutions to sustain peace on the peninsula and beyond.
- In Europe, the [CEO Action Group for the European Green Deal](#) served as a platform for business leaders to support concrete





REUTERS/ZOHRA BENSEMRA

- plans and ideas to translate the ambition of the European Green Deal into action and become an agent of change for the EU's green transition.
- In India and South Asia, the Regional Action Group initiated four intraregional multistakeholder working groups to alleviate the adverse effects of the epidemic in South Asia: on Supply Chain Continuity, on Deceleration in Remittances in South Asia, on Rebuilding Cities and on the Digital Transformation.
- In Latin America, the Regional Action Group saw the participation of the presidents of Colombia, Chile, Costa Rica and Ecuador, among many other public and private stakeholders, and produced a roadmap entitled “Public-Private Cooperation to Reactivate the Region’s Economy: Critical Industries and Strategic Investments”.
- In the Middle East and North Africa, the Regional Action Group grew to more than 80 chief executives and adopted the [Principles of Stakeholder Capitalism](#). The Forum also continued to convene the Breaking the Impasse community of Israeli and Palestinian business leaders who are committed to advancing a two-state solution.

- In North America, the World Economic Forum joined US Vice-President Kamala Harris in May 2021 for the launch of the Administration’s [Call to Action to Deepen Investment in the Northern Triangle](#) (El Salvador, Guatemala and Honduras), making its platform available for private-sector commitments in the region.

## International organizations

The Forum worked closely with its international organization and international financial institution partners to address the challenges of the COVID-19 pandemic, the ensuing socio-economic impacts, digital transformation and the climate crisis. International organization and multilateral development bank leaders participated in virtual Forum engagements throughout the year. This involved the participation of 30 heads of international organizations in the [Davos Agenda](#) week, including UN Secretary-General Antonio Guterres and IMF Managing Director Kristalina Georgieva.

## Humanitarian agenda

On the humanitarian agenda, the Forum hosted dialogues between donors, development and humanitarian agencies, civil

society, corporates and investors, aiming to strengthen resilience and deliver sustainable solutions to the most vulnerable communities:

- The [Humanitarian and Resilience Investing Initiative](#) sought to accelerate and shape the market for investments that enhance resilience and support humanitarian response in fragile contexts, and launched a [white paper](#) to help guide investors in this space.
- The [Global Future Council on the New Agenda for Fragility and Resilience](#) worked to capture lessons learned from the COVID-19 pandemic response and to develop guidelines to better support and empower local actors to meet the demands of their communities.

## Trade and global economic interdependence

To help reshape the global trade system, the [Platform for Shaping the Future of Trade and Global Economic Interdependence](#) in the past year brought together stakeholders from across business and government, and helped implement policies and practices that ensure trade fuels growth while benefiting people and the planet. Specifically, the Forum:

- Facilitated the flow of life-saving goods throughout the pandemic; the [Global Alliance for Trade Facilitation](#) grew its portfolio of interventions to over 20 countries and embarked on a vaccine distribution and supply chain risk preparedness exercise in ASEAN. It

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## The Forum worked closely with its international organization and international financial institution partners to address the challenges of the COVID-19 pandemic, the ensuing socio-economic impacts, digital transformation and the climate crisis.

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improved the supply of essential medical products in Mozambique by streamlining border processes, and boosted export potential from Cambodia to Uganda by tackling export bottlenecks.

- Convened a multistakeholder trade conversation between over 250 trade leaders, CEOs and ministers at the start of the year, to address critical issues and maintain a drumbeat for reform despite the pandemic-driven postponement of the World Trade Organization's ministerial conference. Public-private dialogue continued throughout the year.
- Called for lower tariff and administrative barriers to trade in vaccines and their inputs, and to facilitate global manufacturing investment, improve supply chain transparency, remove export restraints, and recalibrate the balance between intellectual property rights and access to life-saving technologies.

## Summary

The **Centre for Global and Regional Cooperation** serves as the epicentre within the Forum of stakeholder cooperation at the global and regional levels. The centre does this by serving as the “foreign ministry” of the Forum, engaging public figures in Forum initiatives, platforms and dialogues. Over 160 public figures participated in the Davos Agenda and 14 heads of state and government delivered special addresses at the event.

Because it holds a trusted relationship with governments and international organizations and also works closely with business, the centre is able to bridge incumbent and emerging systems of cooperation to meet the shared challenges of the post-COVID world.

It delivers on its goal through dedicated work on:

- **Global cooperation**, including convening a Global Action Group
- **Regional cooperation**, convening Regional Action Groups in Latin America, Europe and Eurasia, the Middle East and North Africa, Africa, India and South Asia, and Asia-Pacific
- **International organization collaboration and the humanitarian agenda**
- **Trade and global economic interdependence.**

More information on the platforms' achievements is available in the **'Read More'** section of this Annual Report.

# Centre for Industry Transformation

Jeremy Jurgens, Managing Director, and Sarita Nayyar, Managing Director

## Deepened engagement with Partners

Partner companies in the past year both widened and deepened their engagement with the World Economic Forum.

Immediately following the COVID lockdowns, the Forum fully moved from physical to virtual meetings that allowed Partners and their principals to **deepen their engagement**, achieving joint and lasting impact through digital workstreams. One new category of partners for which this was particularly important was [Platform Partner](#). These Partners are aligned with the Forum's mission and wish to be part of the systems change that we strive for, across such issues as climate change, digital transformation, job creation, etc.

The **engagement of Partner companies widened** as well: the Forum ended the year with 720 Partner companies, up from 684 the previous year. The understandable suspensions of Partners in sectors that were hard hit by the COVID crisis, such as travel and tourism, were more than compensated by the increase in the engagement of new Members seeking public-private partnerships to address the global issues that matter most to them, ranging from environmental, social and governance (ESG) commitments, to digital inclusion and joint responses to the COVID pandemic.

## Joint responses to new and cross-boundary global issues

Engagement increased the most in the World Economic Forum [platforms](#). The platforms allowed stakeholders from the public and private sectors to work on the greatest global

challenges faced today, with the COVID Action Platform a particular focal point this past year. They met multiple times virtually over the year and helped to drive initiatives forward through a combination of milestone meetings of principals and year-round efforts with Forum employees and Fellows.

Convening public-private platform meetings was particularly useful when an issue crosses borders, whether geographical or sectoral. The challenges around climate change provide a good example. These meetings were also very constructive when the issues were new or emergent, requiring *adaptive* rather than *technical* approaches as well as a shared understanding. The COVID response in the supply chain is a case in point. In both cases, our Partners' assessment during the year was that Forum platforms provide the best means to deal with wide-ranging global issues efficiently.

## Impacts on COVID and climate action

The Forum was especially active this past year in issues related to COVID and climate action. Early on in the pandemic, CEOs in the ICT community and the Supply Chain and Transport community communicated the adverse effects the lockdowns had on their work and their willingness to take concerted action to help end the pandemic. This led to the **EDISON Alliance**, the **Seafarer Wellbeing** campaign and a **charter in support of UNICEF and COVAX vaccine distribution**.

The [EDISON Alliance](#) for digital inclusion came about because people without internet access were hit more severely by the COVID economic crisis than others. Almost half of the global







UNSPLASH/ENRICO MANTEGAZZA

population, some 3.6 billion people, remained offline when the pandemic hit, and broadband services were still too expensive for 50% of the population in developed countries. The Forum created the EDISON Alliance to end these “connectivity deserts” and accelerate digital inclusion.

The [Seafarer Wellbeing](#) campaign was the Supply Chain and Transport community’s answer to the 1.4 million maritime industry crew who were stranded at sea when the pandemic hit and lockdowns and travel bans started to affect global travel and trade. Its goal

is to ensure seafarers’ rights and well-being, especially in turbulent times such as these. The industry’s commitment did not end there, as 18 chief executives from the shipping, airlines and logistics industries also signed [a charter in support of UNICEF and COVAX](#) global vaccine distribution, as part of the Forum’s participation in the Access to COVID-19 Tools (ACT) Accelerator.

On **climate action**, great progress was made on various aspects of the green transition. The Platform for Shaping the Future of Mobility, for example, worked on the [Clean Skies for Tomorrow Coalition](#), whose objective is to align on a transition to sustainable aviation fuels as part of a meaningful and proactive pathway for the industry to achieve carbon-neutral flying. It also advanced the [Circular Cars Initiative](#), a public-private sector collaboration focused on leveraging new technologies and business models to align the automotive industry with a 1.5°C climate scenario.

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**“Our platforms allowed stakeholders from the public and private sectors to work on the greatest global challenges.”**

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## Stakeholder Capitalism Metrics

Implementing stakeholder capitalism and ESG reporting was another area in which much was achieved this year. Following on the preparatory work of the World Economic Forum International Business Council, led by Bank of America Chairman and CEO Brian Moynihan, the [Platform for Shaping the Future of Investing](#) produced a set of [Stakeholder Capitalism Metrics](#) for companies.

More than 80 business leaders representing their companies signed up to these common metrics and disclosures,

and started reporting on them in their annual reports. The Forum is one of these organizations; its ESG reporting is published in this Annual Report. Creating a coalition of companies that voluntarily report on their ESG performance is a step towards the convergence, simplification and standardization of the non-financial reporting ecosystem. As part of this journey, the Forum also endorsed the work of the International Financial Reporting Standards (IFRS) Foundation, which aims to standardize the work being carried out on ESG reporting globally.

## Summary

The **Centre for Industry Transformation** is an internal organizational unit that brings together business leaders from various industries in communities with a shared purpose. It invites Forum Partner companies to act jointly on the issues that affect them and the societies they operate in, now and in the future.

The Centre's activities include:

- Maintaining **public-private platforms** where businesses, governments and NGOs undertake initiatives that address industry-related, global, social and economic challenges. The platforms examine present and future issues related to cybersecurity, COVID, climate change, the digital economy, investing, mobility, trade, energy, to name but a few.
- Convening Industry Action Groups, bringing together industry executives to discuss their industry's transformation and the precompetitive actions they should take to address the challenges they face (for instance, industry-wide reductions in CO2 emissions in the mobility industry, or the need to reskill workers in the manufacturing industry).
- Community gatherings for new, disruptive and fast-growing companies, such as the [Global Innovators](#), the [Technology Pioneers](#) and the [New Champions](#). These gatherings are used to highlight global trends and share ideas and insights on what change in an industry can look like, and to help define the global agenda on key issues.
- Over the past year, the Forum saw an overall **increase in partnerships**. This increase came largely from the dozens of new categories of **Platform Partner** for companies that wish to work on a particular platform that is relevant to them. In addition, a number of Partner companies, including Amazon, Pfizer, HP and Honeywell, upgraded to the Strategic Partner level, contributing to a multitude of

initiatives and action groups. Overall retention among existing Partners was 86%, remarkably high given the suspensions due to COVID.

Highlights from the past year include:

- The launch of the [EDISON Alliance](#) to accelerate digital inclusion, address inequality and digitally connect critical sectors of the economy. EDISON, the Essential Digital Infrastructure and Services Network, is a global movement of 45 leaders from the public and private sectors that aims to improve lives through affordable and accessible digital solutions in healthcare, education and financial inclusion. The Alliance defined collaboration principles and an operating model, and prioritized three key levers for impact: accelerating partnerships at scale, empowering policy-makers and unlocking innovative capital to ensure everyone gets online.
- The creation of the **Seafarer Wellbeing** campaign. As part of this effort, the **Maritime Industry Crew Change Taskforce** was established, and the **Neptune Declaration** was signed at Davos Agenda 2021. It helps ensure that the working conditions and human rights of seafarers are respected, including those affected by the crew change crisis caused by the COVID pandemic.
- The launch of the [Stakeholder Capitalism Metrics](#), a set of comparable metrics and disclosures across four pillars considered the most critical for business, society and the planet. Over 80 companies signed up to report on the metrics, and collaboration with global standard setters such as the IFRS Foundation was initiated, to catalyse the convergence, simplification and standardization of the non-financial reporting ecosystem.

More information on the platforms' achievements is available in the **'Read More'** section of this Annual Report.

# Centre for Nature and Climate

Børge Brende, President of the Managing Board

## A world on fire

The Centre for Nature and Climate over this past year operated in a world under unprecedented threat. Extreme weather events increased – from flooding and fires to record-breaking temperatures and violent storms. Nature continued to decline at an accelerating rate: nearly 1 million species face extinction because of human activity, according to an article in the journal *Nature*, and the loss of primary tropical forests increased by 12% compared to 2019, as reported by the World Resources Institute. And despite a brief drop in global CO2 emissions, the International Energy Agency reported that the year 2021 is on track for the second-largest increase in emissions in history, putting the world on a worrying path. These trends, along with supply chain disruptions and broad economic challenges resulting from the COVID-19 pandemic, also caused an increasing number of countries to suffer acute food insecurity, with estimates of between 720 million and 811 million people worldwide going hungry in 2020, according to the UN Food and Agriculture Organization.

Leaders in business, government and civil society increasingly recognized the fundamental risk associated with these trends on business and the economy: they ranked climate action failure, biodiversity loss, ecosystems collapse and extreme weather as among the top five threats humanity would face in the next 10 years, according to the World Economic Forum's 2021 *Global Risks Report*.

What's more, unless bold action is taken within this decade, these adverse trends will continue to worsen, the United Nations' Intergovernmental Panel on Climate Change (IPCC) declared in the *Sixth Assessment Report*, released just before publication of this Annual Report. The IPCC noted that "unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions,

limiting warming to close to 1.5°C or even 2°C will be beyond reach".

## The ecosystem of choice for cooperation on global public goods

Recognizing the urgency of the planetary crisis, the Centre for Nature and Climate kept its focus through the past year on building the critical partnerships and collaborations between business, government and civil society that are urgently needed to transform the systems that underpin these challenges across four themes:

- Climate action and net-zero transition
- Nature-based solutions
- Food, ocean and freshwater systems
- Circular economy and sustainability innovation

The Centre's initiatives under these themes drew together over 200 leading global companies and 50 governments, as well as leading civil society and research organizations, with more than 1,000 stakeholders engaged at the regional and national levels across key jurisdictions. The Centre's work was supported by funding from over 65 philanthropic organizations, governments and the private sector that invested in the Centre, its partners and team as a trusted collaborator in driving system impact for the global public good.

## Achieving local impact on global problems

Despite the challenging global context presented by the pandemic, the Centre for Nature and Climate maintained momentum and



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focus in advancing global progress and local impact on the sustainable development agenda, with a few key highlights across the programme:

#### **On climate action and net-zero transition**

Building on the Forum's decades of work to tackle climate change, the launch of the [Climate Action Platform](#) placed climate change at the heart of the Forum's institutional priorities to help accelerate ambition, action and the mobilization of all partners and stakeholders in this challenge.

The [Alliance of CEO Climate Leaders](#) grew to become the largest global CEO-led climate group. It counts over 100 members, all with Paris-aligned net-zero decarbonization targets. In June 2021, the group published an [open letter](#), in which its members committed to action and called on governments to set net-zero emission targets by 2050 at the latest – as they have done within their companies. They also asked for clearer policy guidance on what the contributions of the “high-emitting and hard-to-abate” and finance sectors should be.

From ambition to action, the [Mission Possible Partnership](#) grew to a group of over 400 partners who are working to trigger a net-zero transformation in seven key sectors: aluminium, aviation, concrete, chemicals, shipping, steel and trucking.

#### **On nature-based solutions**

Pushing both global and local impact, the [Tropical Forest Alliance](#) (TFA) developed regional expertise in South-East Asia, China, Latin America and the EU, and deepened its engagement in producer and consumer countries to reduce commodity-drive deforestation.

The Forum's Trillion Trees platform, [1t.org](#), drove impact at national and regional levels through public-private cooperation: on its first anniversary, the US chapter of 1t.org collectively received more than 70 pledges from various businesses, cities, states and NGOs to conserve, restore and grow 50 billion trees by 2030.

The [New Nature Economy Report Series](#) became the accepted resource to emphasize the risk of nature loss and pathways towards a nature-positive economy. It proved significant in nature being seen as an investment rather than a cost. Many businesses and stakeholders also used the report to define their strategies.

#### **On food, ocean and freshwater systems**

The [Food Systems Initiative](#) continued its work towards building food systems that are sustainable, inclusive, efficient, nutritious and healthy, in line with the 2030 Goals. The past year focused on:



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- Actively supporting the Special Envoy for the 2021 UN Food Systems Summit during the preparatory process in the lead up to the Summit in September 2021
- Launching the [Food Innovation Hubs](#) as a platform to foster partnerships and unlock investments, and provide equitable access to technology innovations for farmers and consumers
- Growing the [Food Action Alliance](#) portfolio to 20 flagship initiatives across Latin America, Africa, and Asia, supporting national pathways for food systems transformation
- Helping to decarbonize the European food system, through the [100 Million Farmers](#) initiative, the Forum’s CEO Action Group for the European Green Deal, and 13 organizations and stakeholders representing every step of the food value chain.

The [Friends of Ocean Action](#) coalition was successful in creating a partnership of diverse global leaders who are committed to action for a healthy ocean, a key challenge and critical responsibility if humanity is to survive and thrive sustainably. Ocean partnerships and sub-platforms that Friends of Ocean Action has been instrumental in launching – including the [Global Tuna Alliance](#), [Blue Food Assessment](#), [Global Plastic Action Partnership](#) (GPAP), [Getting to Zero Coalition](#) and [Ocean Data Platform](#) – remained critical to ongoing global impact for a healthy ocean.

#### **On the circular economy and sustainability innovation**

Over the past year, the [Circular Economy](#) project gained momentum. Notably:

- The initiative deepened its work in key economies such as China, and worked on scaling circularity within the electronics industry.
- The [African Circular Economy Alliance](#) grew to include eight member countries and launched a seminal report entitled [Five Big Bets for the Circular Economy in Africa](#).
- The [Japan Regional Roundtable on Circular Economy](#) increased commitment to the circular economy agenda from business in the region.
- The [Circular Economy for Net-Zero Industry Transition](#) initiative was launched in the Netherlands, aiming to reduce resource consumption to achieve climate objectives.

The GPAP continued to drive progress through the establishment of a new National Plastic Action Partnership (NPAP) in Viet Nam after already building partnerships in Ghana and Indonesia. It published the “Guide to Ensure Gender-Responsive Action in Eliminating Plastic Pollution” and the NPAP “Gender Analysis of the Plastics and Plastic Waste Sectors in Ghana”.

Innovation grew as a core part of the circular economy agenda; [Scale360°](#), the Forum's flagship circular innovation initiative, launched activities to advance circular innovation in **20 countries** and engaged more than 300 circular economy innovators, experts, investors and supporters on UpLink. GPAP equally launched an UpLink innovation challenge in collaboration with the Incubation Network and the Ocean Plastic Prevention Accelerator (OPPA), calling for ideas to solve key issues and support the informal sector in Indonesia.

## Mobilizing global stakeholders in a virtual context

More than any other year, mobilizing the Forum's full stakeholder base into action on this agenda was crucial. While the pandemic halted physical engagements, this situation presented positive opportunities through global virtual convenings to engage many, many more stakeholders from all

corners of the globe to drive the impact of our work.

Four virtual gatherings stood out: [Industry Transition Day](#), hosted in collaboration with Mission Innovation and the Leadership Group for Industry Transition; the [Virtual Ocean Dialogues](#), aimed at fast-tracking action for a healthy ocean by convening more than 140,000 online participants in 2021 and accumulating 8 million social video views and 300 million impressions of #OceanDialogues; the [Climate Breakthroughs](#), co-hosted with the COP26 Presidency and the UN High-Level Climate Champions; and the [Bold Actions for Food as a Force for Good](#), a two-day event organized in close collaboration with the office of the Special Envoy for the UN Food Systems Summit. Collectively, these gatherings drew together over 1,000 participants on the Forum's TopLink platform, and over 2 million viewers online interested in the important actions on the Centre's agendas.

## Summary

The **World Economic Forum Centre for Nature and Climate** tackles public goods challenges in the areas of climate change and environment, food systems, ocean, sustainable development and the circular economy. The Centre brings together leaders from the public and private sectors, civil society, international organizations and academia to collaborate through a range of focused partnerships.

In its four core areas, the Centre for Nature and Climate's activities include:

- *Climate action and net-zero transition:* The [Mission Possible Partnership](#) and the [Climate Action Platform](#), which help companies transition to net-zero emissions by 2050 at the latest and hit milestones along the way
- *Nature-based solutions:* The **Tropical Forest Alliance**, [1t.org](#), the [Natural Climate Solutions Alliance](#) and the **Nature Action Agenda**, which are all contributing nature-positive solutions in complementary ways to combat the twin crises of climate change and biodiversity loss
- *Food, ocean and freshwater systems:* The **Food Systems Initiative**, which aims to build food systems that are sustainable, inclusive, efficient, nutritious and healthy; **Friends of Ocean Action**, which gathers global leaders committed to action for a healthy ocean; and the [Global Water Initiative](#), which engages a diverse set of

champions to reframe the global dialogue on water security

- *Circular economy and sustainability innovation:* The **Circular Economy** project, which seeks to accelerate the circular economy transition; the **Global Plastic Action Partnership**, which works with stakeholders to fight plastic waste and pollution across the value chain.

On the broader sustainable innovation agenda, the Centre's activities include:

- The [2030Vision](#), which strives to accelerate the Fourth Industrial Revolution in service of the global Sustainable Development Goals (SDGs); the [Hoffmann Fellowships for the Fourth Industrial Revolution](#), which offer early-career academics the opportunity to work at the intersection of society, science and technology through a joint appointment between the World Economic Forum and leading academic institutions
- The [Sustainable Development Investment Partnership](#) (SDIP), which acts as a global independent platform of 42 public, private and philanthropic institutions with the shared ambition of scaling finance for the SDGs and overcoming the barriers hindering private investments in emerging and developing countries.

More information on the platforms' achievements is available in the **'Read More'** section of this Annual Report.

# Centre for the New Economy and Society

Saadia Zahidi, Managing Director

## A world of rising inequality

Since 1990, economic growth has lifted more than 1 billion people out of extreme poverty, according to World Bank estimates. But for the first time in nearly 30 years, this positive trajectory has been reversed due to the COVID-19 pandemic and its consequences. Extreme poverty is increasing, the middle class is shrinking in many large developed and emerging markets, and inequality is set to worsen within and between countries. A first in recent history, members of the next generation may fare worse than their parents.

Over the last year, the threat of a jobless recovery has loomed large, coupled with concern about inflation and rising debt levels in advanced and emerging markets alike. The health crisis, when combined with rapidly accelerating technological change and an upcoming sustainability transition, also presents a triple disruption challenge to the job market, with tasks and jobs disappearing rapidly even as new ones emerge. Across societies, there are calls for equality and social justice for all.

## Building back broader

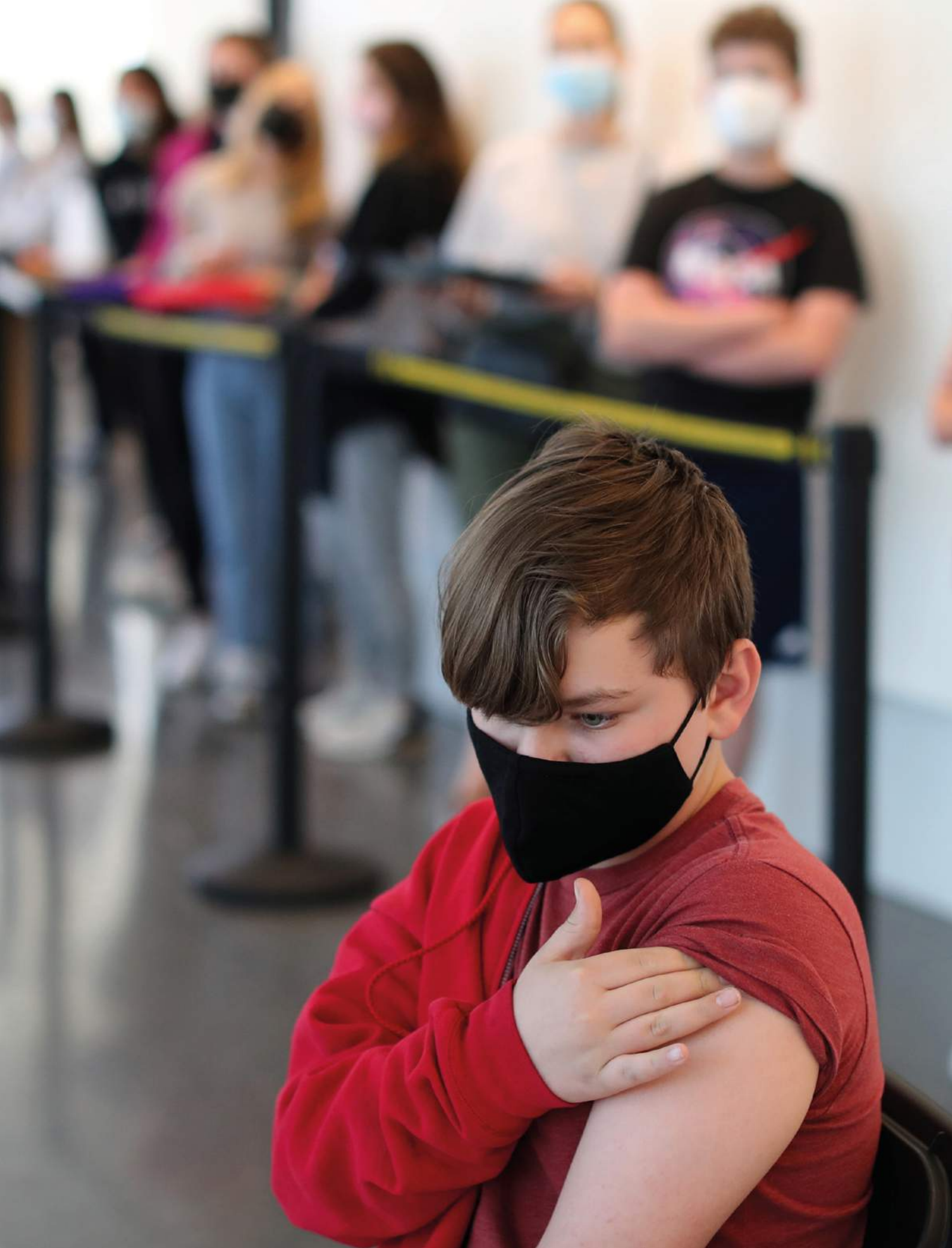
The Centre for the New Economy and Society has focused its efforts over the last year on “building back broader”, creating knowledge, tools and partnerships for economies that provide greater opportunity for all. In 2020-2021, our teams worked directly with over 20 governments, nearly 500 business leaders and numerous international organizations, labour unions, NGOs and academics to create new insights and to design and set up systems change initiatives in four areas: the economy, jobs, skills and equity. Together, the work impacts the lives and livelihoods of millions of people globally and, importantly,

provides blueprints for scaling the best-in-class approaches around the world.

## Reimagining economic growth and revival

As leaders look towards a recovery, it is crucial to not only reflect on how best to return to growth, but also on how to build back better economies that improve outcomes for people and the planet. Since 1979, **The Global Competitiveness Report** series has aimed to broaden the views of policy-makers, business executives and the public on looking beyond growth alone to enhance economic productivity and broader resilience. The special [2020 edition](#) of *The Global Competitiveness Report* paused comparative rankings and provided policy-makers with priorities across three time frames: those priorities that emerged before the crisis, those priorities that are critical for the shorter-term revival, and those priorities that are essential for longer-term transformation for better outcomes on shared prosperity and sustainability in the future. In addition, the [Building Back Broader](#) report drew on the views of 150 economists and other experts to outline policy pathways for an economic transformation. The [Chief Economists Outlook](#) quarterly provided a pulse on the global economic outlook, based on the views of a community of 50 chief economists from across business and international organizations. The [Closing the Innovation Gap Accelerators](#) are supporting economies in embedding new approaches to building innovation ecosystems as they recover from the crisis. Finally, [The Global Risks Report 2021](#) provided a longer-term and sobering compass to understand the greatest sources of risk to our economies and societies beyond the pandemic, covering societal fractures, youth disillusionment, climate change, cybersecurity and asset bubbles, among others.





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UNSPLASH/YASMINA-H

## Rethinking work, wages and job creation

International Labour Organization statistics show that in 2020, the global workforce lost an equivalent of 255 million full-time jobs, an estimated \$3.7 trillion in wages and 4.4% of global GDP, a staggering toll on lives and livelihoods. The choices made by policy-makers, business leaders, workers and learners in this challenging environment will shape societies for years to come. Given the urgency to coordinate efforts within and between economies, the Forum held the inaugural [Jobs Reset Summit](#) in October 2020, followed by a [second summit](#) in June 2021. The timely platform helped lay the foundations of a new narrative and practical approaches to job creation, labour market forecasting and analysis, and new standards for work in the new economy. In tandem with the first summit, [The Future of Jobs Report 2020](#) provided a five-year outlook on jobs and skills across industries and economies. Over the course of the year, the Forum also launched the [Partnership for New Work Standards](#), bringing together an initial 15 multinational companies to set the new benchmark for the future of work, with plans to scale over the coming year. The Preparing for the Future of Work Industry Accelerators developed industry-focused employment initiatives, including a Future Skills Pilot on redeployment (consumer industries), Innovation Hubs (mining and metals) and the Next Generation Manufacturing Leaders project (advanced manufacturing). Finally, the

Chief Human Resources Officers community, which now includes over 120 officers from leading multinational companies globally, worked closely through the year to share best practices and new ideas on workforce safety, mental health, return-to-office policies and diversity in virtual work.

## Transforming education, skills and learning

Skills are the core currency of the labour market and hold the key to helping workers and employers transition to the emerging jobs of tomorrow, while supporting those whose roles are disrupted. The [Reskilling Revolution](#), launched in early 2020 to reach **1 billion** workers and learners by 2030, is the flagbearer for this approach. In its first full year, it reached 60 million workers through a mix of national government programmes and global business partnerships. The [Closing the Skills Gap Accelerators](#) are now live in 10 countries: Bahrain, Brazil, Georgia, Greece, India, Oman, Pakistan, South Africa, Turkey and the United Arab Emirates. The [Skills Consortium](#), which includes 12 of the largest online learning providers, reaching 250 million learners, supports skills deployment across the accelerators. The [global skills taxonomy](#) offers a common language for skills at work, developed by the [Skills Consortium](#) and the Chief Learning Officers community, and was adopted by the [SkillsLink Alliance](#) with plans to scale over the coming year. The [Reskilling Revolution Business Alliance](#) supports a common approach to reskilling and upskilling commitments by business. An economic case for these investments by business and government has been made – a \$6 trillion payoff by 2030 as shown in the [Upskilling for Shared Prosperity](#) report – helping workers, employers and their economies alike. The content and delivery of education has long been outdated for the needs of today's economies and societies, with the pandemic creating new disruptions but providing new lessons about online education. Over the last year, the Forum's Education 4.0 Council and partners designed a framework to embed [Education 4.0](#) into the economic recovery. In the coming year, the Centre will collaborate with governments to embed this approach across school systems.

## Embedding diversity, equity, inclusion and social justice

The pandemic has taken a disproportional toll on gender equality, creating a dual burden for women in caregiving and work. This has

added to the already growing gender gap in the highest-growing roles of the future in science and technology. At the current rate of progress, according to the *Global Gender Gap Report 2021*, an additional generation of women will have to wait for gender parity due to the pandemic, as the time to close the gender gap increases from 99.5 years to 135.6 years. The Forum's efforts thus focused on ensuring that gender parity remains a fundamental part of the economic recovery. The *Closing the Gender Gap Accelerators*, now live in 10 countries, and supported by a range of Knowledge Partners and the Closing the Gender Gap Playbook, provide a testing ground for demonstrating that a focus on parity can strengthen the recovery of economies and make their societies more resilient to future

shocks. Over the past year, in the wake of the Black Lives Matter protests in the United States and around the world, the Forum also set up the *Partnering for Racial Justice in Business* initiative. Nearly 60 companies joined the alliance and pledged to take immediate action on racial justice in their own organization and to work together to drive systems change. *The Valuable 500* initiative reached 500 member companies in 36 countries, making it the largest global network of CEOs committed to disability inclusion. The *Partnership for Global LGBTI Equality* brought together 20 corporate partners and the six largest LGBTI organizations. Supporting and advising all of this work, the community of Chief Diversity and Inclusion Officers increased to over 120 officers from 20 industries.

## Summary

The **World Economic Forum Centre for the New Economy and Society** enables leaders to co-create a new vision and new partnerships in four interconnected areas: **economic growth revival and transformation; work, wages and job creation; education, skills and learning; and equity, inclusion and social justice**. Working together, stakeholders deepen their understanding of complex issues, shape new models and standards, and drive scalable, collaborative action for systemic change. The Centre also houses the Forum's **global risks** practice, providing risks analyses across a range of topics pertinent to the global agenda.

Across these thematic areas, the Centre engages coalitions of CEOs and C-suite executives; ministers of economy, labour, education and social affairs; and international organizations, experts and civil society, to work together to drive impact. Peer communities across the Centre include Chief Human Resources Officers, Chief Risk Officers, Chief Economists, Chief Learning Officers and Chief Diversity and Inclusion Officers engaged in intracommunity focus areas and who support major impact streams across the Forum's work. The work of the Centre is concentrated on holistically deploying three methods: 1) strategic intelligence and insights; 2) solution and action frameworks; and 3) leadership consortia and alliances.

Highlights of the Centre for the New Economy and Society's activities in 2020-2021 include:

- *The Global Competitiveness Report* helped policy-makers identify and address their economy's competitiveness and readiness for an inclusive and sustainable economic recovery.
- The **Reskilling Revolution** initiative reached 60 million workers and learners with better skills for the jobs of tomorrow.

- *The Future of Jobs Report* provided critical insights and tools for employers, governments and workers for a more dynamic and efficient labour market.
- The **Closing the Skills Gap Accelerators** launched or expanded their work in 10 countries, including Brazil and India.
- *Building a Common Language for Skills at Work: A Global Taxonomy* provides learning and training providers, universities and colleges, chief HR officers, workers and learners with a common taxonomy for skills on the job.
- The *Global Gender Gap Report* called attention to the double burden on women from the pandemic and the urgent need for governments to embed equity into the recovery.
- The **Closing the Gender Gap Accelerators**, in Latin America, the Middle East and Northern Africa, and Asia, provided vital support to millions of women in gaining labour market access, better wages and leadership roles, and preparing for the jobs of tomorrow.
- The **Partnering for Racial Justice in Business** initiative brought together over 60 global and multinational companies that pledged to initiate at least one board-level conversation on racial justice, one programme that makes a quantifiable impact on racial justice and one initiative for systems change.
- *The Global Risks Report* identified the top global risks and their time frames, supporting policy-makers and business leaders in assessing and managing exposures to risks.

# Centre for the Fourth Industrial Revolution

Jeremy Jurgens, Managing Director

## Expanding while navigating technology and geopolitics

The Centre for the Fourth Industrial Revolution, the Forum's hub for technology adoption and governance, welcomed two additional Affiliate Centres in Turkey and Brazil in 2020-2021. This brought the physical locations of the Centre and its Affiliates at the end of the reporting year to 12 countries, spread over five continents and two subcontinents: North America, South America, Africa, Europe, the Middle East and Northern Africa, and both South and East Asia. (The Centre's first offices opened in San Francisco in 2016. Kazakhstan, the 13th country to open an office, joined in July 2021, after the closing of the 2020-2021 fiscal year.)

One of the strengths and reasons for continued expansion of the Centre in a time of geopolitical tensions over technology is its neutrality. The World Economic Forum is a Swiss-based organization, which reflects on the work of the Centre for the Fourth Industrial Revolution. The Centre actively seeks diverse perspectives wherever there is a willingness for dialogue and exchange. However, the increase in polarization and unwillingness to recognize varied viewpoints has made not just national politics but also international politics and cooperation more complicated. Navigating that space is an important challenge for the Centre, and one that it has successfully addressed.

## Technology governance and solutions during the pandemic

The Centre's Affiliate offices around the world acted as the **national accelerators** of the Fourth Industrial Revolution this past year, on dimensions such as artificial intelligence and machine learning, data policy, the internet of things, blockchain, autonomous vehicles and drones. They addressed the governance

of these technologies, the capacity of their economies to adapt to them and ways to make them benefit all. This happened first on a local or national level and then was translated into best practices that were shared and applied in other countries.

One concrete example is the [Medicine from the Sky](#) initiative. The initiative built on work related to drones by the Affiliate Centre in Rwanda, adapting it to the Indian context. There, in rural areas only 37% of the population can access in-patient facilities within a five-km radius, which can lead to many preventable deaths. The initiative in India kicked off with the co-issuance of an expression of interest by the State Government of Telangana, India's Ministry of Civil Aviation and the Airports Authority of India. But as the COVID pandemic adversely impacted the country, its initial scope was extended to the delivery of COVID-19 vaccines. The first trials were foreseen for mid-2021, with the expansion to the national level, wider regulation and international adaptation foreseen in the following stages.

[The Artificial Intelligence for Agriculture Innovation](#) initiative provides another impact example. Piloted in the State of Telangana, it looks at how tech-enabled applications can double farmers' incomes and increase their farm productivity, while reducing wastage and enhancing supply chain efficiency and transparency. This year it examined, for example, how artificial intelligence-based models can link weather forecasts and soil data, how internet-of-things-connected systems can improve irrigation and how blockchain can enhance the quality and traceability of products. The benefit of this bottom-up approach in exploring technology applications and governance at the Affiliate Centres is that other Centres can adapt the findings to their own context. This initiative resulted in interest from countries such as



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REUTERS/ISSEI KATO

Colombia, Japan, South Africa and Turkey, which face similar challenges and opportunities in their agriculture sectors.

### Global technology governance and Fellows

To facilitate the global adoption of its latest findings and insights, the Centre also held its inaugural virtual **Global Technology Governance Summit** in April, and welcomed several dozen **Fellows** to its global team.

The gathering, a two-day event hosted by the Government of Japan, showcased the most cutting-edge technologies to its global audience, while raising awareness of the ways solutions can be designed more fairly and responsibly. The sessions brought together business leaders, entrepreneurs, academics and policy-makers to engage in urgent conversations on the responsible design and deployment of emerging technologies.

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**“One of the strengths of the Centre in a time of geopolitical tensions over technology is its neutrality.”**

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The Fellows who joined us this past year were employed full-time on Fourth Industrial Revolution-related issues. They often worked for a fixed term, coming from companies and organizations at the forefront of emerging issues, and shared their expertise with governments, academia and business. At the end of fiscal year 2020-2021, over 100 Fellows worked with the Centre, roughly double the previous year’s number.



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## Summary

The **Centre for the Fourth Industrial Revolution** works with members of government, company leaders, civil society representatives, innovators and experts from around the world to pilot new approaches to technology adoption and governance, aiming to maximize the benefits and spread of technology applications, while mitigating the risks and pitfalls.

At the closing of reporting year 2020-2021, the Centre had a physical presence in 12 countries and convenes representatives at the Global Technology Governance Summit each year. Forum-led Centres were based in the USA, India and Japan, and Affiliate Centres, run in cooperation with national governments and other stakeholders, were based in Brazil, Colombia, Israel, Norway, Rwanda, Saudi Arabia, South Africa, Turkey and the UAE. (Kazakhstan, the 13th location, joined after the closing of the reporting year.)

The Centre's activities include:

- **Work across six areas of focus:** Pilots and governance protocols are designed in the following main areas: artificial intelligence and machine learning, the internet of things and urban transformation, blockchain and distributed ledger technology, data policy, autonomous and urban mobility, and drones and tomorrow's airspace.
- **The adoption of agile regulation:** The Centre promotes a range of techniques regulators can employ to help respond in a more agile way to innovation and disruption, including case studies, strategy and foresight, governance models and policy templates.

- **The Global Technology Governance Summit:** This summit aims to be the foremost global multistakeholder gathering dedicated to ensuring the responsible design and deployment of emerging technologies through public-private collaboration. The 2021 gathering was hosted virtually by the Government of Japan and its workstreams continue online.

Highlighted achievements of the past year include:

- The opening of **Affiliate Centres in Turkey and Brazil**, focusing on artificial intelligence and machine learning, the internet of things, mobility (Turkey) and data policy (Brazil).
- The launch of the **Medicine from the Sky** initiative in India, which aims to deliver COVID-19 vaccines and medicine in hard-to-reach places in states such as Telangana and Arunachal Pradesh, and provide best practices for similar projects worldwide. The initiative lies at the confluence of two of the most heavily regulated sectors globally, healthcare and aviation, and involves the participation of various stakeholders, including state and national governments and regulators, hospital systems (e.g. Apollo Hospitals), drone operators, foundations and think tanks. The Indian project used the lessons from similar projects in Rwanda and Ghana, on which the Forum published a report in April 2021 entitled *Medicine from the Sky: Opportunities and Lessons from Drones in Africa*.
- The launch of the **Artificial Intelligence for Agriculture Innovation** initiative and report, with its goal to establish the frameworks through which emerging technology solutions can be expanded across the agriculture ecosystem, first in the Indian state of Telangana, then nationally and finally around the world.



CHAPTER 4

# Forum Foundations





# Forum Foundations

Jill Rademacher, Head of the Forum Foundations

## Forum of Young Global Leaders

Mariah Levin, Head of the Forum of Young Global Leaders

The [Forum of Young Global Leaders](#) (YGLs) serves as an accelerator for a dynamic community of exceptional people with the vision, courage and influence to drive positive change in the world. Each year, the Forum of Young Global Leaders goes through a rigorous selection process to identify, select and celebrate remarkable leaders under the age of 40. With a growing membership of more than 1,200 members and alumni representing over 100 nationalities, YGLs include civic and business innovators, entrepreneurs, technology pioneers, educators, activists, artists and journalists.

Aligned with the World Economic Forum's mission, the Forum of Young Global Leaders seeks to drive public-private cooperation in the global public interest. The community is united by the belief that today's pressing problems present an opportunity to build a better future across sectors and geographies.

This year, despite the physical distancing, YGLs renewed their community spirit and commitment to joint action. Members connected online throughout the pandemic – with over 1,000 YGLs participating in virtual community and World Economic Forum events in 2020-2021. The Young Global Leaders Annual Summit gathered 500 community members over four days online, a critical

moment to share efforts that drive positive impact worldwide. In addition, YGLs took part in Peer Leadership Circles that addressed personal leadership challenges, strengthened community bonds and helped build resilience.

Numerous stories of inspiration emerged as a result of the COVID-19 crisis, as YGLs connected each other with suppliers, contacts, researchers and infrastructure providers. For example, to safely reopen travel, a need emerged for a trusted universal record of travellers' health that did not compromise personal privacy. In response, The Commons Project, a non-profit trust established by Paul Meyer (YGL 2005), Rajiv Shah (YGL 2007), Jennifer Zhu Scott (YGL 2013) and Thomas Crampton (YGL 2005), convened 350 public- and private-sector leaders from 52 countries to design the [CommonPass](#), for safe border reopening in partnership with the World Economic Forum and the Rockefeller Foundation.

The virtual world also opened up new possibilities for executive education and leadership development opportunities for YGLs. Accenture worked with a select group of YGLs to diagnose challenges in their own organizations related to responsible leadership and co-designed interventions to improve outcomes in the workplace.

Thanks to the support of David Rubenstein, the YGL Harvard Kennedy School executive education module on "Global Leadership and Public Policy in the 21st Century" was transformed into an online programme for 70 YGLs. In partnership with the University of Virginia's Frank Batten School of Leadership and Public Policy, a virtual module on "Leading for Racial Equity" was piloted and a new course on "Strategies for Sustainability" was launched with Stanford University.

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**“By working together, across divides, a more resilient, inclusive and sustainable society is possible. Young people are ready to lead this transition.”**

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# Global Shapers Community

## Wadia Ait Hamza, Head of the Global Shapers Community

Founded in 2011, the [Global Shapers Community](#) is a network of young people (under the age of 30) driving dialogue, action and change. A decade into its existence, the community spans more than 14,000 members and alumni in 450 cities in 150 countries around the world – from Atlanta to Accra to Zurich and Zagreb.

The Global Shapers Community's work to empower young people and strengthen local communities became more critical than ever in 2020-2021 as the pandemic exposed even greater inequalities. Global Shapers believe that by working together, across divides, a more resilient, inclusive and sustainable society is possible, and young people are ready to lead this transition.

To better understand the views and expectations of the next generation, the community launched the [Davos Lab initiative](#) to help inform and shape a common future in the post-pandemic era. Working together, Global Shapers organized Davos Lab dialogues in 146 cities on the 10 key issues they identified as being most urgent. The dialogues reached an audience of more than 2 million people and generated 40 policy recommendations to end injustice and build a better society.

In keeping with its global reach, the community hosted virtual trainings and meetings to offer relevant expertise to its members and connect young people to share best practices. More than 4,000 Global Shapers participated in

events throughout the year. This included a Responsible Leadership Challenge, developed with Accenture, to build the skills and capabilities youth require to lead responsibly amidst the unprecedented global challenges they now face.

Global Shapers also had the opportunity to connect with experts at World Economic Forum meetings and through a virtual [Meet the Leader](#) series. In conversations with Christine Lagarde, President of the European Central Bank; Jane Goodall, Founder of the Jane Goodall Institute and UN Messenger of Peace; Peter Brabeck-Letmathe, Vice-Chairman of the Board of Trustees of the World Economic Forum; Fabiola Gianotti, Director-General of the European Organization for Nuclear Research (CERN); and Mark Carney, United Nations Special Envoy for Climate Action and Finance, the Global Shapers advocated for greater transparency and trust between generations.

In partnership with philanthropist Rosamund Zander and The Climate Reality Project, 350 Global Shapers participated in virtual [Climate Reality Leadership Corps](#) trainings with Al Gore and a team of global experts, activists and scientists. In total, 700 Global Shapers have been trained to lead climate action since 2018.

At the local level, Global Shapers implemented a total of 700 projects this year. Projects included efforts to advance climate action, respond to disasters, restore nature, safeguard mental health and battle the COVID-19 pandemic.

Global Shapers stepped up in exceptional ways throughout the pandemic. In Europe, Global Shapers led a powerful cross-Hub collaboration to fight the spread of COVID-19 misinformation, which was recognized by the WHO Regional Office for Europe. In Africa, Global Shaper Hubs worked with the Forum's COVID Action Platform, the Africa Centres for Disease Control and Prevention and the African Union Office of the Youth Envoy to scale [#AfricaMaskWeek](#) – a campaign that reached more than 300 million people. The Karachi Hub distributed monthly food rations to 13,000 families, as well as personal protective equipment, face shields, hand sanitizers and masks to front-line health workers. Bill Gates described the Hub's heroic efforts as ["the best of humanity at a time of crisis"](#).



# Schwab Foundation for Social Entrepreneurship

François Bonnici, Director of the Schwab Foundation for Social Entrepreneurship

The [Schwab Foundation for Social Entrepreneurship](#), a sister organization of the World Economic Forum chaired by Hilde Schwab, includes a community of the world's leading social innovators tackling global challenges and improving the state of the world. The Foundation's goal is to highlight, amplify and accelerate leading models of social innovation with proven impact. It has supported more than 400 social innovators to date, who collectively reach over 622 million lives directly, operating in nearly 200 countries.

During unprecedented changes to the ways people interact, collaborate and share, the Schwab Foundation community found new and novel ways to address a widening need for access to healthcare and education, support of livelihoods and sustainable entrepreneurship, and endeavours to ensure social inclusion and protect human rights. By launching and joining new collaborative efforts, the Schwab Foundation Award winners actively contributed to collective impact.

The Schwab Foundation provided opportunities for its community of leading change-makers to highlight key issues of inequality and their alternative solutions during the pandemic through various platforms and activities that included:

- 23 [new Awardees](#) recognized across civil society, business, government and academia
- 12 *key summits and events* that brought together Awardees at World Economic Forum events as well as on the COVID Action Platform
- 171 *active roles by Awardees*, presenting, participating on panels and building networks with key decision-makers
- 64 *presentations* by Schwab Foundation Awardees at events, on topics related to the unequal health and economic impact of COVID-19
- 6 *training and capacity-building initiatives*, including the annual programme on Systems Leadership in partnership with Harvard Kennedy School; an online series focused on



navigating complexities; and a series of well-being supports for social entrepreneurs

- 11 *collaborative projects and initiatives* launched or joined by Schwab Foundation Awardees.

The [COVID Response Alliance for Social Entrepreneurs](#) was established in 2020 to convene key institutions supporting front-line organizations during the pandemic. Hosted by the Schwab Foundation, with the support of the GHR Foundation, Porticus and the Motsepe Foundation, the Alliance grew dramatically to 85 organizations representing over 100,000 social entrepreneurs globally. Members of the Alliance launched its [2021 Roadmap](#) at Davos Agenda 2021, setting out 10 vital areas of action to be jointly led and delivered by Alliance members. The Alliance turned a spotlight on the contribution of social entrepreneurs on the front line of pandemic response, notably in India, for example with its [profile of Ashif Shaikh](#), Co-Founder of Jan Sahas Social Development Society, who mobilized support from more than 30 philanthropic and private-sector organizations to address the immediate needs of hundreds of thousands of migrants and rural families during the first and second waves of the pandemic.



CHAPTER 5

# Core Functions



# Global Programming Group

Saadia Zahidi, Managing Director

## Building future-orientation in a pandemic-focused world

In 2020-2021, the World Economic Forum held over 1,000 large and small virtual events, a record in its history. During a time of travel bans and an urgent need to cooperate globally, this was not surprising. Through these virtual meetings, global cooperation on crucial issues could continue despite limited international travel. Moreover, as multiple global issues from climate change to education to technology governance risked losing focus, funding and attention, the Forum's meetings served as a platform for setting new strategies for the pandemic era, building new partnerships among actors, enabling long-existing communities to come together on a regular basis to continue their work, and inspiring hope and action among global audiences.

## Convening for impact in a virtual context

The Forum has long mastered bringing together communities for clear outcomes by identifying cutting-edge topics and emerging challenges, creating methods for impact, convening communities and partnerships to deliver solutions, and communicating widely with global audiences. Over the last year, our talented teams took this skill set into the virtual context, coordinating across our Centres and platforms to deliver meaningful milestones through digital meetings.

- The **Sustainable Development Impact Summit** and **Virtual Ocean Dialogues** supported the work of the **Centre for Nature and Climate**.
- The **Jobs Reset Summit** supported the work of the Centre for the New Economy and Society.
- **The Davos Agenda**, held in January 2021 at the time traditionally chosen for the Annual Meeting in Davos-Klosters,

brought together over 1,700 participants from business, government and civil society, including 24 heads of state and government, to address the crucial challenges facing the world.

- The **Industry Strategy Meeting** supported the work of the Centre for Industry Transformation.
- The **Global Technology Governance Summit** supported the work of the Centre for the Fourth Industrial Revolution.

In addition to major gatherings, the Forum held ongoing, publicly broadcast meetings of the COVID Action Platform after the pandemic started, helping leaders collaborate and communicate in a deeply uncertain environment. The biweekly Agenda Dialogues now carry forward the legacy of this regular cadence of communication between leaders, addressing current affairs and key topics on the global economic, social, environmental and geopolitical agendas.

The Industry Action Groups met monthly to manage industry-specific disruptions and develop a vision for restoring jobs, strengthening inclusion and embedding sustainability. The Regional Action Groups for the Middle East and North Africa, ASEAN, Latin America and other regions supported the work of the Centre for Global and Regional Cooperation, building trust and cooperation among regional leaders to restore trade and travel and shape an inclusive and green recovery. The C-suite officers meetings, such as those of the communities of Chief Human Resources Officers, Chief Economists and Chief Risk Officers, facilitated these groups to connect regularly to discuss the latest best practices to manage safety, physical and mental health, and economic and social trends, among other factors.

Finally, the Forum's myriad action-oriented communities, from the Gender Gap Accelerators Learning Network to the Alliance





of CEO Climate Leaders to the Reskilling Revolution champions, took advantage of the virtual setting to arrange a new accelerated cadence of activity, delivering more rapidly on ambitious targets.

## **Expanding inclusion, accessibility and multistakeholder perspectives**

The year offered us the possibility of proactively enhancing our ability to be vastly more inclusive in a virtual setting. A much broader range of geographies were reached through translation into the most widely spoken languages in the world. Meetings were made more accessible by enabling closed captioning. Social media polling allowed us to include the voices, questions and comments of a wide range of stakeholders seeking to connect with leaders and decision-makers around the world. Through our TopLink digital platform, thousands of digital members were able to access the latest insights and sessions at World Economic Forum meetings. These features, often deploying new technologies and going well beyond traditional livestreaming, were critically important to create an inclusive and innovative new vision for the world, breaking down barriers between decision-makers and the public.

Over the past year, the Global Programming Group also facilitated stakeholder diversity for the institution through the curation and integration of special expert communities. These included artists and cultural leaders,

economists and social scientists, technologists and scientists, thought leaders, relationships with think tanks, cultural institutions and universities, and 50 Global Future Councils, expert groups that provide fresh insights, a future-oriented lens and map solution spaces for all five of the Forum's Centres.

## **Looking ahead to a new era for events**

The Global Programming Group, the central team responsible for the stewardship of the Forum's world-class events, conducts the planning, agenda and execution of the Forum's major physical, hybrid and virtual global, regional and thematic meetings. It provides a consistent events architecture, deploys innovations and builds cutting-edge programmes for the Forum's impact agenda. Looking ahead, the Group will continue to plan virtual, in-person and hybrid meetings, aiming to preserve the best of our learnings from a virtual setting and combining them with the best of our long-standing experience with in-person meetings. In particular, as the Forum looks towards a return to physical gatherings, safety, sustainability and inclusion will be top of mind to make in-person meetings fit for a new era of events. Finally, the Group will continue to work in strong collaboration with the Forum's Centres to ensure that all convenings contribute to impact outcomes, supporting leaders and communities to share the latest insights, design innovative solutions, collaborate and cooperate efficiently, and build trust and transparency.

# Public Engagement

Adrian Monck, Managing Director

This has been an extraordinary year for the world, and no less for the World Economic Forum's Public Engagement. Our strengths as storytellers, publishers, content creators and conveners have never been more relevant or in demand.

## Forum studios broadcasting to the world

The team leveraged its audiovisual capabilities to enrich, support and deliver sessions, meetings and gatherings from around the world, in every time zone. Over the past year, we built a network of *Forum Studios* from San Francisco to Geneva, drawing on our existing audiovisual resources to help ensure that the Forum brings the same sophistication and world-class delivery to its digital presence.

The focus on video production led to approximately 600 hours of live and pre-recorded programming. Highlights included the live broadcasting of special addresses by various heads of state and government and heads of international organizations, such as French President Emmanuel Macron, Russian President Vladimir Putin and Chinese President Xi Jinping, as well as UN Secretary-General Antonio Guterres and IMF Managing Director Kristalina Georgieva, as well as the broadcasting of dozens of multilateral meetings.

## Informing readers on the global agenda

The enhanced production and storytelling capacities of the Public Engagement team were mirrored in the enthusiasm with which the public, Partners and constituents turned to our publishing and engagement platform to share videos, information and insights. The *Forum Agenda*, the content hub of the World Economic Forum, averaged a monthly audience of several million – a third of *The*

*Times* of London. The Forum's *Agenda Weekly* newsletter went out to nearly half a million subscribers each week.

## Inspiring our followers through videos

The Forum continued to be a prominent social media publisher on LinkedIn, Instagram, Tik Tok, Facebook and Twitter, with nearly 30 million followers across these sites and their apps. The driving force behind this social media presence were some 4,000 in-house produced [videos](#), based on the Forum's insights and initiatives.

Our support for [UpLink](#) stood out in this regard. Many of the videos produced for this open digital platform proved particularly inspiring to our followers; from [Bogotá's ambitious plan](#) to cut air pollution with cycle lanes and trees to [Estonians creating carbon sinks](#) by restoring their landscape, local and innovative solutions to global problems such as climate change drew in millions of interested viewers from around the world.

## Working with the world's major media

Global news organizations trust the Forum to provide independent analyses on global challenges. In the past year, the Forum was mentioned twice a day in global media, including Reuters, Bloomberg, Nikkei and Xinhua, and about every work day in media such as the *Financial Times*, BBC and CNBC.

For the World Economic Forum, the **Davos Agenda 2021** was the [most impactful media event](#) in a year and a half, with four times the media impact than the next biggest event. It generated over 40,000 global media mentions, with more than 1,200 journalists from influential media outlets in all G20 countries covering the meeting.



## Looking ahead

The Forum's initiatives continued to take centre stage in our organization's work this past year, with Partners, governments and constituents recognizing that communicating those workstreams is also an important part of the impact equation. It has been and will remain a focal point of the Public Engagement team.

To continue the growth trajectory of the past year, our focus will stay on data and user journeys. Our audiences are both wide and deep, which requires communicating on both global issues and specific local solutions. Increasingly, too, the team will continue its work with digital and technology colleagues to develop a future subscription platform that will deliver a market-worthy offering.

# Technology and Digital Services

Olivier Schwab, Managing Director

## A Year of UpLink

The World Economic Forum's open innovation platform, UpLink, is a digital ecosystem of entrepreneurs, investors, experts and corporate partners from all over the globe who work towards resolving the world's most pressing issues. The online platform is open to anyone and seeks to identify and scale innovations while driving progress on the UN Sustainable Development Goals. Since its launch at the World Economic Forum Annual Meeting 2020 in collaboration with Salesforce and Deloitte, UpLink now hosts a thriving community of nearly **30,000 registered users**.

UpLink centres on "innovation challenges", a competition framework that invites entrepreneurs to pitch solutions to a range of global issues. In the past year, UpLink ran **more than 20 innovation challenges** and worked closely with experts and investors to review and identify all incoming submissions. The challenges were supported by global exposure to the Forum's digital engagement channels, which during the year gained over **100 million views** across its social media promotion. This in turn helped source

approximately **1,800 suggested solutions** to important global problems.

Over **100 entrepreneurs were recognized as Top Innovators** and were invited to join cohorts and programmes that nurture their ventures through visibility and opportunities for funding and mentoring, in an effort to develop them to their full transformative potential.

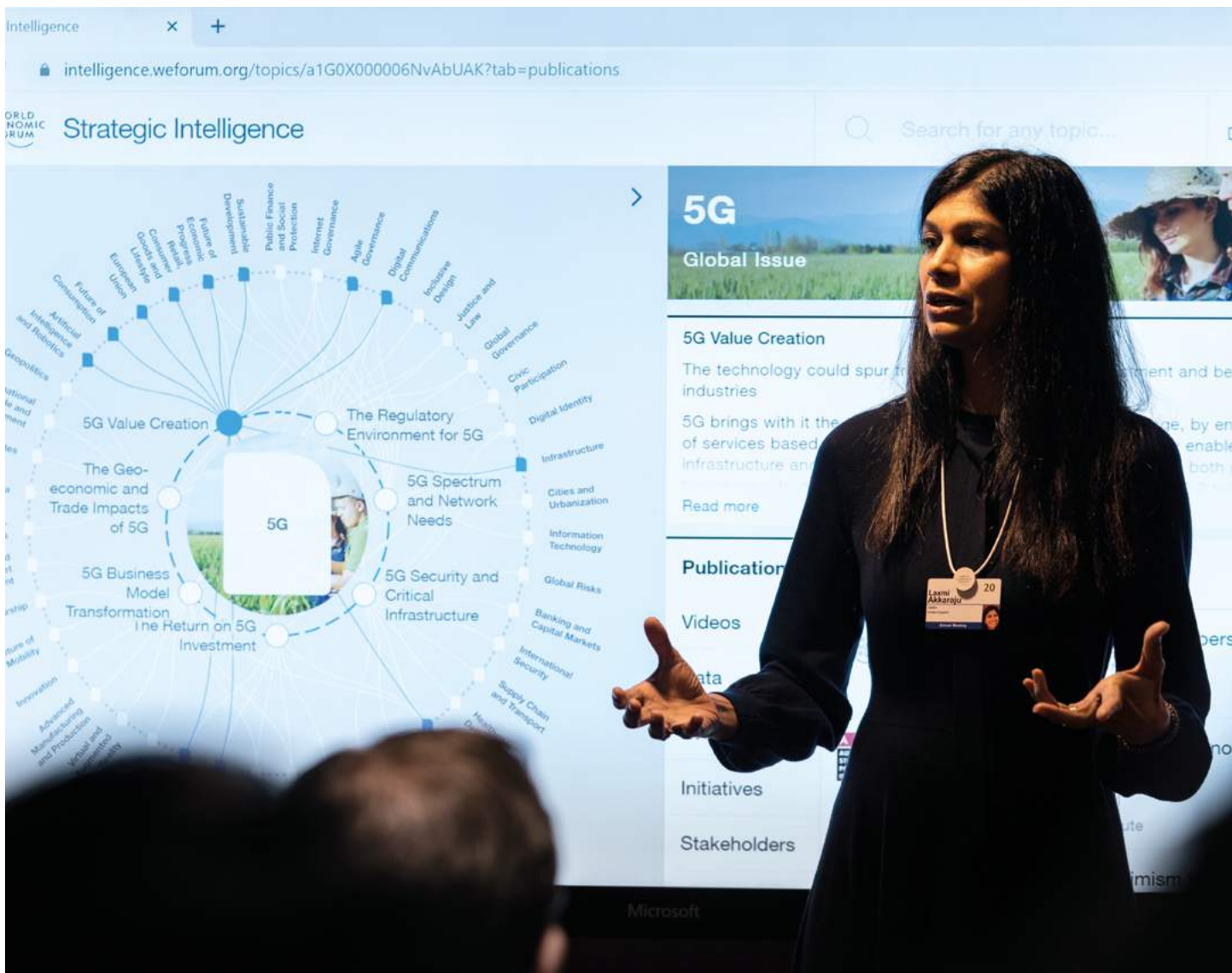
One key topic for UpLink was ocean conservation, with its challenges sourcing 22 Top Innovations tackling issues from restoring coral to increasing aquaculture. The second Ocean Challenge unearthed, among others, a revolutionary start-up that is automating tropical seaweed farming to produce large quantities of inexpensive biomass and deliver a range of products.

UpLink's development could not have been achieved without the important collaboration of our Partners and a growing set of projects and initiatives at the Forum that are leveraging the platform for their innovation and impact ecosystems. The UpLink team's next objective is to reach 50,000 users and support thousands more entrepreneurs to accelerate their impact.

## Examples of Top Innovators

[Recykal](#) is a Top UpLink Innovator from The Circularity Challenge. It offers a technological solution to efficiently recycle plastic waste across India's waste management and recycling value chain. The company secured \$6 million in its Series A round over the course of its involvement in UpLink

[SeriousShea](#) from Burkina Faso was one Top Innovator that surfaced through the Trillion Trees Challenge for the Sahel and Great Green Wall. This local venture champions a supply chain for shea butter that completely avoids the use of wood. This in turn boosts landscape restoration and contributes to Africa's Great Green Wall initiative, which focuses on restoring degraded Sahel lands and regreening an 8,000-km-long area spanning the continent.



## Strategic Intelligence

The World Economic Forum [Strategic Intelligence](#) digital platform blends expert and machine intelligence to help its users better anticipate, monitor and shape drivers of transformation across global, regional and industry systems. The 290 topics it curates range from [COVID-19](#) (free to use for all to encourage learning about the pandemic) to [climate change](#) and [climate indicators](#), to a host of topics on the Fourth Industrial Revolution, including [artificial intelligence](#), [blockchain](#) and [internet governance](#).

This flagship digital service continued to grow in both adoption and in analytical features and content coverage over the course of 2020-2021. In early 2021, it reached an important milestone by crossing the threshold of 500,000 registered users, representing professionals in both the public and private sectors worldwide.

Strategic Intelligence significantly improved the underlying machine learning models and released new advanced features that proactively identify signals on trends and developments based on the automatic scanning of expert publications. Currently, the system analyses over 1,000 reports and articles a day from more than 250 sources, in five languages, including from the Brookings Institution, Carnegie India, Chatham House, London School of Economics and Political Science, MIT Sloan School of Management, Observer Research Foundation, Pew Research Center, Rand Corporation and Stockholm International Peace Research Institute, among others.

Finally, Strategic Intelligence also substantially expanded its digital membership programme, which provides individuals access to advanced Strategic Intelligence features. It closed 2020-2021 with a 400% increase in digital membership, resulting in over 2,500 active digital members.

# People and Culture Legal and Compliance Security Affairs Swiss Public Affairs

Alois Zwinggi, Managing Director

## Working from home in the interest of public health

The work of People and Culture in 2020-2021 was marked by a historical disruption: up to 90% of World Economic Forum employees worked from home in Geneva, New York, San Francisco, Tokyo, Beijing and Mumbai. The precise guidelines and government regulations differed per jurisdiction, but the common denominator was the COVID pandemic and creating work guidelines in the interest of our employees specifically, and of public health in the respective locations more broadly.

## From an event-driven to an impact-driven focus

Changing focus from event-driven to impact-driven work was another major change in the organization of the Forum's Human Resources this past year. It was manifested in a variety of ways:

- The number of employees working full-time on event organization decreased, while that of those working on impact work increased, changing the Forum's centre of gravity.
- Employee work planning revolved to a greater extent around virtual milestones and gatherings as opposed to physical meetings, driven by progress in project work.

- The number of direct-funded jobs and fellowships rose steadily, resulting in a higher number of employees working on specific initiatives and goals.

Overall, this transformation took place in a structured and planned way, with respect for our employees' experience and expertise.

## An adapted approach and internal employee resource groups

The Forum's workforce has historically been physically present in the workplace, but the pandemic produced an abrupt change of how our teams operate. The staff's adaptation meant this approach worked well from a productivity and output point of view. But for newcomers, it was a hurdle to become acquainted with the "Forum culture". And for team managers, the experience of leading a team remotely for an extended period of time was also new. Topics like mental health and well-being became higher priorities, leading to various new initiatives from the People and Culture team to support employees:

- The creation at the grassroots level of internal employee resource groups, including "Be Well" (on well-being) and the "Black Forum Collective", and an expansion of the "LGBTQI+ Allies" and "Women Integration Network" groups, which organize Open Houses and invite inspiring leaders



- The establishment of an individual training budget for each Forum employee, shifting from mainly physical to digital delivery and allowing personalized learning opportunities
- The launch of virtual training programmes in collaboration with Knowledge Partner LinkedIn Learning, on topics such as remote leadership and team dynamics
- The start of a voluntary Mentorship Programme for all new employees, connecting senior managers with newcomers and junior staffers.

## Building the workplace of the future

Looking ahead, People and Culture is preparing the “Workplace of the Future” with plans for a hybrid and highly flexible office culture. This scheme includes the possibility of working from home part-time and involves differences in the way work is performed at the office. Supplementary infrastructure will be foreseen for videoconferences and calls, and more facilities will be made available for both team interactions and individual work. The overall architecture will be one of “functional work neighbourhoods”, with dedicated spaces for each type of work and areas for physical exercise and rest.

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**“This year of remoteness has shown us how important human connections are. And to maintain those relationships in a remote world, you have to invest even more in them. You have to be more mindful of how to maintain and strengthen them. That’s been really important for us.”**

Alois Zwinggi

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## A strong bond with our Swiss partners

Throughout the past year, despite the global turmoil, the Forum received incalculable support from the Swiss federal, cantonal and municipal authorities in Bern, Geneva and Davos-Klosters (Graubünden). With a successful track record of collaboration of over half a century, their support this year was of particular importance since the Annual Meeting could not take place. The Forum looks forward to continuing our collaboration as we prepare the next World Economic Forum Annual Meeting in Switzerland.

# Finance and Operations

Julien Gattoni, Managing Director

## Financial resilience in an unprecedented global economic context

Over the past year, the World Economic Forum showed resilience and a strong capacity to rebound in an unprecedented global economic context.

Among revenues, Membership and Partnership contributions remained high at CHF 241 million, despite the difficult economic circumstances faced by many Partners (see the *Consolidated Financial Statements* for details). This testifies to the value the Forum's constituents attribute to participating in this international institution's platforms and initiatives, even in times of global headwinds.

Crucial in its resilience were new and retained **Partners**. The Forum counted 720 Partner companies in 2020-2021, a 5% increase over the previous year. Markedly, 129 companies joined the Forum in two new categories: Platform Partnership and Global Innovators Membership. Retention among existing Partner categories also remained high at 86%, an elevated percentage in a year marked by a global health crisis and economic recession. The Forum ended the year with 120 Strategic Partners, the same number as in the previous fiscal year and the maximum allowed.

**Direct funding** increased by over a quarter over the past year, and represents roughly 12% of total revenues. Funders are most often public institutions and foundations; their funding is tied to specific initiatives, such as the Tropical Forest Alliance, the Global Plastic Action Partnership or Trillion Trees. These funds allow the Forum to do what it does best: align communities behind its objectives and create a strong impact for the planet and its people. As the global economic context stabilizes, this funding will continue to be a strong driver of growth.

The Forum responded to the lockdowns by reducing operating expenses and event-related costs. A decline in revenues linked to the Annual Meeting in Davos-Klosters was matched by an equal decline in related organizational costs, and the cancellation of travel and other physical meetings led to a similar reduction in operating expenses. The resulting Statement of Activities showed robustness in a year of extreme macroeconomic volatility.

## Strengthening the Foundation

To further strengthen the financial foundations of the World Economic Forum, the organization established an **Endowment Fund** and assigned an **Investment Committee** to manage it.

With initial funds transferred from the Forum's Strategic Reserves, the Endowment Fund comprises CHF 180 million. Part of our accumulated reserve has served as initial capital. Over the coming years, a portion of our surplus will be restricted to the long-term existence of the Forum to ensure continuity of the mission. The income from Endowment Fund growth will help the Forum invest in its impact projects beyond partnership funding. The investment strategy for the Endowment Fund is overseen by the newly created Investment Committee of the Board of Trustees.

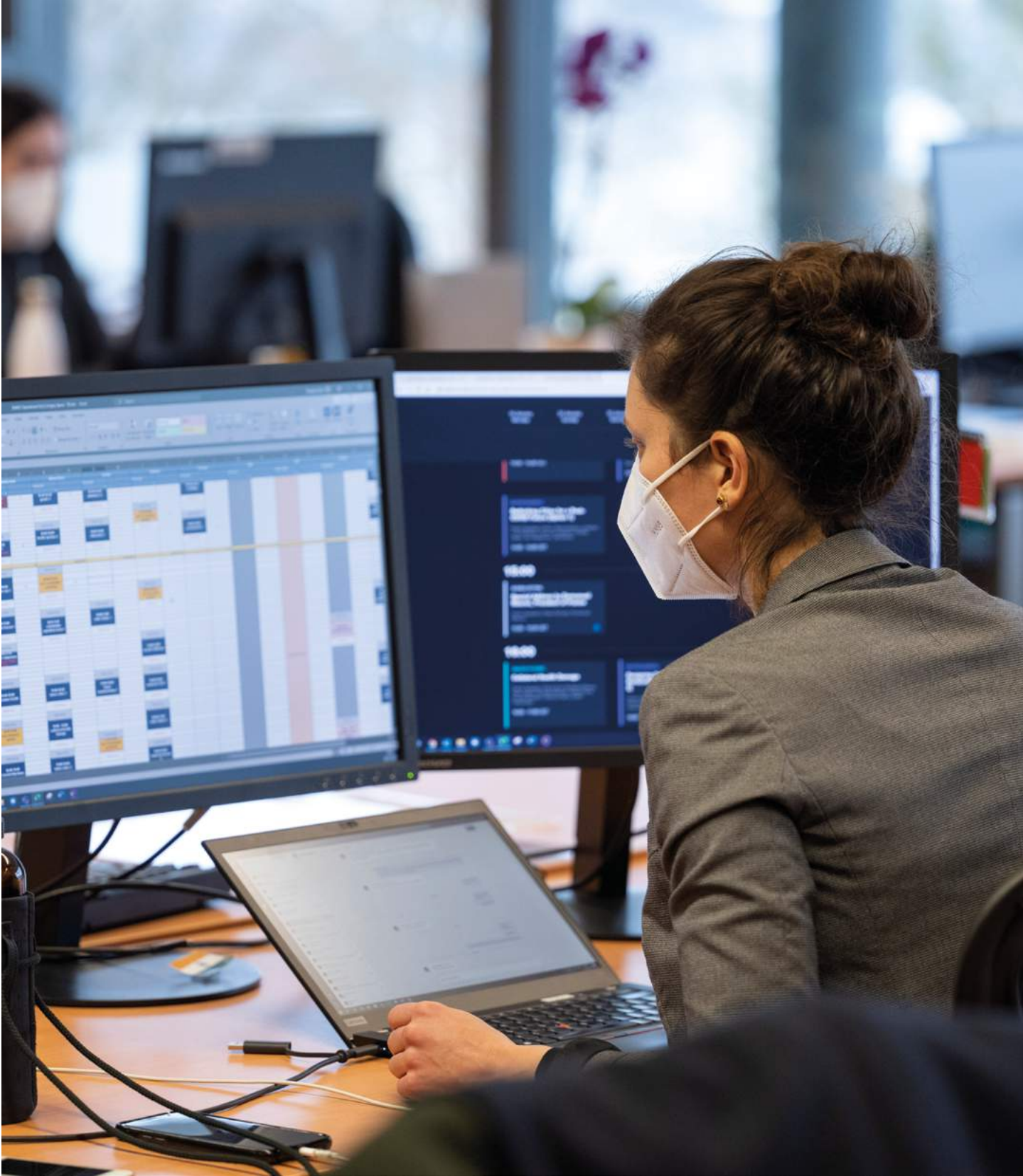
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**“The World Economic Forum’s Statement of Activities showed robustness in a year of extreme macroeconomic volatility.”**

Julien Gattoni

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The investment strategy for the Endowment Fund and other assets has been set to be highly ESG compliant. By adopting ESG principles in its investments, the World Economic Forum “walks the talk” on stakeholder capitalism, balancing expectations of long-term financial returns with creating a positive impact for people and the planet. Doing so, it aligns itself with its principles, gains experience and best practices, and can feed back into the work of the organization.

## Stakeholder Capitalism Metrics

The World Economic Forum reports on its ESG performance in this Annual Report for the first time. It comprises **Stakeholder Capitalism Metrics** developed by the International Business Council and the Big Four accounting firms, Deloitte, EY, KPMG and PwC. The metrics provide information on four pillars of the Forum’s operations: Governance, Planet, People and Prosperity.

# Leadership and Governance

The World Economic Forum is chaired by Founder and Executive Chairman Professor Klaus Schwab. It is guided by its Board of Trustees, and managed by its Managing Board.

## Managing Board

*Status on September 1, 2021*

The Managing Board, chaired by the Forum's President, Børge Brende, acts as the executive body of the World Economic Forum. It ensures that activities fulfill the mission of the Forum and acts as its representative to outside parties.

The Managing Board has a collective executive responsibility for the Forum and reports to the Board of Trustees.

**Børge Brende**, President, World Economic Forum

**Julien Gattoni**, Managing Director, Chief Financial Officer, World Economic Forum

**Jeremy Jurgens**, Managing Director, World Economic Forum

**Adrian Monck**, Managing Director, World Economic Forum

**Sarita Nayyar**, Managing Director; Chief Operating Officer, USA, World Economic Forum

**Olivier Schwab**, Managing Director, World Economic Forum

**Saadia Zahidi**, Managing Director, World Economic Forum

**Alois Zwinggi**, Managing Director, World Economic Forum

The Managing Board of the World Economic Forum, Cologne, August 2021



## Board of Trustees

Status on August 1, 2021

The Forum is guided by a Board of Trustees, exceptional individuals who act as guardians of its mission and values, and oversee the Forum's work in promoting true global citizenship.

The Board of Trustees comprises outstanding leaders from business, politics, academia and civil society. In their work on the Board, members do not represent any personal or professional interests. To reflect the Board's multistakeholder status, its membership is divided equally between representatives of the business community and leaders from international organizations and civil society.

**Klaus Schwab**, Founder and Executive Chairman, World Economic Forum (1)

**Peter Brabeck-Letmathe**, Vice-Chairman of the Board of Trustees, World Economic Forum (1)

**Mukesh D. Ambani**, Chairman and Managing Director, Reliance Industries

**Marc Benioff**, Chair and Chief Executive Officer, Salesforce (2)

**Thomas Buberl**, Chief Executive Officer, AXA (3, 4)

**Mark Carney**, United Nations Special Envoy for Climate Action and Finance, United Nations (2)

**Laurence D. Fink**, Chairman and Chief Executive Officer, BlackRock (4)

**Chrystia Freeland**, Deputy Prime Minister and Minister of Finance, Office of the Deputy Prime Minister of Canada

**Orit Gadiesh**, Chairman, Bain & Company (3)

**Kristalina Georgieva**, Managing Director, International Monetary Fund (IMF)

**Fabiola Gianotti**, Director-General, European Organization for Nuclear Research (CERN) (1)

**Al Gore**, Vice-President of the United States (1993-2001); Chairman and Co-Founder, Generation Investment Management LLP

**Herman Gref**, Chief Executive Officer and Chairman of the Board, Sberbank

**Angel Gurría**, OECD Secretary-General (2006-2021)

**André Hoffmann**, Vice-Chairman, Roche (1, 2)

**Paula Ingabire**, Minister of Information Communication Technology and Innovation, Ministry of Information Communication Technology and Innovation of Rwanda

**Christine Lagarde**, President, European Central Bank

**Yo-Yo Ma**, Cellist

**Peter Maurer**, President, International Committee of the Red Cross (ICRC)

**Luis Alberto Moreno**, Member of the Board of Trustees, World Economic Forum (3)

**Patrice Motsepe**, Founder and Executive Chairman, African Rainbow Minerals

**H.M. Queen Rania Al Abdullah of the Hashemite Kingdom of Jordan**, Queen of the Hashemite Kingdom of Jordan, Office of Her Majesty Queen Rania Al Abdullah

**L. Rafael Reif**, President, Massachusetts Institute of Technology

**David M. Rubenstein**, Co-Founder and Co-Executive Chairman, The Carlyle Group (4)

**Mark Schneider**, Chief Executive Officer, Nestlé

**Tharman Shanmugaratnam**, Senior Minister, Government of Singapore (4)

**Jim Hagemann Snabe**, Chairman, Siemens, and Chairman, A.P. Møller – Mærsk (1, 2)

**Julie Sweet**, Chief Executive Officer, Accenture

**Feike Sybesma**, Chairman of the Supervisory Board, Royal Philips (2, 3)

**Heizo Takenaka**, Professor Emeritus, Keio University (3)

**Zhu Min**, Chairman, National Institute of Financial Research

1. Member of the governing board,
2. Member of the Impact Committee,
3. Member of the Audit & Risk Committee
4. Investment Committee

# Consolidated Financial Statements

Annex to the accounts as at 30 June 2021

## Presentation

The World Economic Forum is an international organization integrating leaders from business, governments, academia and society at large into a global community committed to improving the state of the world.

To achieve its mission, the World Economic Forum acts as a catalyst for thought leadership and action mainly in the form of public-private partnerships.

For this purpose, the World Economic Forum identifies issues on the global, regional and industry agendas, seeks solutions and, wherever possible, creates partnerships for action.

The World Economic Forum always acts in the spirit of entrepreneurship in the global public interest, combining the forces of creative thinking, innovative initiatives and intellectual integrity with the will to advance peace and prosperity in the world.

In its activities, the World Economic Forum fully respects the essential role played by governments and international organizations as well as by their various affiliated institutions.

The World Economic Forum is a public interest, not-for-profit organization, is independent and does not pursue any political or ideological interests.

In its activities, the World Economic Forum proves in all circumstances its independence and impartiality.

The World Economic Forum is based in Cologne/Geneva, Switzerland. It has representative offices in Beijing (China) and Mumbai (India). It also has offices in New York (USA), San Francisco (USA) and Tokyo (Japan).

## Significant accounting policies

### Basis of preparation

The presentation of the consolidated financial statements of the World Economic Forum (hereafter “the Forum”, the “Foundation”, “the organization”) is based on the global model of recommendations from Swiss GAAP FER (in compliance with the conceptual framework, core FER and other Swiss generally accepted accounting principles). The presentation provides a true and fair view of the organization’s assets, financial position and results. The financial statements were prepared on a going concern.

The consolidated financial statements are presented according to the principles of historical cost in CHF. They also comply with article 83a of the Swiss Civil Code and the Foundation’s statutes.

The presentation and evaluation principles are the same as in previous fiscal years. No significant changes were made to the hypothesis or estimates used in the annual consolidated financial statements except the revision of the useful life of intangible assets, which is described below.

The main accounting rules used in the preparation of the World Economic Forum’s consolidated financial statements are described below.

### Method of consolidation

The consolidated financial statements include the accounts of the World Economic Forum and of the entities that are controlled by the World Economic Forum as listed in the scope of consolidation. Control exists when the World Economic Forum is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its powers over the entity.

### Entities included in the scope of consolidation

Name of the Entity	Activity	Country	2021 Voting Rights	2020 Voting Rights
World Economic Forum LLC	Not-for-profit organization	United States of America	100	100
World Economic Forum Japan	Not-for-profit organization	Japan	100	100
Schwab Foundation for Social Entrepreneurship	Not-for-profit organization	Switzerland	0	0
Forum of Young Global Leaders	Not-for-profit organization	Switzerland	0	0
Global Shapers Community Foundation	Not-for-profit organization	Switzerland	0	0
World Arts Forum Foundation	Not-for-profit organization	Switzerland	0	0

The World Economic Forum fully consolidates entities in which it exercises exclusive control, either directly or indirectly.

The assets and liabilities of its controlled entities, together with the expenses and income, are included in full in the annual consolidated accounts.

Any minority interests in the net funds and the result appear separately in the consolidated balance sheet and the consolidated Statement of Activities. Under the unity principle, the minority interests are included in the funds.

Intercompany balances, expenses and income are eliminated upon consolidation.

The consolidated financial statements were prepared for the first time for the year ended 2017.

The World Economic Forum LLC has been consolidated for the period in which the World Economic Forum exercises its control, thus since 1 January 2017.

The World Economic Forum Japan was registered and affiliated in 2019 by the World Economic Forum and thus is consolidated for the first time for the year ended 2019.

### **Change to the scope of consolidation**

There is no change in the scope of the financial statements for the year 2021.

### **Foreign currency**

The elements included in the financial statements of the World Economic Forum are measured in the currency that best reflects the economic reality of the transaction. The accounts are presented in Swiss francs (CHF), which is the functional currency of the World Economic Forum.

### **Transactions in foreign currencies**

Transactions in foreign currencies are converted to the functional currency at the opening rate of the current month and provided by the Swiss Administration for foreign currencies. At the closing date, balance sheet items (with the exception of the Funds) denominated in foreign currencies are revaluated to the functional currency at the average rate of the following month and provided by the Swiss Administration. The exchange losses and gains arising from the settlement of the transactions and from the re-evaluation in foreign currencies are posted to the Statement of Activities.

### **Conversion into Swiss francs**

The consolidated accounts are prepared and presented in Swiss francs (CHF). The controlled entities express their financial statements in local currency. The individual items in the profit and loss statement as well as the cash flow statements of the foreign entities are converted into the functional currency at the average exchange rate for the year published by the Swiss Administration for foreign currencies. The balance sheet items (with the exception of the Funds) are converted into the functional currency at the balance sheets rate published by the Swiss Administration for foreign currencies. The conversion differences resulting from the translation of the balance sheet items have no effect on the Statement of Activities and are recognized in the Funds along with the translation differences on the profit and loss statement arising from the difference of the average and the year-end exchange rate.

### **Significant accounting judgements, estimates and assumptions**

The preparation of the Forum's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosure of contingent liabilities. Uncertainty about these assumptions

and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities that would be affected in future periods.

The Foundation has assessed the consequences of the COVID-19 pandemic on the financial statements as per 30 June 2021, especially considering the impacts on key judgements and significant estimates.

## **1. Judgements**

During the preparation of these financial statements, the management made the following judgement:

### *Consolidation of Swiss Foundations*

After reviewing the existing contractual relationships between the World Economic Forum and the Swiss Foundations, the organization concluded it has control over the Swiss Foundations. As a result, these Foundations have been part of the scope of consolidation since 2020.

### **Early cancellation of cross-currency interest swap**

The management decided to reverse the provision previously recorded as of 30 June 2019 with respect to the fair value of the cross-currency interest swap. Indeed, the likelihood of cancelling the derivative contract early is remote in view of the current perspective of the macroeconomic environment as of 30 June 2020 and as of 30 June 2021.

## **2. Estimates and assumptions**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The organization based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances that are beyond the control of the organization. Such changes are reflected in the assumptions when they occur.

### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount. The fair value of the category "buildings" is determined by an expert every five years based on available data from binding sales transactions conducted at arm's length for similar assets or on observable

market prices minus the incremental costs of disposing of the asset.

#### Allowance for doubtful account

The organization computes its provision for allowance on doubtful accounts based on the ageing of its trade receivables. All trade receivables older than 60 days at the balance sheet date are fully provisioned along with some other outstanding invoices that represent a risk of non-recoverability. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances that are beyond the control of the World Economic Forum.

#### Intangible development costs

The Forum capitalizes costs for product development projects. Initial capitalization of costs is based on the management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, the management makes assumptions such as about the percentage of time spent by some on its employees on development activities that are eligible for capitalization or the expected future cash generation and benefits of the projects. The management also establishes the useful life of its intangible assets, which was reduced from five years to two years for most.

#### Cash and short-term cash deposit

This item represents assets in current accounts as well as short-term cash deposits. These transactions are recorded at the exchange rate prevailing at the time of the transaction. These items are revalued at the year-end at the closing rate.

#### Receivables

Receivables are recorded at the amount originally billed. A provision for bad debts is established on the basis of a review of the open items at the end of the period, when there is high probability that the amounts will not be recovered by the company. All trade receivables older than 60 days at the balance sheet date are fully provisioned, including any outstanding invoices where recoverability is not assured. Amounts that are definitively unrecoverable are written off.

#### Prepaid expenses/accrued revenues

This position includes the prepaid expenses relating to the following accounting period, as well as accrued revenue.

#### Investments securities

Securities are valued at the acquisition cost less impairment. Gains are recognized when securities are disposed of and are accounted under financial income.

#### Property, plant and equipment

Property, plant and equipment are recorded at historical cost, less accumulated depreciation.

The depreciation method is straight-line and based on the following useful lives, by category of assets:

Nature of the Assets	Depreciation Term (years)
Building, new construction	30
Real estate	10
Furniture & equipment	5
Leasehold improvements	the lowest between the useful life & the residual lease term
IT software	5
IT hardware	3
Furniture & equip. (events)	3
Vehicles	3
Art objects	No depreciation
Land	No depreciation
Assets under construction	No depreciation

Expenses for repairs and maintenance are booked to the profit and loss statement under "expenses for equipment". Expenses for major renovation are capitalized and amortized over the life of the element replaced, but never beyond the remaining useful life of the underlying asset. Costs of research for ongoing projects are not capitalized, but expensed when incurred.

The Foundation tests each asset at the balance sheet date and any impairment is recognized if necessary.

The tests are performed in a cyclic manner on the basis of five years for art objects, land and buildings.

### **Intangible assets**

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset, also called "ICT", when the organization can demonstrate the following:

- The intangible asset is identifiable and controlled by the organization;
- The expenditure can be measured reliably during development;
- How the asset will generate future economic benefits over several years;
- The availability of resources to complete the asset.

Intangible assets are included at their historical value, reduced by depreciation. The depreciation method is straight-line and based on a standard useful life of between two and three years. The amortization of the asset begins when development is complete and the asset is available for use. The carrying value of the intangible assets is tested for impairment annually.

### **Accrued liabilities**

This item includes expenses payable relating to the current period, which will only be paid in the following period.

### **Provisions**

A provision is booked when the Foundation has a probable obligation that is based on a past event and its amount and/or its due date is uncertain but can be estimated. This obligation gives rise to a liability.

### **Loans and derivatives**

Loans from credit institutions are recognized at their nominal value. Debt issuance costs are amortized over the term of the debt. They are classified as current liabilities unless the settlement of the liability defers for at least 12 months after the reporting date.

The risk surrounding the fluctuation of foreign exchange rates and interest rates is hedged through the use of derivative financial instruments. Following the Swiss GAAP FER framework, the organization uses the off-balance sheet method, whereby the hedging instruments are disclosed in the notes without being recognized in the balance sheet. Financial derivatives become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The fair value of publicly traded derivatives, securities and investments is based on quoted market prices at the reporting date.

### **Revenue**

Revenue is recognized when there is persuasive evidence that an arrangement exists, and risks and rewards are transferred. The amounts are posted to the Statement of Activities, net of taxes.

### **Pension plan**

The Foundation covers the costs relating to the professional pension of all its workers, as well as their assignees, under the legal prescription. The pension plan is covered by the Swiss Law in accordance with the World Economic Forum's statutes.

The pension obligations and the plan assets are managed by a legally independent pension fund. The organization, the management and the financing of the pension plans are governed by the law (LPP), together with the deed of foundation and the regulations applicable to pensions in force.

### **Transactions with related parties**

According to Swiss GAAP RPC 15, the following Foundations are considered as related parties:

- Schwab Foundation for Social Entrepreneurship
- Forum of Young Global Leaders
- World Arts Forum Foundation
- Global Shapers Community Foundation
- World Economic Forum LLC
- World Economic Forum Japan
- World Economic Forum Centre for the Fourth Industrial Revolution Japan
- Members of the Board of Trustees
- Members of the Managing Board
- Members of the Executive Committee
- Members of the Audit Committee
- "Fonds de prévoyance en faveur du personnel du World Economic Forum"

Agreements were signed with some of these related parties, including the Schwab Foundation, Forum of Young Global Leaders, World Arts Forum and Global Shapers Community, stating that the World Economic Forum will cover their deficits, if any.

All other transactions between the parties are conducted at straight length.



## Donations

Institutional donations:

- These are funds that are committed by a written donation agreement to the World Economic Forum and are recorded in full in the Statement of Activities as donations in the year that the commitment is made. All donations received where use is limited by restrictions, donor-imposed purposes or time restrictions have been classified as restricted funds and are recognized as income up to the level of expenses incurred on the project during the year under the “Restricted Funds - Direct Funding” category.
- Foreign currency exchange gains and losses realized between the date of the written donation agreement and the date of the actual receipt of cash and those unrealized at the date of the statement of the financial position are recorded in the Statement of Activities.

Individual donations:

- These are accounted for on a cash basis given their relative size and significance.

## Risk management policy

### Risk assessment

To satisfy the requirements of an internal control system, the World Economic Forum operates a continuous review of risk and control through various independent institutional review and governance organs, such as the Board of Trustees, Audit Committee and Statutory Audit under Swiss Law.

Internally, the World Economic Forum is governed by the Managing Board under the leadership of the President, Børge Brende.

Internal organs, such as the Engagement Leadership Team and the Project Review Board, safeguard the suitability and eligibility of Partners and Members and review project activities.

### Management of exchange risk exposure

The Swiss franc is the functional currency of the Foundation. The World Economic Forum receives its revenue in Swiss francs and US dollars. Most expenses are in Swiss francs and a minority are in euros and US dollars. The exchange risk exposure is very low on the organization's day-to-day activities, and generated gains and losses are posted in the Statement of Activities. Nevertheless, the

exchange risk is high considering that the Forum borrowed the equivalent in US dollars of CHF 95 million. As a result, the organization entered into a cross-currency interest rate swap to hedge its exposure.

### Management of liquidity risk

The Foundation is exposed to this risk in the event of default of certain counterparts or refinancing problems.

The liquidity is proactively supervised to ensure that the Foundation can cover its obligation at all times.

### Management of interest rate risk

The Foundation has high exposure to interest rate fluctuations as it pays a floating interest rate on its two separate debt. Nevertheless, the organization entered into a cross-currency interest rate swap to hedge its exposure, leading it to pay a fixed rate.

### Market risks

The Foundation has low exposure to market risks thanks to the diversity of its revenues. Annual Meeting revenues in Davos represented 15% of total revenues in 2020. The cancellation of the Annual Meeting in Davos had negative consequences on the Foundation's revenue in 2021.

### Change of accounting policies

There was no change of Swiss GAAP RPC, which was either effective or published during the year.

## Revenue and Costs, Balance Sheet 2016-2021 Consolidated\*

### Statement of Activities

Swiss Francs (000s)	30/06/2016	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021
<b>Total Revenue</b>	<b>228,343</b>	<b>280,022</b>	<b>326,740</b>	<b>344,708</b>	<b>367,004</b>	<b>315,455</b>
Membership	34,876	30,817	31,620	27,294	22,350	15,396
Participation Fees	43,568	43,200	43,299	42,336	42,079	–
Partnership	129,068	166,634	209,315	222,550	233,002	225,346
Direct Funding	11,575	18,673	18,002	18,137	29,277	37,386
Other	9,256	20,698	24,503	34,390	40,297	37,327
<b>Total Expenses</b>	<b>227,101</b>	<b>278,809</b>	<b>325,023</b>	<b>343,688</b>	<b>366,492</b>	<b>314,924</b>
Staff <sup>1</sup>	101,865	108,360	130,790	144,337	152,186	122,860
Office & Activity	125,236	170,449	194,233	199,351	214,306	180,066
Restructuring Costs	–	–	–	–	–	11,997
<b>Carried to Foundation Capital</b>	<b>1,241</b>	<b>1,213</b>	<b>1,717</b>	<b>1,020</b>	<b>512</b>	<b>531</b>

### Balance Sheet: Assets

Swiss Francs (000s)	30/06/2016	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021
<b>Total Assets</b>	<b>330,312</b>	<b>455,690</b>	<b>565,650</b>	<b>596,385</b>	<b>658,176</b>	<b>681,626</b>
Current Assets	125,262	162,982	164,948	190,145	356,412	366,623
Cash & Equivalents	59,054	97,760	74,055	107,338	295,097	327,659
Receivables	66,208	65,222	90,894	82,808	61,315	38,964
<b>Non-current Assets</b>	<b>205,050</b>	<b>292,708</b>	<b>400,702</b>	<b>406,240</b>	<b>301,764</b>	<b>315,002</b>
Tangible and Intangible Assets <sup>2</sup>	107,489	115,993	142,849	145,165	142,919	122,428
Financial Assets	97,561	176,715	257,853	261,075	158,845	192,574

## Balance Sheet: Liabilities and Fund

Swiss Francs (000s)	30/06/2016	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021
<b>Total Liabilities and Funds</b>	<b>330,312</b>	<b>455,690</b>	<b>565,650</b>	<b>596,385</b>	<b>658,176</b>	<b>681,626</b>
Current Liabilities	146,561	185,514	194,863	200,790	177,645	166,689
Payables	10,250	13,278	12,149	7,083	6,635	8,139
Accrued Expenses and Deferred Income <sup>3</sup>	136,311	172,236	182,715	193,708	171,010	158,550
Non-current Liabilities	–	–	50,000	50,000	95,000	95,000
Long-term Loan	–	–	50,000	50,000	95,000	95,000
Restricted Funds	5,154	9,744	14,095	17,301	24,152	28,474
Restricted Funds - Direct Funding	5,154	9,744	14,095	17,301	24,152	28,474
<b>Funds</b>	<b>178,597</b>	<b>260,433</b>	<b>306,691</b>	<b>328,293</b>	<b>361,378</b>	<b>391,463</b>
Foundation Capital	30,834	32,075	33,603	34,410	38,536	38,885
Capitalized and Operational Reserves	146,522	227,144	271,371	292,863	322,330	173,872
Endowment Funds	–	–	–	–	–	178,174
<b>Surplus</b>	<b>1,241</b>	<b>1,213</b>	<b>1,717</b>	<b>1,020</b>	<b>512</b>	<b>531</b>

1. Staff costs include salaries, social costs and other staff expenses.
2. Tangible assets: land, property, equipment, IT hardware and software. Intangible assets: IT development.
3. Accrued expenses: provision for activity costs, provision for staff. Deferred income: membership, partnership and registration income deferral.

\* The consolidated figures include figures from the World Economic Forum and the World Economic Forum LLC as of 1 January 2017.

As of 1 July 2019, consolidation includes World Economic Forum Japan and other related Foundations (Forum of Young Global Leaders, Schwab Foundation for Social Entrepreneurship, Global Shapers Community, World Arts Forum).

An aerial photograph of a vast, snow-covered mountain range. In the foreground, a large, calm lake reflects the sky. The terrain is rugged and covered in patches of snow and dark rocks. The sky is a clear, pale blue, suggesting a bright day. The overall scene is serene and majestic.

# Measuring Stakeholder Capitalism: Metrics and Disclosures



# Introduction

## A pioneering report, the start of a journey

The ESG report includes the World Economic Forum's performance on 55 Stakeholder Capitalism Metrics (21 core metrics and 34 expanded metrics), spread over four environmental, social and governance (ESG) pillars: *Principles of Governance*, *Planet*, *People* and *Prosperity*. It provides the Forum's response on each pillar and is the result of a consultation with our relevant stakeholders over the last few months. No effort was spared to make this report as complete as possible. But we already look forward to the next edition as ESG reporting is a journey that leads to improvement over time. That is this report's aim also: to highlight areas where progress on stakeholder responsibility is needed and to illuminate a path for others to follow.

Based on its mission, the Forum and its partners contribute to progress in the following areas:

- Designing cohesive, sustainable and resilient economic systems
- Enhancing the stewardship of our global commons
- Harnessing the technologies of the Fourth Industrial Revolution
- Driving responsible industry transformation and growth
- Advancing global and regional cooperation.

Through these five areas, cutting across all metrics included in the four ESG pillars, the Forum sets ambitious targets for itself as a catalyst of global progress, and a high level of expectation on its results and ability to integrate these pillars, as well as the Sustainable Development Goals, in its own operations.

## On people and the planet

Like most organizations, the Forum has been heavily impacted by the COVID-19 pandemic; it shifted rapidly to a remote working environment and converted its physical gatherings into virtual, highly interactive events. The year taught us new ways of working, new ways of interacting with each other and with our constituents, and new ways of learning and adapting to an ever-changing environment, becoming more agile. It also demonstrated the relevance of our work on reskilling in a world in which technology is evolving rapidly and becoming an even greater part of our daily lives.

This journey to report on the Stakeholder Capitalism Metrics provided an opportunity to undertake a comprehensive analysis of the Forum's footprint on the planet – as an organization – but also to take stock of the various initiatives that the Forum leads or is involved in that will help the fight against climate change. The Forum is committed to driving action and impact through public-private cooperation to reach net zero by 2050, in line with Paris Agreement pledges to reduce greenhouse gas emissions. In 2021, the Forum committed to achieving net zero by 2030.

## Improving the state of the world

Finally, the Forum links its work to the Sustainable Development Goals and their most relevant underlying targets. The Forum is committed to improving the state of the world; this purpose is embedded in all its activities, strategies, policies and goals, along with stakeholder engagement supported year-round through in-person and virtual meetings.

In compliance with the ESG strategy, the Forum's long-standing audit partner, accounting firm Mazars, will not only examine the Consolidated Financial Statements but also this ESG report and the metrics reported on.



## A brief history of stakeholder responsibility

The World Economic Forum pioneered the stakeholder concept in the early 1970s, first with Founder Klaus Schwab's thesis "Modern Enterprise Management", and then a few years later at its Annual Meeting, through the *Davos Manifesto*. The manifesto, which describes the purpose of a corporation as serving all of its stakeholders, was last updated in 2020. The

businesses that signed it subscribe to the notion that, beyond delivering long-term profits to their shareholders, they must also take care of the environment for future generations, sustain the communities in which they are active, and offer their employees fair remuneration, among other obligations.

## Measuring stakeholder capitalism

As this notion of a corporation's purpose gained traction over the years, the question emerged regarding how to measure stakeholder responsibilities. The answer came from the Forum's International Business Council. In 2017, it spearheaded a commitment from more than 140 CEOs to align their corporate values and strategies with the UN's Sustainable Development Goals, to better serve society. Building on this, in September 2020, the

Forum released a set of common Stakeholder Capitalism Metrics that allow the measurement of performance on stakeholder responsibilities. The metrics were designed in collaboration with the Big Four accounting firms, Deloitte, EY, KPMG and PwC, and led to a collaboration with international standard setters to create common, international standards on environmental, social and governance issues.

# Principles of Governance



## Governing Purpose

### METRIC

#### CORE METRIC

**Stated purpose:** The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.



### RESPONSE

The World Economic Forum is a public-interest, not-for-profit enterprise solely devoted to its purpose, as expressed in its statutes, of "committed to improving the state of the world". In the framework of achieving this purpose, the Forum serves as a comprehensive and integrated platform for public-private cooperation. For more information on the Forum's stated purpose, please refer to the [Forum's Statutes and Regulations](#).

Sustainable Development Goal (SDG) 17: Global Partnership for Sustainable Development – SDG target 17.16

#### EXPANDED METRIC

**Purpose-led management:** How the company's stated purpose is embedded in company strategies, policies and goals.



The Forum's stated purpose is embedded at the heart of all the activities it undertakes. Governance structures are in place for each of the Forum's initiatives to ensure that stakeholders are engaged in the service of the Forum's mission. In addition, the Board of Trustees, through its Governing Board and Impact Committee, provides overall strategic direction, monitoring and evaluation to ensure alignment with the Forum's strategies, policies and goals. The results of these achievements are also reflected each year in the [Forum's Annual Report](#).

SDG 17: Global Partnership for Sustainable Development – SDG target 17.16





# Quality of Governing Body

## METRIC

### CORE METRIC

**Governance body composition:** Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.



## RESPONSE

The Forum is legally established as a foundation under the supervision of the Swiss federal authorities. The Board of Trustees supervises the activities of the Forum and its respective bodies. Board Members are elected by appointment, and the composition of the Board reflects the different stakeholders of global society (international organizations, government, business, civil society).

Trustees of the World Economic Forum are all accomplished and respected leaders in their own fields. Serving on the Board of Trustees is based solely on the will to actively contribute to the Forum's mission. Board Members do not receive remuneration for serving on the Board. Their individual calibre, combined with the diversity of their respective backgrounds, ensures that the Board delivers its oversight duties independently of any vested interest and focuses solely on the Forum's mission.

For more information on the Forum's governing body, please refer to the [Forum's Statutes and Regulations](#).

A list of current members of the Board of Trustees can be found on the [Leadership & Governance](#) section of the Forum's website.

SDG 16: Peace, Justice and Strong Institutions – SDG target 16.7



# Stakeholder Engagement

## METRIC

### CORE METRIC

**Material issues impacting stakeholders:** A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.

## RESPONSE

Based on its purpose, the Forum contributes through collaborative efforts towards making progress in the following areas:

1. Designing cohesive, sustainable and resilient economic systems
2. Enhancing stewardship of our global commons
3. Harnessing the technologies of the Fourth Industrial Revolution
4. Driving responsible industry transformation and growth
5. Advancing global and regional cooperation

Through these 5 areas, cutting across all metrics included in the 4 environmental, social and governance (ESG) pillars, the Forum sets ambitious targets for itself as a catalyst of global progress, as well as a high level of expectation on its results and ability to integrate these pillars, as well as the SDGs, in its own operations. As a consequence, most metrics covered by our ESG reporting are assessed as material for both internal and external stakeholders.

The process of topic identification and stakeholder engagement is supported year-round through, the relevant Forum meetings, workshops and events. This is reinforced through the Forum's governance bodies (i.e. Board of Trustees and Managing Board), as well as the governance mechanisms for specific activities (i.e. Governors and Stewards).

The World Economic Forum pioneered the concept of stakeholder engagement and defined stakeholder capitalism as early as 1973 through the *Davos Manifesto*, a new version of which was released in January 2020 on the Forum's 50th anniversary. The Forum has therefore unique experience in bringing leaders from various stakeholder groups to the same venue (physical or virtual), getting them to frame issues and address priorities.



SDG 17: Global Partnership for Sustainable Development – SDG target 17.16



## Ethical Behaviour

### METRIC

#### CORE METRIC

#### Anti-corruption:

1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.
  - a. Total number and nature of incidents of corruption confirmed during the current year, but related to previous years.
  - b. Total number and nature of incidents of corruption confirmed during the current year, related to this year.

### RESPONSE

1. Every new World Economic Forum employee (including managers and executives) is required to take Code of Conduct e-training within 90 days of their starting date. This obligation was recently extended beyond Forum employees to "contingent workers", who include Fellows and consultants given access to Forum systems.

For the purpose of this metric, employees and contingent workers will be referred to collectively as "Forum Staff". They are automatically registered for the Code of Conduct training shortly after their hiring date and prompted by the Human Capital Management system to complete it (together with other mandatory on-boarding e-training) within 90 days. The system keeps track of it through to completion.

We target a Code of Conduct training completion rate of 100% of Forum Staff, excluding new joiners (i.e. Forum Staff who started working for the Forum for 90 days or less). As of 30 June 2021, the overall completion rate of employees was 87%. The completion rate was 86% for the World Economic Forum LLC (i.e. Forum employees based in the United States) and 87% for Forum Geneva Staff and all other offices combined.

As of 30 June 2021, the overall completion rate of all Forum Staff (employees, Fellows and contractors) was 77%. The completion rate was 74% for the World Economic Forum LLC (i.e. Forum Staff based in the United States) and 78% for Forum Geneva and all other offices combined. The completion rate is much higher among Forum employees than it is among contingent workers, as the completion of the Code of Conduct e-training has only recently been made mandatory for the latter.

We do not have data as of 30 June 2020, as the Forum migrated to a new Learning and Development platform in November 2020 and cannot extract data from before that date. We are increasing the deployment of the new platform, particularly among contingent workers, to ensure improvement in the overall completion rate.

The Forum's [Code of Conduct for Vendors](#) and [Code of Conduct for Grant Recipients](#) contain clear provisions about ethical conduct and compliance with anti-corruption regulations. These codes are incorporated by reference in Forum standard contractual terms used to engage with vendors and grant recipients.

2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.

The Forum's standard Partnership and Membership agreements also include provisions that mandate the safeguarding of key ethical principles (such as business integrity and anti-corruption) by the Partner or Member, and give the Forum the right to terminate the company's Partnership or Membership if such principles are violated.

1a) & 1b). There was no confirmed incident of corruption as of 30 June 2020 and also none as of 30 June 2021. Confirmed incidents of corruption, if they occur, would be captured through the Forum's Misconduct Reporting & Investigation process (described under the narrative for the metric "Protected ethics advice and reporting mechanisms" below).

2. The World Economic Forum also actively engages its Partner companies and governments to actively address corruption using its multistakeholder and systemic approach to global issues through the [Partnering Against Corruption Initiative](#) (PACI). Launched in 2004, PACI serves as the principal CEO-led platform in the global anti-corruption arena, building on the pillars of public-private cooperation, responsible leadership and technological advances. With over 100 signatories from different sectors around the globe, PACI serves as the leading business voice on anti-corruption and integrity.



SDG 16: Peace, Justice and Strong Institutions – SDG target 16.5

## METRIC

### CORE METRIC

#### Protected ethics advice and reporting mechanisms:

A description of internal and external mechanisms for:

1. Seeking advice about ethical and lawful behaviour, and organizational integrity.
2. Reporting concerns about unethical or unlawful behaviour, and organizational integrity.

## RESPONSE

1. The Forum's Legal and Compliance Team supports the management as well as employees by providing advice on legal, compliance and corporate governance matters, including but not limited to ethical and lawful conduct, and organizational integrity.

The Code of Conduct and the Legal and Compliance policies and online trainings provide guidance to employees on ethical and lawful behaviour. The Forum's Code of Conduct and the related policies and procedures (conflicts of interests, anti-corruption, gift and entertainment policies) are accessible to all employees through our intranet.

The invitation to speak up freely and the prohibition of retaliation is explicitly presented in the Forum's [Code of Conduct](#), in the anti-corruption policy, as well as in the Code of Conduct for Vendors and in the Code of Conduct for Grant Recipients.

2. The Forum provides various ways for employees to raise their concerns about unethical or unlawful behaviour, and organizational integrity. They may choose to:
  - Speak with their line manager
  - Reach out to People and Culture
  - Reach out to Legal and Compliance
  - Reach out to the Forum Integrity Hotline, managed by a trusted external and independent third party specialized in compliance reports, with whom employees can communicate in full confidentiality through dedicated email addresses

The process for handling any concern with these matters is described under the Forum's Hotline Policy and Procedure. The workflow for the management of allegations of misconducts through the hotline or directly brought to the attention of the Legal and Compliance team was last revised in November 2020 and approved by the Forum's President.



SDG 16: Peace, Justice and Strong Institutions – SDG target 16.5



# Risk and Opportunity Oversight

## METRIC

### CORE METRIC

#### **Integrating risk and opportunity into business process:**

Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.

## RESPONSE

### **Risk:**

A process is in place at the Forum to identify and assess risks on a continuous basis. The latest update of this process was decided in 2020. During its August 2020 meeting, the Audit & Risk Committee approved a plan for reframing risk management at the Forum and mandated the CFO to implement a new approach that was presented to the Managing Board on 14 December 2020. An initial risk assessment was therefore conducted accordingly between December 2020 and January 2021. The detailed report of this assessment, including an executive summary, risk heat maps and individual risk descriptions, was presented to the Forum’s Managing Board on 18 January 2021 and to the Audit & Risk Committee of the Board of Trustees on 29 January 2021.

The risks which generated the most discussions from contributors were connected to the core content of the Forum’s value proposition: staying relevant in an ever-shifting environment and staying impartial in the context of global ideological and geopolitical polarization.

Risks related to the way the Forum delivers its value proposition illustrate the magnitude of the challenge faced by the institution. They include risks associated with health and safety in Forum events and on Forum premises, as well as cybersecurity and more generally readiness to meet the technological challenges on the horizon.

An update of the assessment is scheduled for mid-2021.

### **Opportunity:**

The World Economic Forum, through its governance bodies as well as its many communities and activities, is continuously tuned-in to the changing global landscape, and thus well-positioned to anticipate trends, identify threats and recognize opportunities where public-private cooperation is required to create a more inclusive, sustainable and resilient world. For example, the creation of the [Centre for the Fourth Industrial Revolution](#) in San Francisco in 2016, and the global network of affiliated Centres established since, is an example of the Forum’s role in the collaborative development, piloting and refinement of policy frameworks and governance protocols that more fully anticipate the risks and accelerate the social benefits of emerging technologies. Similarly, through its Centre for Nature and Climate, the Forum has established a “platform hub” focused on sustainability innovations. The Centre synthesizes and shares information, curates ideas and triggers impactful partnerships to help industry, governments and the international community accelerate the sustainability transition in line with science-based guidance, and to be on track for net zero and SDG targets by 2030. Further supporting this, the Forum has also established an open digital platform, [UpLink](#), to enable the next generation of entrepreneurs and young innovators to accelerate progress on the SDGs. As a final example of the Forum’s role in risk and opportunity management, the recent creation of the [COVID Action Platform](#) highlights this. The Platform resulted from the realization that the unprecedented global public health crisis required coordinated action from business, government and civil society – at exceptional scale and speed – which the Forum was uniquely positioned to encourage.



SDG 17: Global Partnership for Sustainable Development – SDG target 17.17

# Planet Pillar



## Climate Change

### METRIC

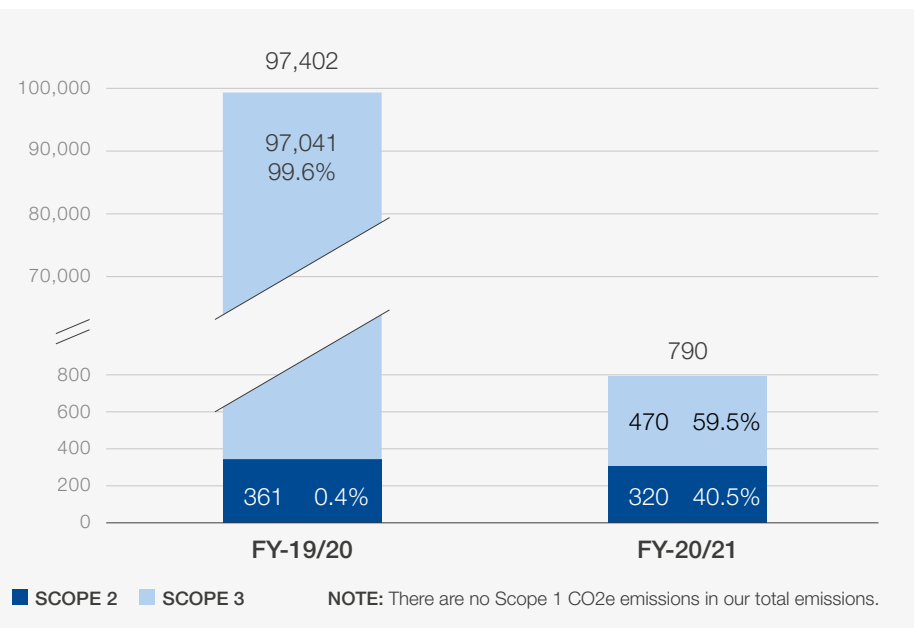
#### CORE METRIC

**Greenhouse gas (GHG) emissions:** For all relevant GHGs (e.g. carbon dioxide, methane, nitrous oxide, F-gases), report in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3 emissions where appropriate).

### RESPONSE

The World Economic Forum has gone through a comprehensive assessment of its internal CO<sub>2</sub>e emissions for FY-19/20 and FY-20/21. In FY-19/20, 97,402 tons of CO<sub>2</sub>e emissions were attributed to the Forum and 790 tons for FY-20/21. Year over year, the large decrease in emissions was due to fewer flights and in-person events during the COVID-19 pandemic. In a more typical year like FY-19/20, Scope 1 emissions from our offices and Scope 2 emissions from our energy consumption use represent less than 1% of total Forum emissions, while the Scope 3 emissions, which include all flights and travel, represent 99%.

**FY-19/20 and FY-20/21 Forum CO<sub>2</sub>e Across Scopes in Tons of CO<sub>2</sub>e**



In FY-19/20, 55% of the Forum's emissions were linked to the Annual Meeting in Davos-Klosters, mainly driven by participants and support staff flights. The next largest category of emissions was participant flights to other in-person meetings (34%).

To calculate our CO<sub>2</sub>e emissions, we used the [DEFRA emission factors](#) for 97% of the emissions calculations and MyClimate for emissions conversions for the remaining 3%. The nature of activities covered in our CO<sub>2</sub>e analysis includes an analysis of Scope 2 electricity from our major offices (Geneva, San Francisco, New York, Beijing). We also include the CO<sub>2</sub>e emissions impact of the travel of all Forum employees, which included hotel stays, taxi and other transportation; CO<sub>2</sub>e from all participant travel to in-person meetings; and a separate assessment of our CO<sub>2</sub>e emissions at the Annual Meeting.

In terms of our sustainability strategy, the ISO 20121 certification for the Annual Meeting in Davos-Klosters and offsetting our emissions for that meeting have been important

steps in our internal journey. The Forum approved becoming net zero by 2030, which is a key milestone and also maintains its adherence to the [UN Global Compact](#). We are in the process of assessing our science-based targets for carbon reductions, which we will submit to the [Science Based Targets initiative](#) (SBTi) by the end of FY-21/22. We have also improved the way we capture data to streamline the calculation of emissions in the coming years and to help track progress while focusing our efforts on the most relevant areas. The [Sustainability 2021 document](#) is our guiding sustainability policy, though we also have other approved policies, including our Sustainable Procurement Policy, Code of Conduct for Vendors, and Sustainable Catering Guidelines that help us maintain high internal sustainability standards. All the policies are available [on our website](#).

From an external-facing perspective, the Forum has over 40 communities and initiatives tackling pieces of the climate change crisis. Among them is the [Alliance of CEO Climate Leaders](#), a coalition of business leaders from diverse industry sectors and regions who use their position and influence to drive change; and the [Mission Possible Partnership](#), an alliance of climate leaders focused on decarbonizing some of the world's highest emitting industries in the next 10 years. Climate change-related initiatives are linked together under the umbrella of our recently launched [Climate Action Platform](#). Some of these projects have overlapping goals, but by organizing the activities within one larger platform, we are able to find efficiencies between the various pieces of work and optimize our overall impact.

Climate change is also a focus at our major events (such as the Annual Meeting in Davos-Klosters and the [Sustainability Development Impact Summit](#)); we have a number of [lighthouse projects](#) on this topic, and our new technology tools ([UpLink](#) and [Strategic Intelligence](#)) have focuses on climate change.

Finally, the creation and promotion of the ESG metrics themselves through the [Stakeholder Capitalism Metrics White Paper](#) represent an important example of how the Forum is trying to make a difference on climate change globally.



The most relevant SDG for this metric is SDG 13: Climate Action, which encompasses the urgent actions needed to combat climate change and its impacts.

## METRIC

### CORE METRIC

#### **TCFD implementation:**

Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.

## RESPONSE

This metric relates to how climate-related topics are present in the governance, strategy and risk management of the Forum. We will structure our report to ensure we touch upon our work in these areas and weave in workstreams, policies, certifications and our internal emissions reporting in that framework. We have started to prepare a comprehensive TCFD report. A first draft will be ready by end of summer 2021.

**METRIC**

## EXPANDED METRIC

**Paris-aligned GHG emissions**

**targets:** Define and report progress against time-bound, science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero GHG emissions, and interim reduction targets based on the methodologies provided by the SBTi, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.

## EXPANDED METRIC

**Impact of GHG emissions:**

Report wherever material along the value chain: (GHG Protocol Scope 1, 2 & 3) the valued impact of GHG emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.

**RESPONSE**

The Sustainability Strategy 2021 policy guides our internal sustainability efforts and in it we include several targets, such as reducing air travel emissions per employee, optimizing the use of energy for our digital operations, renewing ISO 20121, reducing energy consumption per event participant, producing or sourcing 100% renewable energy for Forum offices, obtaining the ISO 50001 certification for energy management of the headquarters, obtaining sustainable building certification for new offices (LEED or other), increasing the use of sustainable commuting options by 15%, reducing water use of green space by 20%, and reducing single use plastic by 80% and global waste by 15%. This information can be reviewed on the [sustainability portion of our website](#).

In 2021, the Forum committed to net zero by 2030; we are now evaluating the science-based targets that we will abide by. The plan is expected to be submitted to the [Science Based Targets](#) initiative by the end of FY-21/22.





# Nature Loss

## METRIC

### CORE METRIC

**Land use and ecological sensitivity:** Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBAs).

### EXPANDED METRIC

**Impact of land use and conversion:** Report wherever material along the value chain: the valued impact of use of land and conversion of ecosystems.

### EXPANDED METRIC

**Land use and ecological sensitivity:** Report for operations (if applicable) and full supply chain (if material).

## RESPONSE

The metrics embedded in the Nature Loss theme are not relevant for the Forum internally, as an organization, because our offices are not located next to protected areas and/or KBAs.

However, as it is an important global topic, we address it through various projects, such as the [Tropical Forest Alliance](#), [1T.org](#), [Natural Climate Solutions Alliance](#), [BiodiverCities by 2030](#) and [Nature Action Agenda](#). The general purpose of these efforts is to build coalitions to reduce commodity-driven deforestation and build a business case to safeguard nature.

The [Tropical Forest Alliance](#) (TFA), as one example, aims to reduce commodity-driven deforestation in key production landscapes and countries. The TFA was originally conceived to support the private sector to meet its commitment to deforestation-free supply chains, and was designed as a public-private partnership to bring governments, business and civil society together.

By deepening engagement with private-sector companies in both producer and consumer countries, launching the collective action agenda to push private-sector action, and advancing high-impact partnerships with governments, the TFA has become a leader in working to reduce commodity-driven deforestation. It is now expanding its engagement to take on the secretariat role for the Investor Policy Dialogue on Deforestation (IPDD), a high-ambition group of the most engaged investors, while steering the multistakeholder Forest Agriculture and Commodity Trade Dialogue with the COP26 Presidency.

As another example, the [Grow Asia](#) partnership brings together farmers, governments, the private sector, NGOs and other stakeholders in South-East Asia to convene, facilitate and help scale inclusive agriculture value chains. The core of their work is to lift the productivity and profitability of smallholder farmers in the region in an environmentally sustainable manner. The partnership operates through a 6-country partnership in South-East Asia, and over 520 partner organizations reaching 1.8 million smallholder farmers. About 0.4 million farmers have adopted new technology or practices, 0.2 million farmers have achieved certification, and 0.02 million farmers have accessed credit through the programmes and interventions of our partners.



The most relevant SDG links for this metric are SDG 15: Life on Land and SDG 12: Responsible Consumption and Production.



# Freshwater Availability

## METRIC

### CORE METRIC

**Water consumption and withdrawal in water-stressed areas:** Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to World Resources Institute (WRI) Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.

### EXPANDED METRIC

**Impact of freshwater consumption and withdrawal:** Report wherever material along the value chain: the valued impact of freshwater consumption and withdrawal.



## RESPONSE

The metrics embedded in the Freshwater Availability theme are not relevant for the Forum as an organization since our offices are not located in areas that are water stressed.

However, the Forum has projects working to improve this globally by forging partnerships across government, business and the social sector. One of these projects is the [2030 Water Resources Group \(WRG\)](#), a partnership of the public, private and civil society sectors hosted by the World Bank Group and created by the Forum. The partnership supports country-level collaboration designed to unite diverse groups with a common interest in the sustainable management of water resources.

Regarding climate action, the 2030 WRG is helping countries develop water security and resilience planning capabilities through different approaches and methodologies:

- Developing hydro-economic analyses and multi-criteria investment prioritization systems that lead to greater water security and resilience
- Supporting water allocation policy reforms that lead to greater water security and legal certainty under variable conditions
- Integrating nature-based solutions in water resources management to support climate change adaptation processes
- Supporting the private sector in its efforts to develop more robust water risk and water stewardship practices

The programmes also contribute to building sustainable cities and protecting life below water and life on land as we focus on producing more food with less water, cleaning up rivers, and improving the treatment of wastewater and industrial effluents.

The 2030 WRG contributes directly to SDG 6 (Clean Water and Sanitation) and SDG 17 (Partnerships for the Goals), and sets an example for other platforms on how to mobilize actors for action across different sectors.



# Air Pollution

## METRIC

### EXPANDED METRIC

**Air pollution:** Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions.

Wherever possible, estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.

### EXPANDED METRIC

**Impact of air pollution:** Report wherever material along the value chain: the valued impact of air pollution, including nitrogen oxides (NOx), sulphur oxides (SOx), particulate matter and other significant air emissions.

## RESPONSE

This disclosure relates to types of air pollution that are not relevant to the core activities of the Forum as an organization since our operations are only based in office settings, but we have a few projects to address this issue globally. The [Mission Possible](#) platform is an alliance of climate leaders focused on supercharging efforts to decarbonize some of the world's highest-emitting industries in the next 10 years. Cement, steel, aluminium and chemicals – as well as the ships, planes, and trucks that move them – are the building blocks for the global economy. However, they are also responsible for 30% of GHG emissions and, if business continues as usual, by 2030 these global industries will exceed the total amount of carbon the world can emit this century. The Mission Possible partnership is the command centre for an ambitious effort to trigger a net-zero transformation of these seven industrial sectors, leveraging the convening power, talent and expertise of world-leading organizations on climate action. The goal is to propel a committed community of CEOs from carbon-intensive industries, together with their financiers, customers and suppliers, to agree – and more importantly, to act – on the essential decisions required for decarbonizing industry and transport in this decade. These efforts will not only reduce the CO2 emissions, but also other related emissions in each sector.

For example, in one particular Mission Possible project, [The Clean Skies for Tomorrow Coalition](#), we provide a crucial mechanism for top executives and public leaders, across and beyond the aviation value chain, to align on a meaningful and proactive pathway for the industry to achieve carbon-neutral flying through a transition to sustainable aviation fuels. The result of this transition will also significantly reduce non-carbon emissions.

The goal is to advance the commercial scale of viable production of sustainable low-carbon aviation fuels (bio and synthetic) for broad adoption in the industry by 2030. Initiatives include a mechanism for aggregating demand for carbon-neutral flying, a co-investment vehicle, and geographically specific pilot programmes.

Air pollution is another urgent matter to tackle and a leading cause of ill-health and premature death around the world. The [Alliance for Clean Air](#) initiative is bringing together different sectors and organization types to share best practice, work through the barriers to action, and have a place for public-private partnerships to be developed. Its mission is to protect the health of current and future generations by mobilizing multistakeholder action on ambient air pollution to meet the World Health Organization (WHO) guidelines for air quality and progress on the broader 2030 Agenda for sustainable development.

The community has grown via engagement at sessions at the Annual Meeting 2020 in Davos-Klosters, action labs at the digital Young Global Leaders Annual Summit, and additional digital meetings to identify opportunities for innovating, shaping and scaling collective progress. An increasing number of actors, from ambitious mayors to institutions, are getting involved as awareness of the harmful effects of pollution is increasing. The [Global Future Council on Clean Air](#) was kicked off with leading experts and leaders to inform several ambitious pathways towards impact. Outcomes for 2021 will aim to shape the post-COVID era towards achieving clean air for all.



The most relevant SDG links for this metric are SDG 3: Good Health and Well-Being; SDG 9: Industry, Innovation and Infrastructure; and SDG 11: Sustainable Cities and Communities.



# Water Pollution

## METRIC

### EXPANDED METRIC

**Nutrients:** Estimate and report wherever material along the value chain: metric tonnes of nitrogen, phosphorous and potassium in fertilizer consumed.

### EXPANDED METRIC

#### Impact of water pollution:

Report wherever material along the value chain: the valued impact of water pollution, including excess nutrients, heavy metals and other toxins.

## RESPONSE

The metrics embedded in the Water Pollution theme are not relevant for the Forum as an organization since the nature of our work does not involve using nitrogen, phosphorous and potassium.

However, we have a few projects working to improve the worldwide water system. The world's water systems have long been imbalanced and vulnerable. COVID-19 magnified these fragilities for the world to see, accelerating the urgency to address the systemic failures. Our initiatives assist multistakeholder partnerships to support country-level collaboration designed to unite diverse groups with a common interest in the sustainable management of water resources.

The [Friends of Ocean Action](#) partnership comprises a group of leaders who are fast-tracking solutions to the most pressing challenges facing the oceans. It has been successful in creating a unique entity with a rich network of high-level peers offering an important convening structure, and in elevating ocean and climate change issues to a global audience. It has been recognized by its stakeholder community as hosting one of the most effective international efforts in the past 2 years ([the Virtual Ocean Dialogues](#)) in support of SDG14.

The Friends of Ocean Action has helped identify and elevate ocean solutions. Over the past three years, Friends of Ocean Action created innovative partnerships and projects, provided resources and published leading-edge papers relating to the following issues, all rooted in SDG 14, including marine protection and conservation, sustainable food from the ocean, ending illegal fishing and eliminating harmful fisheries subsidies, financing ocean innovation, decarbonizing shipping and tackling plastic pollution, among others.

These issues were addressed as action tracks that have created solid progress in setting the global ocean action agenda and putting us on the right path towards ocean recovery.

During this past year, instead of in-person convenings, Friends of Ocean Action created the Virtual Ocean Dialogues, the first completely virtual global ocean gathering, which brought together 800,000 participants over five days from around the world.

Through the [2030 WRG](#), another project aims to reduce wastewater pollution on the Tuul river that runs through Mongolia's capital and largest city, Ulaanbaatar. Tanneries and other raw material processing industries discharge over 30 kinds of chemical substances into the river, overloading the wastewater treatment plant. As a result, inadequately treated wastewater reaches the river, with negative effects on the environment and human and animal health downstream.

The 2030 WRG's national multistakeholder platform convened the partners to identify revisions to a law about water pollution and supported the adoption of international best practices in pollution management. Involving large water users (such as power plants, beverage companies, public commercial utilities and mining companies) in proposing changes to the law has helped to streamline the rollout of revised licenses and discharge permits for water use and wastewater discharge, in addition to pre-treatment of industrial pollutants by companies before discharge to central sewers.

Since the revision was approved, 2030 WRG in Mongolia has helped develop national standards for treated wastewater reuse, and pollution estimates and fee guidelines for discharging inadequately treated mining water. The team has also built the capacity of local laboratories and river basin authorities to analyse the quality of wastewater discharge.



The most relevant SDG links for this metric are SDG 14: Life Below Water, and SDG 6: Clean Water and Sanitation.



## Solid Waste

### METRIC

#### EXPANDED METRIC

**Single-use plastics:** Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used and the definition of single-use plastic adopted.

#### EXPANDED METRIC

**Impact of solid waste disposal:** Report wherever material along the value chain: the valued societal impact of solid waste disposal, including plastics and other waste streams.

### RESPONSE

The use of single-use plastics has been banned from our meetings and our office locations around the world, and our catering and event-related policies strongly discourage their use. Other approved policies ensure the Forum's catering is nutritious and healthy, integrates low-impact ingredients and systematically includes a vegetarian choice, helping to achieve the goal of reducing global waste by 15%.

Externally, several projects are related to reducing single-use plastics, one of which is the [Global Plastic Action Partnership](#) (GPAP) that aims to shape a more sustainable and inclusive world through the eradication of plastic pollution. These projects work towards this goal by bringing together governments, businesses and civil society to translate commitments into meaningful action at both the global and national levels. Since GPAP's launch in September 2018, the platform has gathered over 400 member organizations collaborating through the platform worldwide, with 4 countries signed on to pilot a unique national model for accelerating plastic action.

In 2020, the Global Plastic Action Partnership's country partner, Indonesia, released an evidence-based [Multistakeholder Action Plan](#) to combat plastic pollution, laying out a series of system-change interventions that will not only cut Indonesia's marine plastic leakage by 70% in five years, but will also achieve a full transition to the circular economy by 2040. This was accompanied by the release of a financing roadmap. In December 2020, the Global Plastics Action Partnership launched the Viet Nam National Plastic Action Partnership, which will help accelerate progress towards the government's target of reducing marine plastic waste by 75% by 2030.



The most relevant SDG links for this metric are SDG 12: Responsible Consumption and Production, and SDG 11: Sustainable Cities and Communities.



# Resource Availability

## METRIC

### EXPANDED METRIC

**Resource circularity:** Report the most appropriate resource circularity metric(s) for the whole company and/or at a product, material or site level as applicable. Potential metrics include, but are not limited to, the Circular Transition Indicators (World Business Council for Sustainable Development); indicators developed by the Ellen MacArthur Foundation; and company-developed metrics. Disclose the methodological approach used to calculate the chosen circularity metric(s) and the rationale for the choice of metric(s).

## RESPONSE

Internal policies help to ensure all branded items are designed and procured according to strict sustainability criteria, and we reinforce the deployment of the Sustainable Procurement Policy across the Forum's supply chain, including fostering sustainable resource use at the Annual Meeting in Davos-Klosters and the Annual Meeting of the New Champions in China. The goal is to reduce any single-use purchases and procure items that have a minimal environmental footprint to maximize our internal resource circularity.

Externally, certain initiatives address the resource circularity theme globally, including [Scale 360° Circular Economy Innovation](#), the [Platform for Accelerating the Circular Economy](#), the [Global Battery Alliance \(GBA\)](#) and our [report on a circular vision for electronics](#). The overall goal of these projects is to create a better future for people and the planet by accelerating the transition to a circular economy, where economic growth is decoupled from the use of natural resources.

The GBA is a multistakeholder, African-focused platform working to establish a sustainable battery value chain to drive the decarbonization of the energy and transport systems. Research shows that almost 550 million people in Africa currently lack access to electricity. Batteries have been recognized as important solutions to closing this energy access gap, resulting in a growing demand for battery storage solutions across the continent. While battery capacity is forecast to increase sevenfold over the next 10 years, battery demand under a full access scenario is expected to be more than double anticipated capacities.

The GBA brings together more than 80 members from across the battery value chain, including those operating at global, regional and local levels. Successes in 2020 included the Closing the Loop on Energy Access (CLEA) Project, which ran from March 2020 to March 2021 and aimed to accelerate inclusive sustainable economic growth in developing countries in order to achieve the SDGs, especially SDG 7: Affordable and Clean Energy. The results of the work included a rigorous and high-quality analysis of the battery value chain, with an emphasis on repurposing, reusing and recycling lead-acid and lithium-ion batteries in Africa, and a national roadmap and action plan by the Ministry of Environment, Forest and Climate Change of the Government of Ethiopia, along with pilot studies being evaluated or implemented in several other African countries.

Improving the sustainability of global value chains, including those related to batteries, is central to the GBA. As demand increases for batteries, so too does demand for the raw materials used for their production, including cobalt, lithium and nickel. Without sustainable end-of-life management systems, battery demand will result in increased battery waste, leading to significant environmental pollution and damages to human health. Repurposing, reusing and recycling batteries in environmentally safe ways is therefore critical to creating a sustainable, circular battery value chain.



The most relevant SDG links for this metric are SDG 7: Affordable and Clean Energy, and SDG 12: Responsible Consumption and Production.



# People Pillar



## Dignity and Equality

### METRIC

#### CORE METRIC

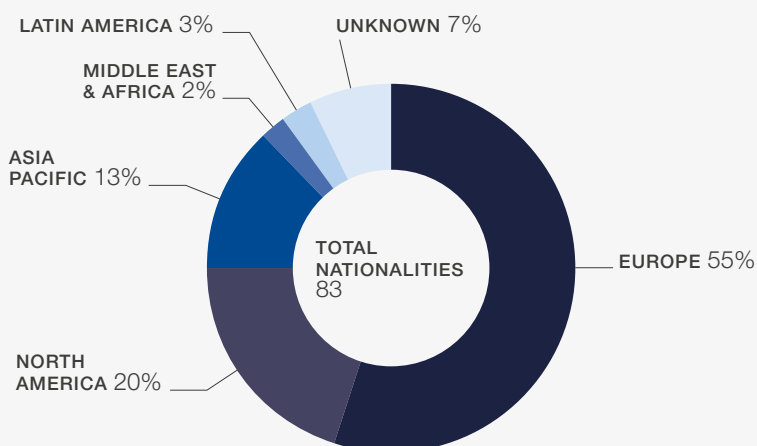
**Diversity and inclusion:**  
Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).

### RESPONSE

For this metric, “employees” are defined as persons with full or part-time employment agreements with the World Economic Forum in our locations in Switzerland, the United States, Japan, China and India. This includes regular or permanent as well as temporary employees, but excludes interns, Fellows seconded by external organizations, consultants or people working at Forum premises with employment contracts elsewhere, e.g. Forum suppliers.

In November last year, the Forum launched a voluntary self-ID initiative to capture demographic data on our employees beyond gender, age and nationality. The new dimensions that can be measured include ethnicity, disability status, gender identity and sexual orientation. Having up-to-date data on these diversity dimensions would enable us to assess whether all employees, regardless of identity, have equal opportunity to be hired at the Forum, are paid a fair market rate for their skills, and can develop their careers within the organization. As of June 2021, 58% of employees have not yet reported on these voluntary fields, such that this data is incomplete and cannot be reported at this time.

#### Nationalities – 30 June 2020



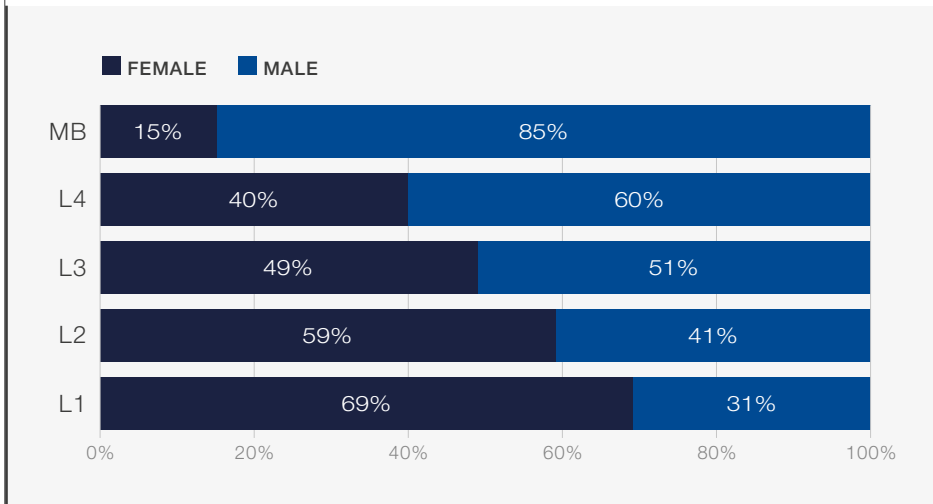
#### Unknown nationalities

Our data shows a small percentage of unknown nationalities. This gap in data collection is due to the fact that the Forum is not allowed to ask for the nationality of employees in the US offices; the law only permits us to ask if our staff is authorized to work in the United States. We plan to deploy our voluntary self-ID module to collect data on nationality in the US offices in order to have a more complete picture in the coming years.



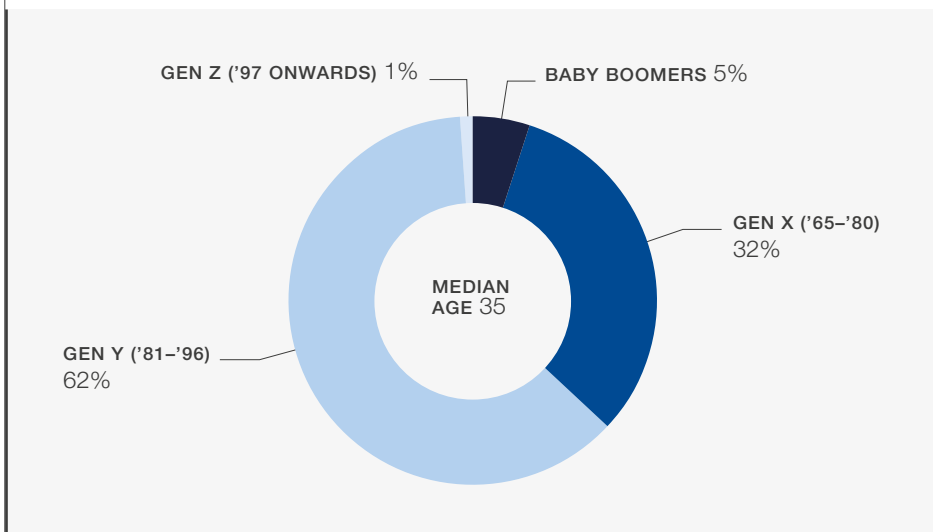
This report focuses on data for which we have complete information for all our locations: age groups, nationalities (by region) and gender. The data on gender is further segmented by hierarchical level, with positions at the Forum organized into four main levels in addition to the Managing Board (MB).

### Gender by Level – 30 June 2020



The four levels are differentiated mainly by the contribution and impact expected at each progressive level, with Level 1 (L1) consisting primarily of entry-level individual contributor roles that require a high level of supervision, and Level 4 comprising senior professionals who are accountable for establishing group-wide priorities and achieving business and financial results. The leadership levels at the Forum are generally considered to be Level 3 and above, where many employees have accountability for teams and budgets. As of 30 June 2021, our composition by level was as follows: 29% Level 1, 48% Level 2, 16% Level 3, 5% Level 4 and 2% Managing Board.

### Generations – 30 June 2020

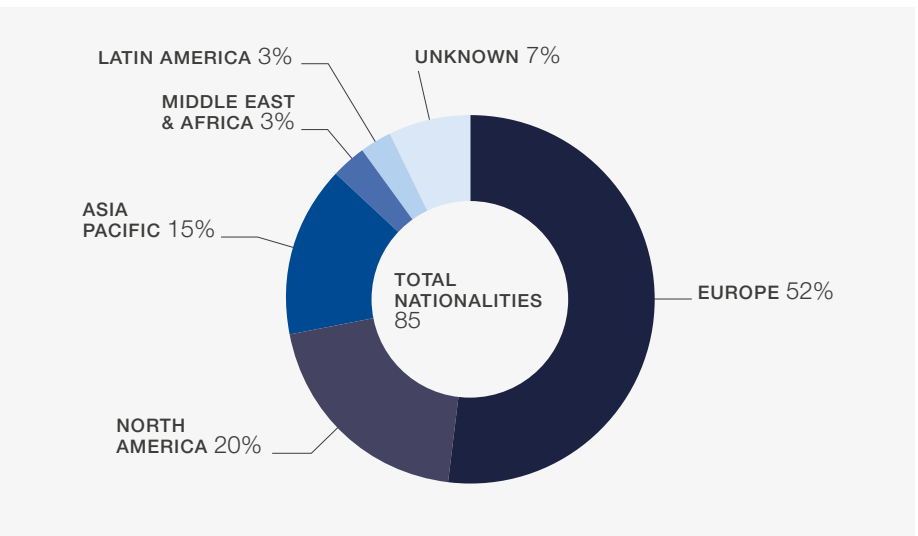


**Our 2021 data is presented in the charts that follow.**

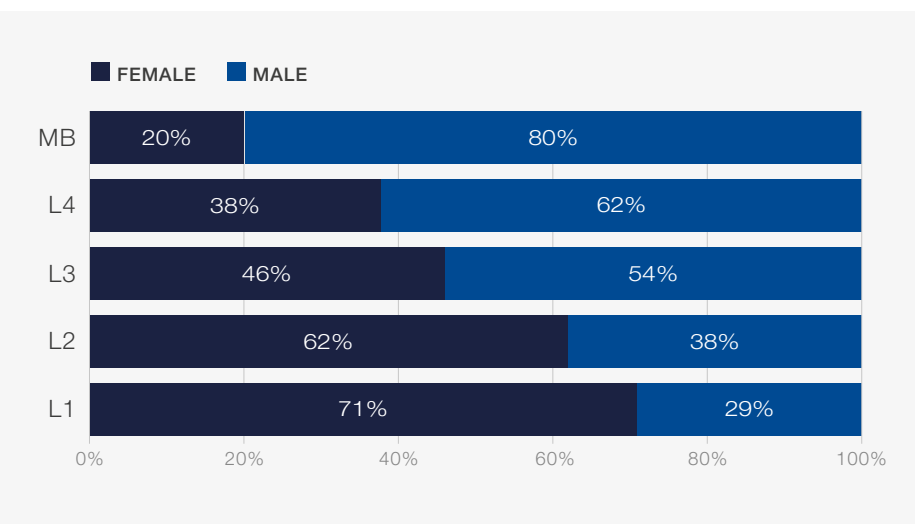
Over the past year, the Forum has also taken action internally to make progress on diversity, equity and inclusion, ensuring that all our employees are able to work in an environment in which they feel heard and included, and have equal opportunities to be paid fairly, develop their careers and gain recognition for their work. Six employee resource groups are currently active at the Forum, which meet with the Head of People and Culture and with the Diversity & Inclusion Lead on a quarterly basis: Women’s Inclusion Network, Access & Ability Champions, Black Forum Collective, OUTForum & Allies, Core Connect, and US People of Color.

In October 2020, the People and Culture team shared a Diversity, Equity and Inclusion roadmap with the organization that included an overview of our ongoing and upcoming initiatives, and a commitment to report our progress to the Managing Board every quarter. Initiatives mentioned in our roadmap included the newly-launched voluntary self-ID module, as well as a mentorship programme that has since paired 160 mentees (70% women) with 70 mentors (40% women), and in which employees from all our global locations have participated. Our commitment to inclusion also led to the delivery of Inclusion & Equity workshops to 50.4% of staff in spring 2021, with further sessions scheduled for fall 2021. A budget has been allocated for additional inclusive training opportunities in FY-21/22 to follow up on this work.

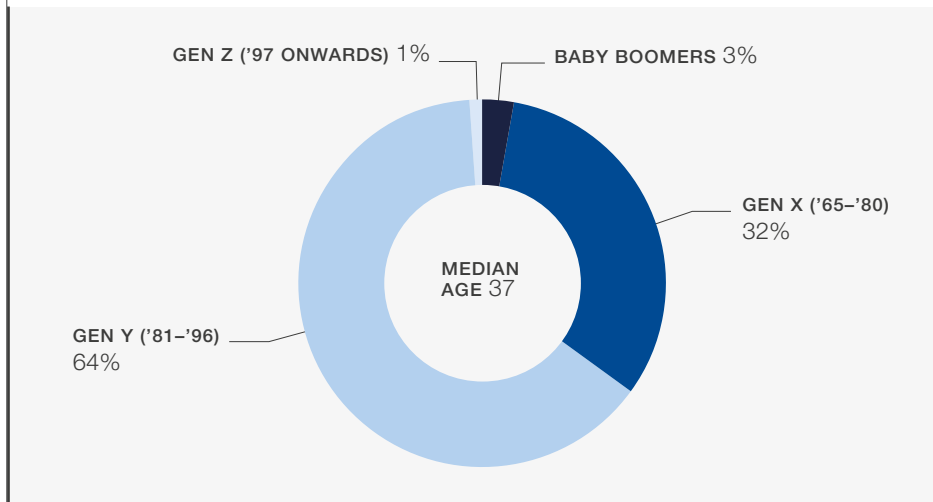
**Nationalities – 30 June 2021**



**Gender by Level – 30 June 2021**



## Generations – 30 June 2021



Externally, our work on diversity, equity, inclusion and social justice is led by the Centre for the New Economy and Society and the Platform for Global Public Goods. This work is organized into four main areas:

1. Shaping agendas through thought leadership and creating insights to support evidence-based decision-making through our publications: the [Gender Gap Report](#), [Diversity, Equity and Inclusion 4.0](#) and the [Lighthouse Report on Stakeholder Inclusion and Sustainability](#)
2. Developing and showcasing new models, policies and standards for equity and social justice through councils and projects: [Global Future Council on Equity and Social Justice](#), [Global Future Council on Human Rights](#), [Global Future Council on Systemic Inequalities and Social Cohesion](#) and [Lighthouse Projects on Social Justice and Sustainability](#)
3. Embedding public-private partnerships and driving large-scale and measurable action at the industry and country levels through the [Partnering for Racial Justice in Business Initiative](#), which unites organizations committed to leveraging their individual and collective power to build equitable and just workplaces for professionals with under-represented racial and ethnic identities; [Valuable 500 – Closing the Disability Gap](#); and the [Partnership for Global LGBTI Equality \(PGL\)](#), announced at the Annual Meeting 2019, which brings together organizations committed to leveraging their individual and collective advocacy to accelerate LGBTI equality and inclusion in the workplace and in the broader communities in which they operate
4. Engaging leaders in high-level peer communities of purpose and leveraging milestones to drive the agenda on social justice, through the [community of Chief Diversity and Inclusion Officers](#) and [Closing the Gender Gap Accelerators](#)

In 2020, the Forum's UpLink team ran a [COVID Social Justice Challenge](#) with the goal of surfacing policy perspectives and innovative solutions that can identify and address systemic inequalities in COVID-19 response and outcomes in local contexts. Through sponsorship from the Ford Foundation, the Forum also runs [the New Narratives Lab](#), a year-long fellowship dedicated to fostering a new and diverse generation of Cultural Leaders. The Forum's Strategic Intelligence team also launched Transformation Maps on [Social Justice](#) and [Systemic Racism](#), capturing research and analysis from leading global institutions on these topics for our Partners and the general public.



SDG 10: Reduced Inequalities – SDG target 10.2

## METRIC

### CORE METRIC

**Pay equality:** Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups and other relevant equality areas.

## RESPONSE

The Forum is proud to have been one of the first organizations to be certified for equal salary in Switzerland, in 2009, and to have maintained the certification for 10 years. In Geneva, the most recent recertification process took place in July 2019, carried out by PwC and confirmed by the [Equal Salary Foundation](#). In 2019, the certification process was extended to the US offices, which were also successfully certified. We consider our offices in the United States and Switzerland to be significant locations of operation for the purpose of this metric, with statistically significant numbers of employees that enable a meaningful analysis. (For the purpose of this analysis, employees have full-time or part-time employment contracts with the Forum, and are not interns, consultants, or Fellows seconded from other organizations.)

Based on salary data compiled in February 2019, the analysis showed that in Geneva, women earned approximately 2.2% less on average than men, all other relevant factors being equal. This analysis was provided with a 93.0% degree of accuracy. In the United States, women earned on average 0.3% more than men, all other relevant factors being equal, and with a prediction of actual pay that was up to 94.2% accurate. The analysis was conducted by evaluating salary data for women and men in the Geneva and US offices while taking into account relevant factors, including years of service, hierarchical position, level of education and most recent performance rating. Based on these results, we received the certification of equal salary for both offices, which is valid for three years, and are in the process of conducting a Monitoring Audit to ensure that we are on track for recertification in 2022.

To ensure that we took steps to close these gaps before the next audit, we set aside a proportionately larger percentage of our salary review budgets in FY-18/19 and FY-20/21 to adjusting the salaries of women, and these can be seen in the table below. (Due to the uncertainties of the global economic outlook in 2020, we did not hold a salary review in FY-19/20.) We will be able to report an update on our pay gap, and know whether these measures were effective, after the next full audit in 2022.

### Average annual salary increase by gender, past two salary review cycles

	FY-18/19	FY-20/21
Men	5.0%	4.1%
Women	7.0%	4.6%
All	6.0%	4.4%

We do not have sufficient data to report on categories other than gender, but we will ensure we can do so in subsequent years of reporting. Reporting on this dimension helps us to make progress on the concerned SDGs.



SDG 8: Decent Work and Economic Growth – SDG target 8.5; SDG 5: Gender Equality – SDG targets 5.1 and 5.5

## METRIC

### CORE METRIC

#### Wage level:

1. Ratios of standard entry-level wage by gender compared to local minimum wage.
2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all employees except the CEO.

## RESPONSE

1. Our standard entry-level wages are equal across genders. As of FY-20/21, our entry-level wage in Geneva is 152% of the local minimum wage and, in our US offices, it is 134% of the local minimum wage. In Beijing, our entry-level wage is 7.8 times greater than the local minimum wage, and in Mumbai it is 16 times greater than the local minimum wage. In Tokyo, our entry-level wage is 2.6 times greater than the local minimum wage.

Our salary bands did not change in the past fiscal year, and research shows that the statutory minimum wage in these locations also stayed the same: the minimum wage in Geneva is just over CHF 23 per hour, according to the local government's [website](#). Minimum wages in [New York](#) and [California](#) are also published on local government websites. Minimum wages for [Beijing](#), [India](#) (Mumbai, Maharashtra) and [Japan](#) (Tokyo) may also be found online.

2. Compensation at the Forum does not include a variable component, and all comparisons and analyses are conducted on the basis of a fixed annual salary. The ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees except the CEO is as follows: **8.2 to 1** as of 30 June 2020, and **7.9 to 1** as of 30 June 2021.

## METRIC

### CORE METRIC

**Risk for incidents of child and forced labour:** An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to:

- a. the type of operation (such as manufacturing plant) and type of supplier
- b. the countries or geographic areas with operations and suppliers considered at risk.

## RESPONSE

The World Economic Forum adheres, among other principles, to the principles of human dignity, health and safety, the protection of children and fair labour practice.

The Forum's [Code of Conduct for Vendors](#) outlines the expectations of the Forum with regard to the conduct of all vendors (organizations and individuals) supplying goods or providing services to the Forum. It is published on our website and is incorporated by reference into all agreements signed with our vendors. It specifies the values that the Forum adheres to: The Forum believes all workers in our supply chain deserve to be treated with the utmost dignity and respect, in a fair and ethical workplace that upholds the highest standards of human rights. Vendors must refrain from employing child labour.

#### Steps the Forum has taken to improve future ESG reporting related to this metric, in 2021:

- We are in the process of implementing a vendor database that will allow us to keep a record of our vendors used across all our office locations, facilitating the estimation of risk of child labour, forced labour and compulsory labour based on the vendor's country. It is also designed to allow the recording of all due diligence findings related – but not limited to – this metric.
- We have already performed a due diligence check on all suppliers linked to grants. In 2021, we have taken steps to enable the possibility of further increasing the number of vendors undergoing the due diligence check in the future and of recording their number and percentage to the total number of the Forum's vendors.

#### The Forum's indirect footprint related to this metric:

Externally, the Forum has played a significant role in preventing child labour in the world. The Forum hosted the [Global Battery Alliance](#) (GBA) between September 2017 and January 2021. During that period, the GBA's [activities](#) aimed to improve the prevention of child labour in the mining industry, including but not limited to the following:

- The GBA launched the [Cobalt Action Partnership](#) (CAP) with over 15 partners, including non-governmental organizations, companies, the Government of the Democratic Republic of the Congo (DRC) and an in-country coordinator hosted by the United Nations Children's Fund (UNICEF). CAP's goal is to address child labour in the cobalt supply chain in line with the GBA 2030 vision. In January 2021, CAP

achieved the formal engagement and commitment of the DRC Ministry of Mines, and CAP's inclusion into relevant DRC policy platforms is now confirmed.

- In 2019, an African Development Bank investment of \$115 million emanated from the GBA to support the DRC's national strategy to address child labour and establish alternative livelihoods in the cobalt supply chain. Further details can be found [here](#).
- In collaboration with the GBA, UNICEF launched the [Fund for the Prevention of Child Labour in Mining Communities – A Global Battery Alliance collaboration](#) in 2020, aiming to raise \$21 million from public- and private-sector partners over the next three years to fund a series of initiatives to address the root causes of child labour.

Today, the Forum maintains a leadership role on the GBA's managing board. In addition, as part of the [Accelerating Sustainable Production through Digital Traceability](#) initiative, the Forum is working across industries and sectors to identify and implement new opportunities where digital traceability can support resilience and economic competitiveness across value chains, while measurably providing a positive impact on the environmental, social and labour sustainability practices of these production ecosystems.

## METRIC

### EXPANDED METRIC

#### Pay gap:

1. Mean pay gap of basic salary and remuneration of full-time relevant employees, based on gender (women to men) and indicators of diversity (e.g. Black, Asian and minority ethnic communities to non-Black, non-Asian and non-minority-ethnic communities) at a company level or by significant location of operation.
2. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

## RESPONSE

1. For the purposes of this analysis, only data on gender can be provided as we do not have sufficient information to report on the other indicators of diversity this year, and we consider our offices in Switzerland and the United States to be significant locations of operation. An analysis based on salary data compiled in February 2019 showed that in Geneva, women earned approximately 2.2% less on average than men, all other relevant factors being equal. This analysis was provided with a 93.0% degree of accuracy. In the US locations, women earn on average 0.3% more than men, all other relevant factors being equal, and with a prediction of actual pay that was up to 94.2% accurate. The analysis was conducted by evaluating salary data for women and men in the Geneva and US offices while taking into account relevant factors, including years of service, hierarchical position, level of education and most recent performance rating. Our analysis as certified by the [EQUAL-SALARY](#) Foundation is valid for three years and will be reconducted in 2022.
2. For the purposes of this analysis, we consider our offices in Switzerland and the United States to be significant locations of operation. The ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) was as follows:

Fiscal Year	Switzerland ratio	US ratio
FY-19/20 (30.6.20)	8.05 to 1	5.79 to 1
FY-20/21 (30.6.21)	7.80 to 1	5.50 to 1

Reporting on wage level and pay gap helps us to make progress on the concerned SDG.



SDG 8: Decent Work and Economic Growth – SDG target 8.5.

## METRIC

### EXPANDED METRIC

**Discrimination incidents and losses:** Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with:

- a. law violations
- b. employment discrimination.



## RESPONSE

In the Geneva and Asia offices, over the past 12 months (June 2020 to June 2021), 4 complaints were raised that included claims made about bullying, harassment, intimidation and/or discrimination. Over a similar period, one complaint was received in our US offices, which has since been resolved. Two of the cases in Geneva and Asia have been resolved, and 2 are ongoing complaints that are being investigated. None of the cases recorded so far have involved legal proceedings or monetary losses.

Our anti-harassment policy is detailed in our Code of Conduct, and disciplinary action up to and including termination of employment is taken against those who are found to violate it. Investigations are carried out by an external third party; incidents may be reported either to our independent external hotline, managed by our Legal and Compliance team, for increased confidentiality, or to a People and Culture Partner.

Reporting on discrimination incidents helps us to make progress on the concerned SDG.

SDG 10: Reduced Inequalities – SDG target 10.3



## Health and Well-being

## METRIC

### CORE METRIC

#### Health and safety:

1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.
2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.

## RESPONSE

1. No fatalities were recorded in the reporting period as a result of work-related injuries.
2. We currently provide the following for our employees:
  - Employee assistance programme (Cigna in Switzerland & Asia locations, and ADP Life Care and Guardian Work Life Matters in the United States)
  - Mental health and emotional wellness platform, Wayforward, in the United States
  - Mental health and emotional support service, Umanize, in Switzerland
  - Comprehensive health insurance coverage as part of benefits package in the United States
  - Monthly contribution towards health insurance premiums as part of benefits package in Switzerland
  - Accident insurance; loss of earnings due to illness insurance in all locations

In late February 2020, as the first COVID-19 cases were diagnosed in Europe, the Geneva office sent updates to all staff regarding the public health situation, communicating on suspected cases and recommending precautions in line with the latest government guidance. On 10 March 2020, we implemented remote working at all the Forum offices worldwide, transitioning to a fully remote workplace much earlier than was mandated at the federal level in Switzerland, out of concern for the health of our staff. We also cancelled or postponed all planned business travel and held virtual meetings. A newly-launched intranet, WeLink, enabled us to further consolidate our remote working model, providing a virtual space for employees to connect, collaborate, ask questions and share useful tips.

Over the ensuing months, we maintained remote working as the norm for all of our locations, and where our physical offices were reopened (at reduced capacity), we implemented several preventative and hygiene measures, including physical distancing, compulsory mask-wearing (masks supplied by the Forum), clearly marked flows throughout the building, and freely available disinfectant products. As of September 2021, we will implement a hybrid work model in which employees will work from the office at least three days a week and remotely the rest of the time, thereby building in much-needed flexibility while maintaining the benefits of collaborating in person.

## METRIC

### EXPANDED METRIC

#### Monetized impacts of work-related incidents:

By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and/or fines from regulators, property damage, healthcare costs and compensation costs to employees).



## RESPONSE

In the Geneva office, over the past few years, the number of accident and illness claims has gradually decreased, with the number of days of absence due to accident falling from 488 to 417 days from calendar year 2019 to calendar year 2020, and the number of days of absence due to illness falling from 4,028 days in 2019 to 3,492 days in 2020. Efforts were made by the People and Culture team and employee resource groups to raise awareness on mental health and well-being in the workplace and to sensitize managers and employees to the importance of taking regular vacation, promoting transparency around burnout, and providing reintegration plans for employees after periods of long-term absences. Nevertheless, while the total number of days taken decreased, the average length of absences slightly increased, demonstrating the presence of more acute cases. The monetary impact was an increase in insurance premiums for accidents and illness of 28.97% from 2019 to 2020.

We envision that the rise in flexible working arrangements as a result of the COVID-19 pandemic era will enable us to improve on this metric, by allowing employees who may not have been able to be physically present in the office due to mental health challenges (e.g. stress, anxiety and other symptoms of burnout) to work remotely at their own pace while finding the time to seek treatment.

Reporting on work-related incidents helps us to make progress on the concerned SDG.

SDG 8: Decent Work and Economic Growth – SDG target 8.8



## Skills for the Future

## METRIC

### CORE METRIC

#### Training provided:

1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).
2. Average training and development expenditure per full-time employee (total cost of training provided to employees divided by the number of employees).

## RESPONSE

### 1. Training Learning at the Forum in 2020

As the COVID-19 pandemic hit in early 2020, we rapidly pivoted all of our instructor-led trainings from physical to virtual. We began working with internal experts to a greater extent to develop urgently required training in virtual event management, for example. Realizing that we have such a rich source of knowledge internally helped us to transition to a peer-to-peer approach to learning. In addition to "formal" learning opportunities, we offered financial support for leadership to receive coaching from external coaches and for employees to apply for support for role-specific external training. We also continued with our exclusive Global Leadership Fellows Programme with 2 cohorts of 18 people, transitioning most of those modules from in-person to virtual as well. Our very popular Knowledge xChange series also continued to run, with a record 20 being organized in 2019-2020, with external guest speakers who are leading experts in their field. We organized this many as we ran a special series to support mental health and resilience at the height of the pandemic, with experts from WHO and leading universities speaking.

### Learning at the Forum in 2020-2021

At the end of 2020, we launched our new Learning Management System: Workday Learning. In addition to migrating our pre-existing e-learning, we integrated LinkedIn Learning, giving our employees access to over 8,000 courses. This new platform will further support our peer-to-peer model of learning, as we will be able to allow "internal instructors" to create courses and programmes themselves. Given the context, we had a reduced budget for FY-20/21 of CHF 295,518. This covered the continuation of the ongoing Global Leadership Fellows Programme, a Forum-wide series of workshops



on How to Design a Lens of Inclusion & Equity in support of our Diversity, Equity and Inclusion roadmap, and a one-time Learning Award of CHF 1,000 (or local equivalent) to all employees to invest in an external learning opportunity of their choice. The budget for the Learning Award across all our offices totalled CHF 595,676; part of the award has been claimed since it was announced in April, but other expenses continue to be submitted as the deadline to use the amount is April 2022. During the past year, coaching with external coaches also continued to be offered, paid by team cost centres, and we ran 10 Knowledge xChanges.

### Where we are heading

Our vision is for all Forum staff to feel fully equipped to excel in their roles and to feel they have the right opportunities to prepare for the future of work at the Forum and beyond. To do so, we are:

- **Moving from providing training to curating learning and development experiences:** We want to go beyond offering a training catalogue. Our aim is to support our employees in crafting their learning journeys, and to support them and the organization in building capabilities so that we become a true Learning Organization.
- **Increasing the accessibility of our programmes:** We want to ensure that relevant learning opportunities will be available for everyone, in every office.
- **Leveraging peer-to-peer and community-based learning:** Via the network of Learning Champions or as a self-driven initiative to become a Learning Instructor, we want to help employees create internal learning content for their colleagues.
- **Providing targeted opportunities:** Our learning programmes will be driven by business and team needs – connecting learning at the Forum to individual, team and institutional goals.

The focus over the next 12 months will be on the following priority areas:

- **Managing for success:** Equipping our people managers with best-in-class tools and practices to drive individual and team engagement, contribution and impact.
- **Supporting digital transformation:** A series of in-house initiatives targeting our Forum Digital fitness, as the pandemic has shown that all employees in every organization need to be digitally literate to succeed in the Fourth Industrial Revolution and beyond.
- **The Advanced Leadership Programme:** Specific learning journeys tailored to employees holding leadership roles, through an entirely revisited programme that aims to meet the demanding, multi-layered role of advanced leaders, with a focus on capability building in the following areas: system leadership, strategic agility, change and ambiguity management, and leading across teams and cultures.
- **Flexible learning:** A series of adaptable learning offerings that enable individuals and groups of learners to request learning programmes based on their skilling needs.

Through the Centre for the New Economy and Society, the Forum engages Partner organizations in several initiatives focused on skills and learning, including:

- The [Skills Consortium](#), a community of online learning providers that aims to elevate online learning as an effective and accepted pathway to learning and employment by providing solutions at scale to governments, businesses and individual workers.
- The [skills mapping publication](#), a white paper providing insights into emerging opportunities for employment in the global economy and a granular understanding of new skill sets needed by professionals to thrive in the workforce of the future.

- The [Reskilling Revolution](#), which hosts several Forum-led, company-led or coalition initiatives (joint efforts between the Forum and companies), to adopt accelerated approaches to education, reskilling, upskilling and better jobs.



SDG 4: Quality Education – SDG target 4.4

## 2. Expenditure

**The Learning budget** for FY-19/20 was CHF 621,439. With an average headcount during FY-19/20 of 797, this averaged to approximately CHF 780 per employee.

The Learning budget for FY-20/21 was CHF 295,518. With an average headcount during FY-20/21 of 774, this averaged to approximately CHF 382 per employee. (With the many changes in our operations brought on by the COVID-19 pandemic, we offered fewer training opportunities and more cost-effective virtual courses. We are increasing the volume as depicted in the narrative above.)



SDG 4: Quality Education – SDG target 4.4

### METRIC

#### EXPANDED METRIC

#### Number of unfilled skilled positions:

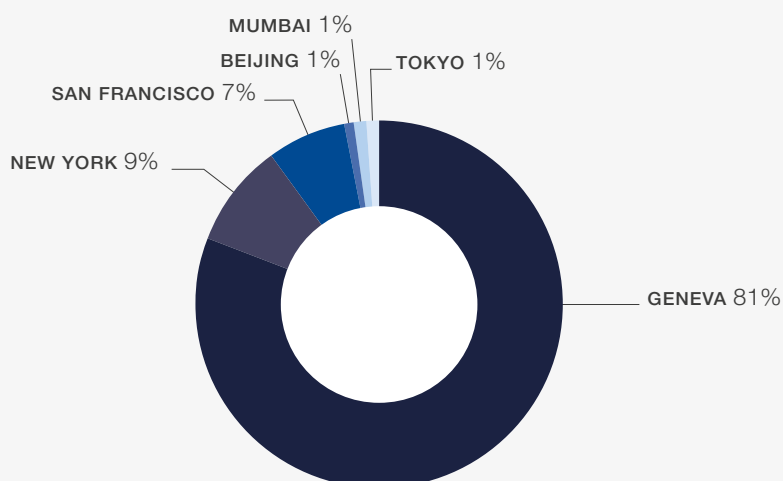
1. Number of unfilled skilled positions.

### RESPONSE

1. The number of open positions at the Forum has fluctuated over the past two years, primarily due to the evolution of our activities in response to the COVID-19 pandemic. While we had as many as 80 positions open at the beginning of 2020, this number had fallen to 10 by the time the fiscal year ended in June 2020, a result of several open positions being cancelled or suspended due to organizational changes.

As our operations stabilized throughout FY-20/21, our number of open positions gradually increased, from 38 at the end of March 2021 to 92 by the end of the fiscal year (30 June 2021), with the majority of our open positions located at our headquarters in Geneva.

### Open positions by location June 2021



EXPANDED METRIC

2. Percentage of unfilled skilled positions for which the company will hire unskilled candidates and train them.

2. Launched in 2019, our global internship programme was designed to attract students enrolled in master's degree studies in subjects relevant to the Forum's work who sought relevant work experience – for many of them their first. Internships lasted three to six months, and all were paid. Between March 2019 and March 2020, 47 interns joined the Forum, of which 16 were later hired in regular or fixed-term employment. In calendar year 2020, we hired 106 people; the 16 interns hired represent 15% of that figure.

METRIC

EXPANDED METRIC

**Monetized impact of training provided**

1. Investment in training as a percentage of payroll.
2. Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.

RESPONSE

1. The amount spent on global training and development for FY-19/20 was CHF 621,439 (0.5% of the total payroll) and CHF 295,518 in FY-20/21 (0.3% of the total payroll).
2. Data on the effectiveness of our training and development initiatives is currently not available.

# Prosperity Pillar



## Employment and Wealth Generation

### METRIC

#### CORE METRIC

#### Absolute number and rate of employment:

- Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity, and region.

### RESPONSE

- For the purposes of this metric, employees are defined as people with full-time or part-time employment contracts with the World Economic Forum in any of its global offices; this does not include interns, consultants or Fellows seconded from other organizations.

In FY-19/20, we hired 187 new employees, representing 23.4% of the employee headcount (797 fiscal year average). Of those, 64.7% were female (121 women) and 35.3% were male (66 men).

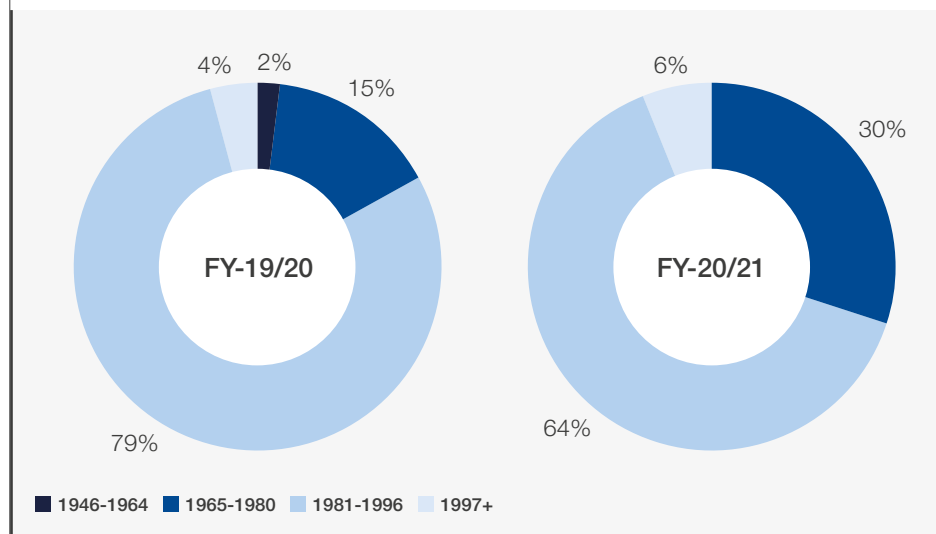
In terms of demographics, the new hires came from the following age groups:

- 3 Baby Boomers (1946-1964)
- 28 Generation X (1965-1980)
- 148 Generation Y (1981-1996)
- 8 Generation Z (1997+)

In FY-20/21, we hired 66 new employees, representing 8.5% of the employee headcount (774 fiscal year average). Of those, 75.8% were female (50 women) and 24.2% were male (16 men).

20 new employees in FY-20/21 were born between 1965 and 1980, 42 between 1981 and 1996, and 4 after 1997.

### New Joiners



2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity, and region.

2. In terms of turnover, in FY-19/20, 127 employees left the Forum, representing 16% of the employee headcount (797 fiscal year average). Of those, 54.3% were female (69 women) and 45.7% were male (58 men). Departing employees came from the following age groups:

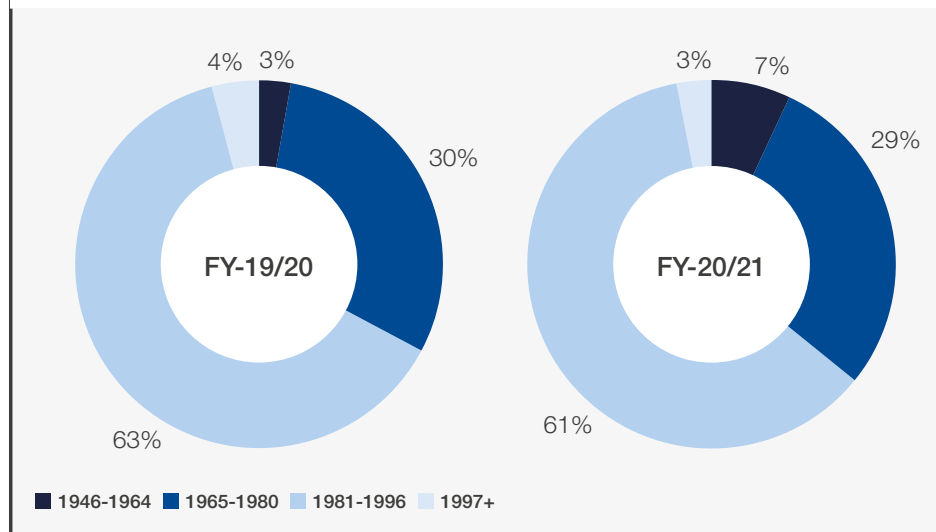
- 4 Baby Boomers (1946-1964)
- 38 Generation X (1965-1980)
- 80 Generation Y (1981-1996)
- 5 Generation Z (1997+)

In FY-20/21, 192 employees left the Forum, representing 24.8% of the headcount (774 fiscal year average). Of those, 62.5% were female (120 women) and 37.5% were male (72 men).

Departing employees in FY-20/21 came from the following age groups:

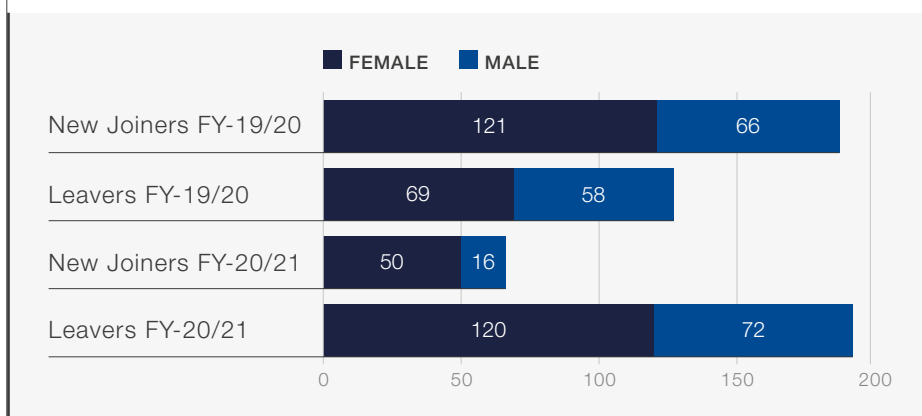
- 14 Baby Boomers (1946-1964)
- 55 Generation X (1965-1980)
- 117 Generation Y (1981-1996)
- 6 Generation Z (1997+)

**Leavers**



The public health and economic crises brought on by the COVID-19 pandemic affected the activities of many businesses around the world, including the Forum, which as a result shifted to virtual events instead of traditional in-person gatherings. The uncertainty that came with this shift, as well as the continual evolution of the epidemiological situation, was reflected in our workforce, and subsequently in the headcount numbers. Some departures were due to natural attrition, with many employees working and living away from their home countries wishing to be closer to family at this time, while others took their planned retirement; several departures were due to organizational changes that pivoted our operations, projects and initiatives to better serve the evolving needs of our stakeholders. Our overall global employee headcount decreased slightly, from a 797 average in FY-19/20 to a 774 average in FY-20/21. Nevertheless, the changes are most visible in the rate of new hires, which fell from 187 to 66, while departures increased from 127 to 192.

### Rate of employment



Through the Centre for the New Economy and Society, the Forum engages Partner organizations in several initiatives focused on the theme of employment and wealth generation, including:

- The [Future of Jobs Report](#), which maps the jobs and skills of the future, tracking the pace of change
- The [Reskilling Revolution](#) initiative, which aims to provide 1 billion people with better education, skills and jobs by 2030 through projects that include:
  - The [Closing the Skills Gap Accelerator](#) model, offering a space for collaboration between business, government and civil society to address skills gaps and to reshape education and training for the future
  - The [Preparing for the Future of Work](#) project, which convenes senior executives and experts across nine industry-specific task forces to promote a positive and proactive approach to navigating the future employment and skills landscape

While over 100 Forum Partner organizations are engaged in one or more dimensions of the work of the Centre for the New Economy and Society, four are Platform Partners exclusively interested in engaging with the Forum because of the Centre's value proposition; most focus on the skills development and Future of Work agendas.



SDG 8: Decent Work and Economic Growth – SDG target 8.2

**METRIC**

**RESPONSE**

**CORE METRIC**

**Economic contribution:**

1. Direct economic value generated and distributed on an accrual basis, covering the basic components for the organization's global operations, ideally split out by:
  - a. Revenues
  - b. Operating costs
  - c. Employee wages and benefits
  - d. Payments to providers of capital
  - e. Payments to governments
  - f. Community investment

All numbers in million CHF		FY-19/20	FY-20/21
1a.	Economic value generated/revenues	350.6	304.8
1b.	Operating costs	(170.3)	(105.8)
1c.	Employee wages and benefits	(145.3)	(121.7)
1d.	Payments to providers of capital	(0.8)	(0.6)
1e.	Payments to governments	(20.7)	(17.3)
1f.	Community investment	(3.8)	(1.5)
	Economic value distributed	(340.8)	(246.8)
	Economic value retained	9.8	58.0

1a. Direct economic value **generated**: revenues as reported in the audited financial statements and notes of the FY-19/20 and FY-20/21 financial section of the Annual Report.

Economic value **distributed**: costs as reported in the audited financial statements and notes of the FY-19/20 and FY-20/21 financial section of the Annual Report.

1e. Refer to the Total Tax Paid metric for the breakdown.

1f. In terms of "Community investment" and in line with the Global Reporting Initiative GRI 201-1 definition, Forum contributions towards the Young Global Leaders foundation, the Global Shapers foundation and the Schwab Foundation for Social Entrepreneurship are considered Community investment because the target beneficiaries are external to the World Economic Forum. In FY-19/20 and in FY-20/21, Community investment amounted to CHF 3.8 million and CHF 1.5 million, respectively

2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.

2. In FY-20/21, the Forum recognized CHF 21.4 million in monetary subsidies from governments, compared to CHF 19.8 million in FY-19/20.

In FY-20/21, CHF 0.8 million was received from the Government of Japan to support the Global Technology Governance Summit that took place in Japan in April 2021. In FY-20/21, CHF 20.6 million in financial assistance from governments (as defined under GRI 201-4) were also realized in the form of grants to support several Forum-led programmes. The main initiatives were the [Global Alliance for Trade Facilitation](#), [Tropical Forest Alliance](#), [Global Plastic Action Partnership](#), [Grow Asia](#), [Circular Economy](#), [Food Systems](#), [Sustainable Development Investment Partnership](#), [Global Battery Alliance](#), [Friends of Ocean Action](#) and the [Global Water Initiative](#), with funding received from Australia, Canada, Denmark, the European Commission, Germany, Japan, the Netherlands, Norway, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.

In FY-19/20, CHF 2.3 million was received by the United Arab Emirates and India to support two major gatherings: the Annual Meeting of the Global Future Councils in Dubai and the India Economic Summit in New Delhi. Note that in-kind contributions were also received from the Confederation of Switzerland, Canton of Grisons and Town of Davos related to the organization of the Annual Meeting in Davos-Klosters, estimated at CHF 6.75 million.

In FY-19/20, CHF 17.6 million in financial assistance from governments (as defined under GRI 201-4) were also received in the form of grants to support several programmes led by the Forum (see the list above) from Australia, Canada, Denmark, the European Commission, Germany, Japan, the Netherlands, Norway, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.

**METRIC**

**CORE METRIC**

**Financial investment contribution:**

1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.
2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.

**EXPANDED METRIC**

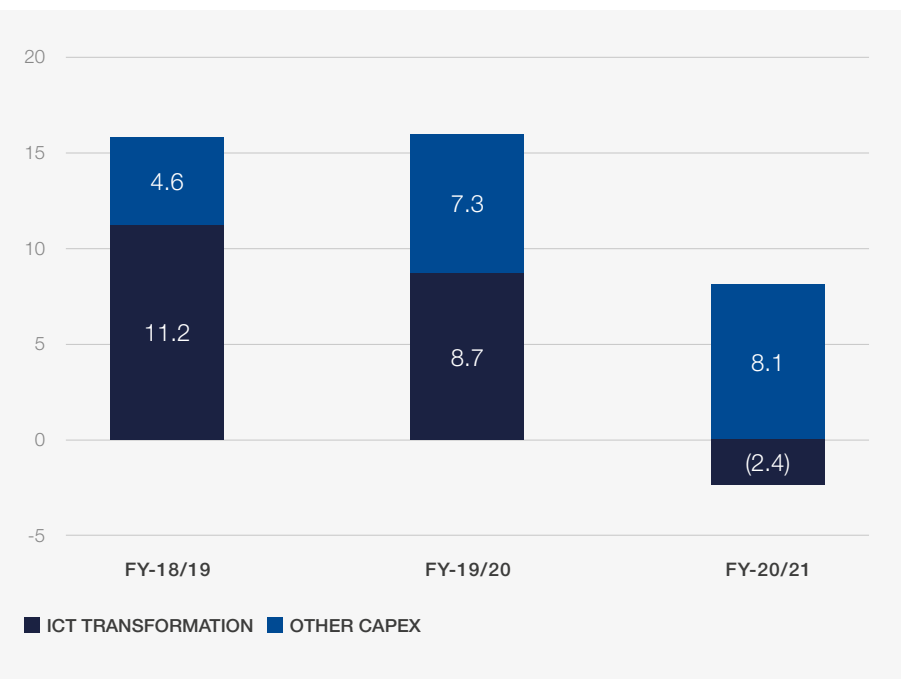
**Infrastructure investments and services supported:**

Qualitative disclosure to describe the below components:

1. Extent of development of significant infrastructure investments and services supported.
2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.
3. Whether these investments and services are commercial, in-kind or pro bono engagements.

**RESPONSE**

**Total CapEx by year**



1. The Forum spent CHF 16 million in fixed asset capital investments in FY-19/20 and CHF 5.7 million in FY-20/21 (net of depreciation), primarily driven by real estate investments in the offices in Geneva, Switzerland (Other Capex) and technology expenditures (ICT). Our real estate investments focused on increasing the office space in Geneva as well as our meeting and convening space to improve collaboration with constituents. Note that the CHF (2.4) million in FY-20/21 is linked to a change in accounting methodology related to renovation costs of some of our real estate in Geneva. We also invested in better communication tools and broadcasting studios across our locations to become a more digital and interactive organization linked with all our communities around the world. We invested, for example, in the new digital platform [UpLink](#), which aims to connect entrepreneurs and champions globally to find solutions towards the SDGs.

Finally, we continued to invest heavily in our information technology (IT) tools in order to share information more efficiently (TopLink) and collaborate more effectively with our constituents on our platforms.

The Forum also strengthened its digital membership through the [Strategic Intelligence](#) platform to allow the general public and smaller companies to access a variety of content generated by the Forum and its Partners and leverage the use of Transformation Maps.

2. The metric related to "Share buybacks plus dividend payments" is not applicable to the Forum since it is a Swiss foundation and therefore does not have shareholders.



SDG 8: Decent Work and Economic Growth – SDG target 8.2



## METRIC

### EXPANDED METRIC

#### Significant indirect economic impacts:

1. Examples of the organization's significant indirect economic impacts, both positive and negative.
2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).



## RESPONSE

1. The Forum has significant indirect economic impact through its activities. A few examples include: economic development in certain regions of the world ([Grow Asia](#)); economic impact to improve social conditions (the [Global Gender Gap Report](#), the [Reskilling Revolution](#) initiative, the [Global Risks Report](#), the [Global Competitiveness Report](#)); the prioritization of digital inclusion as foundational to achieving the SDGs (the [EDISON Alliance](#)); the decarbonization of the global economy (the [Mission Possible Partnership](#), the [Trillion Trees](#) initiative).
2. These include the creation of protocols for a human-centred use of new technologies (artificial intelligence, internet of things, blockchain, data policy, health, new mobility) through the Centre for the Fourth Industrial Revolution in San Francisco, with its affiliate centres in 11 countries. With the Big Four accounting firms Deloitte, EY, KPMG and PwC, the Forum has also created a set of ESG metrics outlined in a white paper entitled "[Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation](#)".

SDG 8: Decent Work and Economic Growth – SDG target 8.2



## Innovation of Better Products/Services

## METRIC

### CORE METRIC

**Total R&D expenses:** Total costs related to research and development.



## RESPONSE

Because of the nature of its activities, the World Economic Forum does not have R&D costs per se, as defined under US GAAP ASC 730. However, the Forum invests heavily in technology development to meet the organization's evolving needs and the needs of its constituents. Over the last few years, we have continuously developed and improved the TopLink platform and opened it up to the general public with certain features. In FY-19/20, the Forum invested CHF 8.7 million in IT to serve that purpose and CHF 8.1 million in FY-20/21.

SDG 9: Industry, Innovation and Infrastructure – SDG target 9.5

**METRIC**

## EXPANDED METRIC

**Social value generated:**

Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges.

**RESPONSE**

The Forum is committed to improving the state of the world. All Forum activities are designed to deliver social benefits or to address sustainability challenges, directly or indirectly.

A selection of activities includes:

- A skills taxonomy that provides a global standard for companies to adopt and adapt to their needs for a global matching of skills and jobs
- A commitment framework on reskilling, as well as hardwiring gender parity and racial justice that supports company transitions into better company policies in these areas
- The Workforce Tech alliance that supports human resources of the future
- The Social Protection Consortium
- The Valuable 500 and the Partnership for Global LGBTI Equality, which raises awareness of inclusion and how to address it in a business setting, allowing for the development and adoption of better standards
- The Diversity, Equity and Inclusion toolkit, encompassing tools and best-practice sharing for the adoption of innovative and inclusive practices
- Competitiveness-related work, helping to identify new markets that will deliver growth in the future and to develop relevant investment strategies to promote them

In addition, two new platforms were created, on COVID-19 and climate change, to address the pressing issues of the ongoing pandemic and global warming and sustainability.



SDG 8: Decent Work and Economic Growth – SDG target 8.2

**METRIC**

## EXPANDED METRIC

**Vitality index:** Percentage of gross revenue from product lines added in the last three (or five) years, calculated as the sales from products that have been launched in the past three (or five) years divided by total sales, supported by narrative that describes how the company innovates to address specific sustainability challenges.

**RESPONSE**

All amounts in million CHF	FY-18/19	FY-19/20	FY-20/21
Total revenue	332.2	350.6	304.8
Revenue from Innovation	3.9	15.3	31.3
% revenue from Innovation	1.2%	4.4%	10.3%

The Forum is constantly developing new ways for all types of stakeholders to engage in its mission. In the last few years, the Forum has opened up to smaller companies and engaged start-ups more proactively as key stakeholders in its work through the [UpLink](#) platform. UpLink is a call to action for start-up companies wishing to propose solutions to the SDGs' challenges. The Forum has also developed innovative digital platforms to engage the general public (providing access to some features of its knowledge management tool TopLink through the [Strategic Intelligence](#) website).



SDG 9: Industry, Innovation and Infrastructure – SDG target 9.5



# Community and Social Vitality

## METRIC

### CORE METRIC

**Total tax paid:** The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.

### EXPANDED METRIC

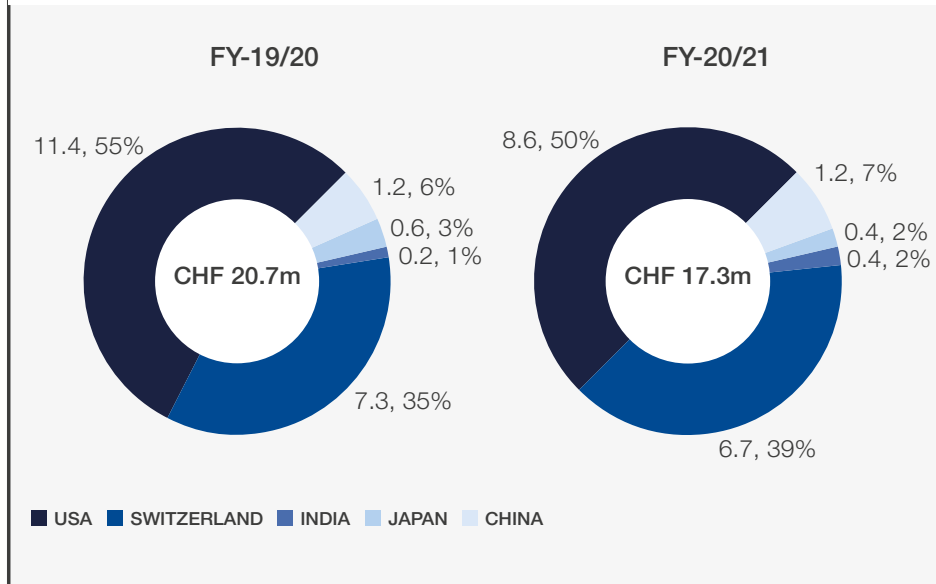
**Additional tax remitted:** The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.

### EXPANDED METRIC

**Total tax paid by country for significant locations:** Total tax paid and, if reported, additional tax remitted by country for significant locations.

## RESPONSE

### Total Tax Paid



The World Economic Forum is a Swiss private foundation that is tax-exempt in Switzerland and the United States. Even though it is tax-exempt, the Forum contributes towards payroll and withholding taxes in all locations where it is present (China, India, Japan, Switzerland, United States).

Issues related to taxation have been addressed recurrently during our summits and have also triggered white papers and various projects. Examples of initiatives that have taken place recently include:

[Reimagining the future of the tax system](#)

[Corporate Tax, Digitalization and Globalization](#)



SDG 17: Global Partnership for Sustainable Development – SDG target 17.1

## METRIC

### EXPANDED METRIC

**Total social investment:** Total social investment sums up a company's resources going towards "S" in ESG efforts defined in the Chief Executives for Corporate Purpose (CECP) Valuation Guide.

## RESPONSE

Social value creation has been at the forefront of the World Economic Forum's mission since its inception.

In January 2020, during the Annual Meeting in Davos-Klosters, the Forum put forward the *Davos Manifesto* that defines the purpose of a company: to engage all its stakeholders in shared and sustained value creation. In creating such value, a company serves not only its shareholders, but all its stakeholders – employees, customers, suppliers, local communities and society at large.

More recently, as a unique window of opportunity has opened to shape the post-COVID-19 pandemic recovery, [the Great Reset initiative](#) will offer insights to help inform all those determining the future state of global relations, the direction of national economies, the priorities of societies, the nature of business models and the management of a global commons. Drawing from the vision and vast expertise of the leaders engaged in the Forum's communities, the Great Reset initiative has a set of dimensions to build a new social contract that honours the dignity of every human being. The Forum has created C-suite communities – especially in the pandemic environment – using its platform to exchange and strengthen peer-to-peer interaction and support the transition to the "new normal".

The Forum is also engaged in strengthening public-private collaboration to close gaps and help countries improve their performance towards education, gender parity or innovation.

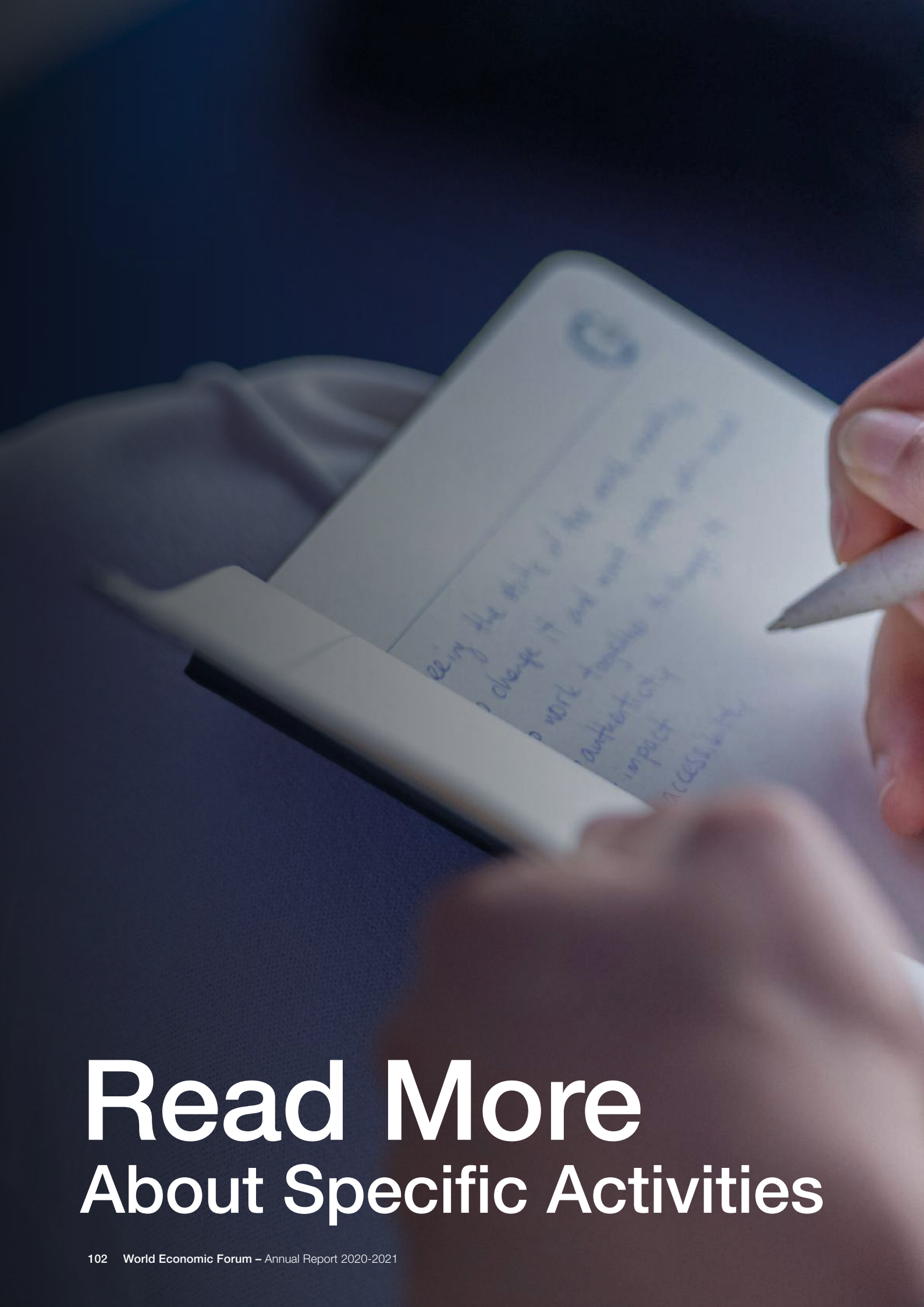
Internally, under the leadership of the Investment Committee, the Forum has incorporated ESG criteria in its investment strategy to manage the Foundation's long-term strategic reserves. Staying true to its mission, the Forum deploys its funds in a responsible manner. Over past years, the Foundation has invested in various socially responsible investing vehicles, such as microfinance, responsibly sourced precious metals, gender balance and climate change-focused funds. The Forum is also setting up an endowment fund whose investment policy adheres to ESG principles, and whose proceeds will contribute to financing impact-related Forum projects.

The pension fund-related investments will also be reviewed with an ESG lens in the Forum's various locations.

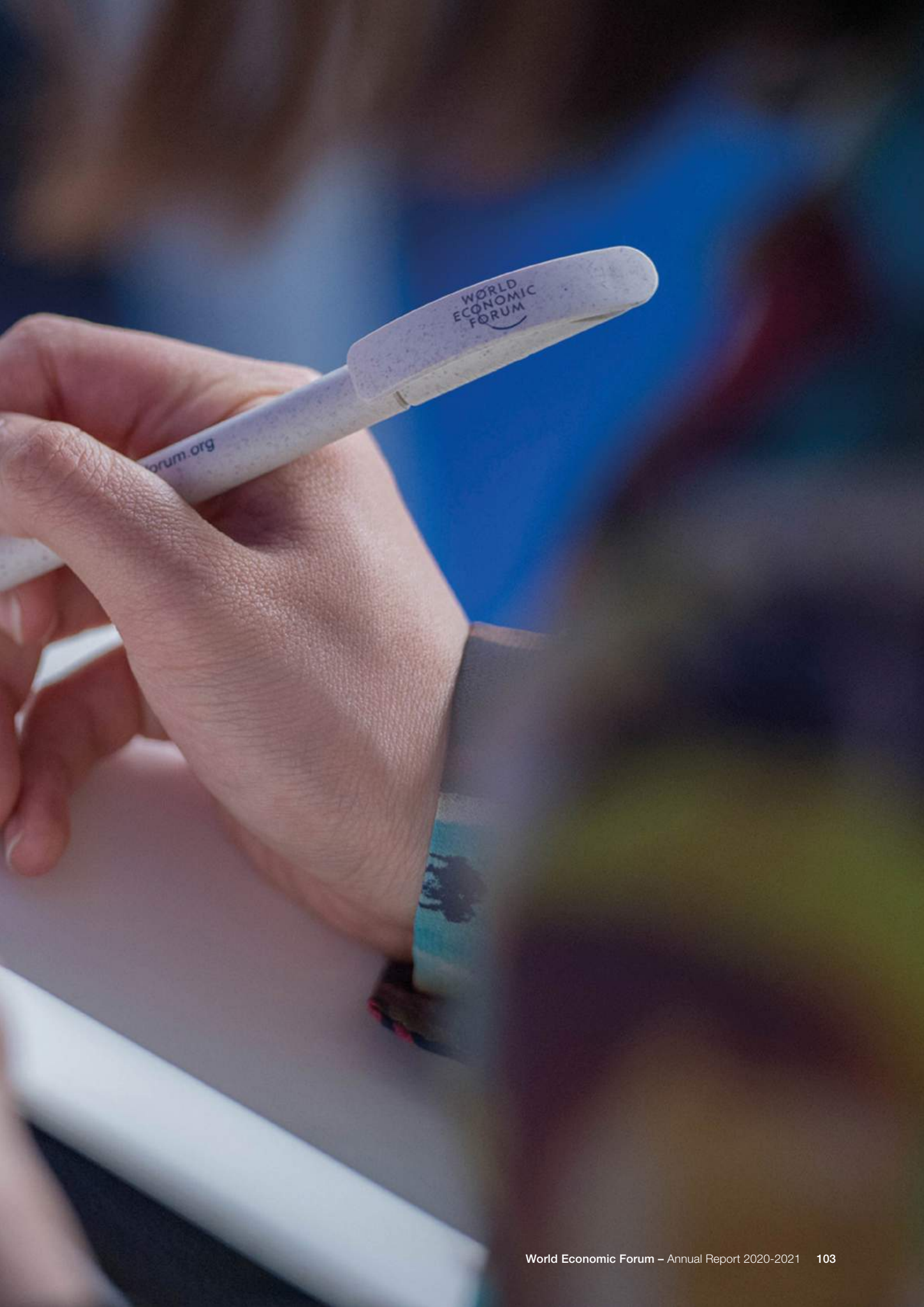


SDG 8: Decent Work and Economic Growth – SDG target 8.2





# Read More About Specific Activities



## A. Centre for Global and Regional Cooperation

### Global cooperation

The work of the Global Action Group is underpinned by the centre's **Global Future Council on Geopolitics**, which offered intellectual guidance on the current geopolitical context and worked to identify opportunities for global collaboration in four primary areas: technology, security, sustainability, and trade and global economics. The council's insights were captured in thought-leadership pieces presented on the Forum's Agenda page, in virtual dialogues and in meetings with ministers and other public officials.

### Regional cooperation

#### North America

With the COVID-19 pandemic as a backdrop, the year was marked by the extraordinary closing of the border between North America's two largest countries, affecting the movement of people and to a lesser extent trade between the United States and Canada. As in other regions, the pandemic highlighted structural inequities in society, even as the region was one of the early beneficiaries of the vaccine roll-out. Matters of racial inequality and social justice became top of mind for companies, politicians and citizens alike, seen through the prism of the health crisis and policing.

Politics also dominated the agenda, with the presidential election and transition in the United States leading to a protracted period of uncertainty and deep political polarization, not to mention a razor-thin majority in the House of Representatives and Senate for the Democratic Party. President Biden was able to pass several signature pieces of legislation especially related to COVID recovery. In Canada, despite lacking an outright majority in Parliament, Prime Minister Justin Trudeau was able to advance his legislative agenda both in respect to pandemic relief and other domestic priorities.

The North America team focused its work on making the link between the substantive agenda of various Forum platforms and policy-makers in the United States and Canada. Nearly three dozen principals, ranging from cabinet secretaries, ministers, senators and members of Congress to mayors or governors, took part in Forum sessions during the past year. Select examples include FBI Director Christopher Wray and Homeland Security Secretary Alejandro Mayorkas speaking on cybersecurity; Senator Kirsten Gillibrand and other members of Congress speaking on US national security; and Canadian Deputy Prime Minister and Minister of Finance Chrystia Freeland presenting Canada's response to the health and economic crisis. They and many others offered real-time linkages between the Forum's robust working agenda and the policy-making world.

Additionally, Klaus Schwab joined US Vice-President Kamala Harris in May 2021 for the launch of the Administration's Call to Action to Deepen Investment in the Northern Triangle, an initiative the Forum continues to support.

Special note should be made of the close collaboration established with the office of John Kerry in his role as Special Presidential Envoy for Climate, given the Forum's ability to mobilize so many crucial stakeholders in this crucial effort.

#### Latin America

The Latin America team continue to provide an indispensable platform that assembles key regional leaders from all sectors to address the immediate impact of COVID-19 and define a path for the region's economic reactivation and its long-term innovative, inclusive and sustainable development.

In this regard and with the objective of driving public-private cooperation for impact, a **Regional Action Group for Latin America** was created with 80 trusted partners. It held 11 virtual meetings that counted with the participation of the presidents of Chile, Colombia, Costa Rica and Ecuador and with ministers from various countries in the region, producing, among other concrete outputs, a report that contains a roadmap entitled "Public-Private Cooperation to Reactivate the Region's Economy: Critical Industries and Strategic Investments".

Two **Country Strategy Dialogues** were convened: one with the President of **Argentina** and the other with the Minister of Economy of **Brazil**. A third dialogue is planned with the presidency of **Colombia** for October 2021.

In the area of the **Fourth Industrial Revolution**, the Affiliate Centres in Colombia and Brazil were consolidated and a partnership with the Inter-American Development Bank was substantiated. On the **digitalization front**, the Forum continued its active contribution to the development of the digital economy in the region, focusing on digital payments in the Pacific Alliance bloc and on the digitalization of ports in Guatemala, in collaboration with the Global Alliance for Trade Facilitation. It also created an Advanced Manufacturing Hub in Brazil. In the areas of **sustainability**, two Clean Energy Transition roundtables were organized in Brazil and Colombia, with both a country and a regional approach, also addressing the region's significant green hydrogen potential; an innovative global initiative on BiodiverCities by 2030 was launched and the Forum's commitment with the sustainability of the **Amazon** advanced through continued high-level dialogues and the launch of collaborative projects, such as the EcoPreneurship Challenge for the Bioeconomy, in collaboration with UpLink and the platform for the trillion tree community (1T.org).



On the areas of **inclusion**, the Forum advanced eight **gender parity initiatives** in Latin America in collaboration with the Inter-American Development Bank and created a **Skills Accelerator in Brazil**. World Economic Forum Executive Chairman Klaus Schwab joined **US Vice-President Kamala Harris's Call to Action** in support of creating competitive, inclusive and resilient economies in the Northern Triangle of Central America which, under his leadership, the Forum will continue to endorse.

## Africa

The African Continental Free Trade Area (AfCFTA), which came into effect in early 2021, gives new impetus to African integration. It also offers a pathway for accelerated transformation. However, the agreement's implementation will be delayed by the ongoing COVID-19 pandemic. Specifically, the vaccine roll-out in Sub-Saharan Africa remains the slowest in the world. Less than 2% of vaccine doses administered to date globally have been in Africa. And only seven African nations are expected to meet the World Health Organization's goal of every country worldwide vaccinating 10% of its people against the coronavirus by September. It is a dire prospect for a continent in which vaccine supplies are quickly being depleted, and governments are battling a resurgence in infections.

Launched by Mokgweetsi Masisi, President of Botswana, the **Regional Action Group for Africa** held eight meetings – to share and define a regional vision and to drive action based on the region's needs and priorities. Special guests included Nana Akufo-Addo, President of Ghana; Wamkele Mene, Secretary-General of the African Continental Free Trade Area secretariat; Robert F. Smith, Founder, Chairman and Chief Executive Officer of Vista Equity Partners, USA; and Patrice Motsepe, Founder and Executive Chairman of African Rainbow Minerals, South Africa.

During the Davos Agenda 2021, members of Regional Action Group published a report addressing how governments and the private sector can leverage the AfCFTA by building effective regional value chains. Importantly, these value chains will enable and accelerate the local production of vaccines. Both Senegal and South Africa have started to manufacture vaccines.

Notably, Africa's working-age population is set to surpass 1 billion before 2030. If these new entrants to the labour force are equipped with the necessary skills and access to more productive work, they will start to generate an economic surplus that can improve human capital and increase productivity. The Forum announced a **Closing the Gender Gap Accelerator in Kenya** and partnered with the South African National School of Government to develop transformation maps and related contextual intelligence.

In partnership with the Forum's Sustainable Development Investment Partnership (SDIP), the Government of Ghana developed a **Country Financing Roadmap (CFR)** for the Sustainable Development Goals. The CFR was launched during a Country Strategy Dialogue between President Nana Akufo-Addo of Ghana and global chief

executive officers and chairpersons. And President Cyril Ramaphosa of South Africa chaired a **Country Strategy Dialogue on South Africa's economic reconstruction and recovery plan**.

Furthermore, many African countries are already experiencing climate-related stresses, such as droughts, floods and variable rainfall – and most remain highly vulnerable to climate impacts. Early this year, **Nigeria** joined the Forum's **Global Plastic Action Partnership** and the **Champions for Nature** community of leaders. And the **African Circular Economy Alliance** published a report entitled **Five Big Bets for the Circular Economy in Africa**. The report was launched by co-chairs of the alliance Mohammad Mahmood Abubakar, Minister of Environment of Nigeria, and Jeanne d'Arc Mujawamariya, Minister of Environment of Rwanda.

In addition, the Global Battery Alliance published the report **Closing the Loop on Energy Access in Africa**. This publication aims to advance the Global Battery Alliance 2030 vision to provide 600 million people with access to electricity via battery deployment. Willy Samsoni Kitobo, Minister of Mines of the Democratic Republic of the Congo is a member of the Global Battery Alliance Cobalt Action Partnership Steering Committee.

Finally, the pandemic has been a catalyst for the acceleration of digital transformation across the region. World Economic Forum Affiliate Centres for the Fourth Industrial Revolution – in South Africa and Rwanda – continued to play a critical role in helping to shape the development and application of emerging technologies for the benefit of the region.

## Europe and Eurasia

The past year in the Europe and Eurasia region was characterized by the response to the unprecedented COVID-19 crisis and the corresponding economic recovery, for which the dual green and digital transitions remain the most critical prospects to advance on inclusive and sustainable development. The European Union's NextGenerationEU recovery package of €750 billion represents a historic opportunity to achieve Europe's global leadership within the dual transition but, to achieve the goals set at the national and European levels, significant public-private cooperation will be required. As such, the Forum brought together leading chief executives, policy-makers and civil-society representatives to shape the regional economic recovery. Supporting these aims were multistakeholder communities of purpose, including the Regional Action Group for Europe and Eurasia, the CEO Action Group for the European Green Deal, as well as the Eurasia Policy Group. The work of these communities advanced further through Country Strategic Dialogues and other Forum-led initiatives on a national level.

Established in 2020, the **CEO Action Group for the European Green Deal** serves as a platform for business leaders to support concrete plans and ideas to translate the ambition of the European Green Deal into action and become an agent of change for the EU's green transition. Under the leadership of its co-chairs, Feike Sybesma,

Honorary Chairman of Royal DSM and Chairman of the Supervisory Board of Royal Philips, Netherlands, and Thomas Buberl, Chief Executive Officer of AXA, France, the CEO Action Group championed a series of lighthouse projects, action-oriented and cross-sectoral initiatives aimed at tackling decarbonization in various industries. Alongside its impact-oriented projects, one of the priorities of the CEO Action Group is to strengthen the dialogue between business executives and policy-makers to realize the EU climate-neutrality ambition by 2050. Over the past year, the CEO Action Group's community meetings included Frans Timmermans, Executive Vice-President for the European Green Deal; Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People; Roberto Cingolani, Minister for the Ecological Transition of Italy; and Stientje van Veldhoven, Minister for the Environment of the Netherlands.

The **Regional Action Group for Europe and Eurasia** comprises over 60 leading chief executives, policy-makers and civil-society representatives who have met virtually on nine occasions since the community's establishment in April 2020, providing an opportunity for public-private cooperation on enhancing the region's digital competitiveness. The Forum regularly convened special guests of relevance to virtual meetings, including the prime ministers of Belgium, Luxembourg, Croatia, Estonia and Serbia, in addition to Margrethe Vestager, Executive Vice-President for a Europe Fit for the Digital Age of the European Commission. Through these interactions, leaders discussed strategies for Europe to catch up with other major digital players such as the United States and China, while respecting European values on data and privacy.

Complementing these activities at the national level were **Country Strategy Dialogues**, four of which were held in 2021 with Angela Merkel, Federal Chancellor of Germany; Vladimir Putin, President of the Russian Federation; Paolo Gentiloni, European Commissioner for Economy; and Fuat Oktay, Vice-President of Turkey. Also at the national level, three new **Fourth Industrial Revolution Affiliate Centres** were launched in Turkey, Azerbaijan and Kazakhstan. Moreover, **Country Accelerators** were announced for Turkey (Closing the Skills Gap), Kazakhstan (Closing the Gender Gap), the Western Balkans (Closing the Innovation Gap) and Georgia (Closing the Skills Gap). In addition, the Government of the Netherlands agreed in 2021 to host a Global Coordinating Secretariat for Food Innovation Hubs around the world, with the aim of leveraging technology and broader innovations to strengthen local innovation ecosystems for food systems transformation.

The **Eurasia Policy Group** comprises over 35 leading chief executives, policy-makers and civil-society representatives who have met virtually on six occasions since the community's establishment in July 2020 to develop strategies on how the region can leapfrog on its economic development through the digital and green transitions. Special guests at the virtual meetings included Alexei Overchuk, Deputy Prime Minister of the Russian Federation; Mikayil Jabbarov, Minister of Economy of Azerbaijan; and Rashad Nabiyeu, Minister of Transport, Communications and High Technologies of Azerbaijan.

## Middle East and North Africa

Following a contraction of 4.7% in its output during the previous year, the Middle East and North Africa (MENA) is well positioned for a strong recovery in 2021 with a projected 4% in GDP growth. Additionally, the region witnessed an increase in the adoption of the digital economy, growing momentum in favour of the sustainability agenda (illustrated by the Abu Dhabi Climate Summit and the Saudi Green Initiative) and an uptick in geopolitical dialogue. Even so, in some countries the pandemic has exacerbated fragility, further battering their economies, intensifying societal polarization and straining healthcare systems.

In this context, the World Economic Forum was able to draw on its unique position as an impartial international organization with deep roots in the region (going back to the 1970s) to facilitate the public-private collaboration that is indispensable to shape an inclusive and robust recovery in MENA.

The prime vehicle in this effort during the year was the **Regional Action Group for the Middle East and North Africa**, which grew to more than 80 chief executives, ministers and experts. By facilitating regular virtual interactions between members of this community, government and business leaders were able to co-shape their response to the crisis. Since its inception in April 2020, the group has convened 10 times in virtual community meetings to address a variety of issues, including national policy responses to COVID-19, supply chain resilience, the digital economy and sustainable investment strategies. Key contributors included Mohammed Al-Jadaan, Minister of Finance of Saudi Arabia; Mohammad Al Gergawi, Minister of Cabinet Affairs of the United Arab Emirates; and Mukesh Ambani, Chairman and Managing Director of Reliance Industries, India.

As a result of their interactions, members of the Regional Action Group adopted the **Principles of Stakeholder Capitalism**, whereby they committed to working towards strengthening social inclusion, economic integration, environmental sustainability, digitization, education, health and agile governance. Based on these principles, members also developed **actionable ideas**, the purpose of which was to strengthen resilience through concrete and scalable initiatives that other members can join. Actionable ideas worked on include focusing on the re-engineering of food production, financial inclusion and digital assets (tokenization).

To complement the community-driven and impact-focused work conducted by the Regional Action Group, the Forum facilitated **Country Strategy Dialogues** with heads of state and government in key economies, which provide an opportunity for business leaders to shape longer-term policy-making. These dialogues were organized with the Crown Prince of Saudi Arabia, the Prime Minister of Israel and the Prime Minister of Egypt.

In terms of diplomacy initiatives, the Forum continued its work to support a two-state solution between Israelis and Palestinians by further advancing the dialogue of the

**Breaking the Impasse (BTI)** community. Founded in 2012, it numbers around 200 Israeli and Palestinian business leaders who convened regularly during the past year. After the onset of the pandemic, it established five action-oriented working groups, including health, banking, construction and high-tech to help coordinate the recovery efforts in these key areas. At the geopolitical level, the community worked with Hady Amr, US Deputy Assistant Secretary of State for Israeli and Palestinian Affairs, to help inform the incoming US Administration's efforts in the region.

These high-level initiatives were supported by public-private workstreams taking place on the ground in various countries. For example, the UAE adopted a national Circular Economy Policy inspired by **Scale360**<sup>o</sup>, a public-private effort facilitated by the Forum to fast-track innovation impacts in the circular economy. Social and economic inclusion efforts were supported through the announcement of a **Closing the Gender Gap Accelerator** in Jordan. Finally, the **Centres for the Fourth Industrial Revolution** in Dubai, Tel Aviv and Riyadh contributed to advancing human-centric technology governance and applications in their respective jurisdictions. For instance, the Centre for the Fourth Industrial Revolution United Arab Emirates designed a policy framework for personal data and procurement guidelines for artificial intelligence, while the Centre for the Fourth Industrial Revolution Israel helped pilot regulations to enable commercial drone deliveries.

### India and South Asia

The COVID-19 pandemic has been particularly devastating in the region, resulting in some of the highest infection and mortality rates globally, healthcare systems strained to a breaking point, severe economic losses and business disruption due to lockdowns, and an unprecedented rise in unemployment and household poverty rates. The World Economic Forum strengthened emergency response and rehabilitation efforts in the region through its multistakeholder communities and supported efforts to mobilize critical financial and non-financial resources. During the year, the area's agenda was further advanced through the Regional Action Group, Country Strategy Dialogues and impact-focused projects led by Forum platforms and the Centre for the Fourth Industrial Revolution India. These high-level dialogues and initiatives concentrated on building strategic pathways for inclusive and sustainable recovery through public-private cooperation.

### The Regional Action Group for South Asia

convened government and business leaders, civil-society representatives and experts for action-oriented discussions on critical priorities in the context of COVID-19 and beyond. The group was inaugurated by Prime Minister Sheikh Hasina of Bangladesh in April 2020 and seven meetings were held during the year. The group initiated four intraregional multistakeholder working groups. A **Working Group on Supply Chain Continuity** compiled policy papers on bottlenecks and proposed solutions in supply chain logistics as well as agriculture and food supply chains, which were shared with public- and private-sector stakeholders. A **Working Group on**

**Deceleration in Remittances in South Asia** drafted a paper on strategies for public-private partnerships to address the deceleration in remittances. The paper was reviewed by the UN Capital Development Fund and final recommendations were shared with relevant stakeholders. A **Working Group on Rebuilding Cities** focused on generating insights and collaborations to translate lessons from the pandemic into a comprehensive agenda for urban reforms. The group released a White Paper, compiling recommendations from 14 urban experts. It also initiated state-specific working committees with the Governments of Tamil Nadu and Punjab for consultations between local/municipal government representatives, urban experts and other relevant stakeholders on a locally relevant agenda for urban reforms. A fourth **Working Group on Digital Transformation** concentrated on supporting digital transformation in the region with small and medium-sized enterprises and education as its priority sectors. It also collaborated with the Centre for the Fourth Industrial Revolution India and UNICEF on the Knowledge and Information Network on Digital Learning and Education (KINDLE) initiative.

The **Country Strategy Dialogue on Pakistan** in November 2020 brought together chairpersons and chief executives from around the world to hear from Prime Minister Imran Khan and key members of his cabinet. The session provided global business leaders unique insights on the government's outlook and vision for Pakistan and the dialogue highlighted partnership opportunities in the post-pandemic recovery. Indian Prime Minister Narendra Modi delivered a **special address** during the Davos Agenda 2021, which was followed by a **Country Strategy Dialogue on India** featuring an exclusive interaction between the prime minister, four key ministers of the Indian Union Cabinet and leading international business leaders. The discussions framed the next set of structural policy reforms that will continue to shape the government's agenda.

During the year, the World Economic Forum continued to expand its regional impact through projects led by its platforms. A coalition of over 50 public- and private-sector leaders focused on transporting 100 million passengers on clean fuel in India by 2030 as part of **Clean Skies for Tomorrow**, a joint initiative with McKinsey & Company, which presented its final blueprint to the Indian Government in June 2021. Building on the work under **New Vision for Agriculture**, a **Food Innovation Hub** was launched in India to accelerate food systems transformation and strengthen local ecosystems through technology and innovation. In collaboration with Kearney, the White Paper "Shifting Global Value Chains: The India Opportunity" presented strategic pathways for India to become a global manufacturing hub and laid the foundations for a future collaborative workstream. The **Closing the Skills Gap Accelerators** in India and Pakistan further advanced national-level partnerships to implement selected priorities to enhance the employability and future readiness of their workforces and address skill gaps. Part of the global **Sustainable Investment** initiative, a pilot was launched in India to identify policies and specific measures to increase investment flows and

their development impact. The pilot included an in-depth geographical examination of the states of Madhya Pradesh, Assam and Telangana and a sectoral analysis of agribusiness and tourism.

The **Centre for the Fourth Industrial Revolution India** continued to support innovative governance and business models and community ecosystems to advance the adoption of emerging technologies. During the year, the centre launched multiple collaborative initiatives: Artificial Intelligence for Agriculture Innovation (AI4AI) with the state Government of Telangana; Towards a Data Economy to promote an enabling framework to accelerate India's transition to a data-driven economy; Fourth Industrial Revolution for Sustainable Transformation of Health (FIRST Health); Smart Cities Centre of Emerging Technologies; Chatbots RESET for the responsible use of chatbots in healthcare; and an AI Ethics Framework initiative for responsible AI adoption across sectors.

### Asia-Pacific

The Asia-Pacific region (comprising of the 10 Member Nations of ASEAN, the Korean Peninsula and Australasia) has experienced dramatic shifts related to the COVID-19 pandemic. Having been exposed to the outbreak earlier than most of the rest of the world, the region showed remarkable resilience and capacity to manage the spread in its early days, with social distancing measures leading to an accelerated “un-tact” digital transformation and providing a huge boost to its already vibrant digital economy. New concerns have surfaced, however, as a number of countries in the region experience a significant growth in infections resulting from the rapid spread of new variants and the sluggish roll-out of vaccines, significantly disrupting plans for economic recovery.

Established in April 2020, the **Regional Action Group for ASEAN** (formerly named the Regional Action Group for Asia-Pacific) became the principal platform for Forum Members and Partners in the region to work together to examine ways to deepen public-private partnerships to tackle the region's evolving priorities and objectives. The group's 17 meetings helped to identify critical areas for supporting the priorities laid out in the ASEAN Comprehensive Recovery Framework and its Implementation Plan.

At the national level, **Country Strategy Dialogues** with Indonesia in November 2020 and the Republic of Korea on the sidelines of the Davos Agenda week in January 2021 helped focus the international business community's attention on key economies in the region. Joko Widodo, President of Indonesia, chaired a Country Strategy Dialogue in which senior cabinet members participated to discuss the country's plans for economic recovery and the Omnibus Law on Job Creation, and ways to facilitate greater investment into the country. The Country Strategy Dialogue led by Moon Jae-in, President of the Republic of Korea, provided an opportunity for global business leaders to consider how Korea can rebound from the current crisis, leveraging the “K-New Deal” and concentrating on innovation, sustainability and inclusiveness.

The Forum's work in the Asia-Pacific region also continued to provide input and leadership on a number of global issues, for instance through the creation of the **Smart Industry Readiness Index (SIRI)** in partnership with Singapore's Economic Development Board, adopted internationally by more than 400 companies in 15 countries to assist their industry transformation journey. During the year, the **Global Future Council on the Korean Peninsula** held a number of public webinars as well as closed-door consultations with key decision-makers in the United Nations Security Council and EU to shed light on the humanitarian impact of sanctions on the Democratic People's Republic of Korea compounded by the COVID-19 pandemic, to find solutions to sustain peace on the peninsula and beyond.

## International organizations

During the Davos Agenda week, UN Secretary-General Antonio Guterres gave a [special address](#) to elevate climate ambitions on the road to COP26, and IMF Managing Director Kristalina Georgieva [spoke](#) on implementing stakeholder capitalism and an inclusive economic recovery in the aftermath of the pandemic.

Additionally, senior representatives from international organizations shared their perspectives through regular community engagement: they acknowledged the progress and addressed the setbacks of reaching the goals of the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change at the Sustainable Development Impact Summit in September 2020, and discussed the need for a renewed focus on wage creation, income equality and skilling at the Jobs Reset Summits in October 2020 and June 2021. They took part in the Global Action Group and Regional Action Group meetings, in the Chief Economists and Risk Officers communities, and in other platform community gatherings, including on new public-private initiatives such as the EDISON Alliance and the Global AI Action Alliance.

## Trade and global economic interdependence

Despite a growing pool of sustainable capital, the broad collapse in foreign direct investment (FDI) led the Platform for Shaping the Future of Trade and Global Economic Interdependence to intensify **investment facilitation programmes** alongside negotiations for a plurilateral agreement on investment facilitation for development. Responsible investor and incentive schemes were included in legislation in Ghana, while in Cambodia a domestic supplier network was put in place and smart incentives were introduced in the new investment law.

The platform worked on **digital trade and e-commerce**, as well as **climate and the circular economy**. Digital trade and e-commerce cemented their role as growth engines of the global economy, requiring strengthened public-private engagement on policy development. Data flow governance recommendations emerged from community workshops,

with specific opportunities identified in various South and South-East Asian nations. Cross-border digital payment access and interoperability were focus areas during the year, building on TradeTech research. In e-commerce, new evidence was generated on how economies can attract digital FDI and enable e-commerce, which was immediately put into practice through donor-funded support to developing economies.

Growing concerns about fair tax and competition in the digital economy compelled international cooperation. After contributing several years of dialogue on international corporate tax reform, the platform was pleased to see progress at the G20 and OECD level and continued to help leaders follow and provide input to policy discussions on corporate and digital tax policy reform, e-commerce Value Added Tax/Goods and Services Tax collection and digital platform competition regulation.

Work on circular plastics and electronics prepared the ground for trade facilitation efforts to ease the growth of a responsible global circular economy, while extensive industry interviews surfaced business input on trade priorities for climate action. Led by the **Global Future Council on Trade and Investment**, progress was made on social justice by examining the role of trade in alleviating inequalities between social groups.

A new subsidies and industrial policy working group was launched during the year in response to worldwide growth in governments' role in the economy. The group assesses how best to deliver a fair and level playing field for business, while responding to new health, environmental and development challenges.

Business and government interest in advancing the platform's work was evidenced by the doubling of the community's size to over 100 committed partners and by new donor funding support. To leverage leadership-level engagement, the community worked to assemble a high-level call to action to set the direction of trade for tomorrow.

## B. Centre for Industry Transformation

Highlights of the Centre for Industry Transformation's platforms from the past year include:

### Shaping the Future of Advanced Manufacturing and Value Chains

*Mission: Anticipating how pioneering technologies, innovative business models and new partnerships are transforming business's ability to drive economic and societal impact*

*Highlighted achievements:*

- The platform mobilized over 150 global organizations in the manufacturing ecosystem to coordinate the response to the COVID-19 pandemic, supporting the production of critical medical equipment, facilitating training for displaced workers, disseminating protocols to ensure worker safety, and helping ramp up operations (see the [3D Printing COVID-19 Rapid Response Initiative](#); [MFG.works](#); [How to rebound stronger from COVID-19](#); [Resuming operations and business activity post-COVID-19](#)).
- The platform developed and launched new tools and frameworks to help companies and governments build resilience and accelerate responsible industry transformation, contributing towards driving sustainable growth and increasing the level of preparedness in case of future crises (see the [Resiliency Compass](#); [Smart Industry Readiness Index](#); [Data Excellence Framework](#)).

### Shaping the Future of Mobility

*Mission: Accelerating the global transition to safer, cleaner and more inclusive transportation systems, optimizing the delivery of goods and ensuring easy access to mobility for everyone*

*Highlighted achievements:*

- In collaboration with multiple stakeholders, the Maritime Industry Crew Change Taskforce was established and the [Neptune Declaration](#) was launched in January 2021 to address the crew change crisis affecting 1.4 million seafaring men and women.
- The [Common Trust Network](#) was launched to expand the use of trusted digital health passes for cross-border travel.
- The [Clean Skies for Tomorrow Coalition](#) was established, a first-of-its-kind accounting framework for Scope 3 emissions in air travel through a sustainable aviation certificate mechanism.
- The Global New Mobility Coalition developed a [Zero Emission Area Handbook](#), in collaboration with the cities

of Sacramento and Beijing, on ways to enable urban climate change mitigation.

- A pilot of performance-based regulations for autonomous delivery vehicles was launched in Dubai to evaluate safety.
- In collaboration with the Mayor of Los Angeles, USA, the [Principles of the Urban Sky](#) were released. They offer a framework for cities developing policies for urban aerial mobility (flying cars), which was presented by Mayor Garcetti to the US House Transportation Subcommittee on Aviation.
- Development of the [Space Sustainability Rating](#) was completed and the transition was announced to the Swiss Federal Institute of Technology (EPFL) Space Center.

### Shaping the Future of Media, Entertainment and Sport

*Mission: Identifying new business models for content and distribution, transforming the way consumers are informed and entertained around the world*

*Highlighted achievements:*

- Two action groups were created: the [Global Coalition for Digital Safety](#), to exchange practices and coordinate responses to online challenges, such as health misinformation, extremist content and child exploitation; and the [Power of Media Taskforce on Diversity, Equity and Inclusion](#), to advance underrepresented voices in creative production.
- Frameworks were published for strengthening the industry, including on [aligning global action for digital safety, new value creation models and financial viability, resilience and sustainability](#).
- A multi-country effort to encourage purpose-driven advertising was launched in the form of the [United for News Inclusion List](#), a resource for media buyers to support local publishers by placing advertising in brand-safe outlets.

### Shaping the Future of Consumption

*Mission: Creating responsible models of consumption for the benefit of business and society*

*Highlighted achievements:*

- To shift consumers from single-use packaging to durable formats, the [Consumers Beyond Waste](#) initiative established viability frameworks for reuse packaging solutions to guide the transition. This community of

stakeholders also initiated reuse pilots affecting millions of consumers in cities such as New York, Paris, London and Tokyo to accelerate change.

- To encourage consumers to lead healthier lifestyles, public-private partnership were catalysed via the [Healthy Cities and Communities](#) initiative, which is focused on improving the access to and availability of better nutrition, sanitation/hygiene and environmentally sustainable options at the local level – where people live, work and shop. Pilots were successfully executed in cities across the US and India to identify and cross-share leading practices and pathways to increase this effort.

## Shaping the Future of Financial and Monetary Systems

*Mission: Building a more efficient, resilient and equitable international financial system that protects customers, enabling saving and investment for growth while supporting the creation of jobs and enterprises*

*Highlighted achievements:*

- The [Financing the Transition to a Net-Zero Future](#) initiative aims to mobilize capital to accelerate the evolution to net zero across hard-to-abate sectors, including heavy industry and heavy-duty transport. The initiative developed financing blueprints and de-risking solutions, and identified targeted public-sector interventions to catalyse the deployment of finance towards decarbonization technologies. Its goal is to help gather the over \$4 trillion in annual investments required to transition the global economy to net-zero emissions.
- Following the onset of COVID-19-induced financial market turmoil and global economic weakness, the platform established a collaboration between the financial services industry, corporates, the International Monetary Fund and other public-sector organizations focused on promoting financial stability. One initiative, with the World Bank and Cambridge University, worked to conduct and publish research on the health of the FinTech sector during COVID-19, and develop regional partnerships to increase digital financial services.

## Shaping the Future of Investing

*Mission: Enabling stakeholder capitalism across the entire investment value chain*

*Highlighted achievements:*

- The International Business Council and the Platform for Shaping the Future of Investing released the [Stakeholder Capitalism Metrics](#). They are a stepping stone for companies to improve their ESG reporting and ultimately enhance the way they measure and demonstrate their contribution to a more prosperous and fulfilled society and a more sustainable relationship with our planet. Over 80 top business leaders committed to the core metrics.

- As the COVID-19 pandemic unfolded, the Forum's investors industries came together to identify ways to help provide leadership in the economic recovery ahead. They supported the following principles to rebuild a more resilient future:

- Reset investment strategies, revisiting asset allocation, assessing country and asset exposure, and adopting a more activist approach, and enhance the approach to diligence across all asset classes
- Take a new, ESG-focused approach to risk management; this focus is increasingly viewed as a source of value protection and a long-term upside for investments
- Redefine resilience, which includes the resilience of the business itself, with a new emphasis on digital tools and advanced analytics to improve responsiveness and flexibility, and the resilience of the people and the organization, embracing new ways of working and a more holistic approach to talent management.

## Shaping the Future of Health and Healthcare

*Mission: Ensuring every person on earth has equal access to the highest standards of health and healthcare by keeping populations healthy and delivering the best care*

*Highlighted achievements:*

- The Forum was one of only four non-state members of the [Access to COVID-19 Tools \(ACT\) Accelerator](#) governing body, including the private sector to accelerate the development and production of, and equitable access to, COVID-19 tests, treatments and vaccines. Towards this goal, in December 2020, 18 chief executives from the shipping, airlines and logistics industries, along with UNICEF, signed a [charter](#) supporting inclusive global vaccine distribution. Efforts on global pandemic preparedness and response continued, helped by a [new MOU](#) between the Forum and The Rockefeller Foundation.
- The platform partnered with the Wellcome Trust to take a more scientific approach to support mental health at work, leading a series of [new findings](#). The [Global Governance Toolkit for Digital Mental Health](#) was launched in collaboration with Deloitte, a first-of-its-kind set of standards to vet digital mental health solutions.
- As healthcare systems continued to transform from a fee-for-service model to a value-based model, the Forum built on four years of work to launch an inaugural cohort of [four value-based healthcare innovation hubs](#) in Denmark, the Netherlands, Portugal and Wales.
- The Forum's [Global Future Council on Healthy Ageing and Longevity](#) hosted the first [conversation with the](#)

private sector in June 2021 on the role of business in delivering on the priorities of the UN Decade of Healthy Ageing.

- The [Partnership for Health System Sustainability and Resilience](#) was launched to translate the lessons of the COVID-19 pandemic into building health systems that are both more resilient to crises and sustainable. The first phase of the partnership culminated in a [virtual global Summit](#) to share these lessons with 1,200 participants from 65 countries.
- The platform co-hosted an initiative on climate and health with the COP26 Race-to-Zero team, mobilizing the healthcare sector and achieving breakthrough ambition with more than 20% of the pharma and medtech companies committing to achieving net-zero greenhouse gas emissions.

## Shaping the Future of Energy, Materials and Infrastructure

*Mission: Supporting business, governments and society in building resilience to today's challenges while undertaking the transformations necessary to deliver on the energy, materials and infrastructure needed for the future*

*Highlighted achievements:*

- Nine cities and more than 70 organizations from 10 sectors came together for the multi-year initiative [Net Zero Carbon Cities](#). In collaboration with the Forum, they launched a new [framework](#) and curated over 200 proven, integrated energy solutions to make urban ecosystems more sustainable, resilient and equitable.
- The platform developed and implemented a [sharing economy](#) concept in the business-to-business environment for asset-heavy industries to reduce their emissions and resource footprint, uplift talent and enhance their ecosystem while improving capital efficiency and costs. The oil and gas industry pioneered its implementation by creating sharing hubs. This effort offers a good starting point for sharing to become a mainstream business practice across industries.
- Over 50 global electricity industry organizations collaborated to develop a [System Value](#) lens, which enables stakeholders to look beyond cost and consider the broader economic, societal, environmental or energy system value that a particular technology or policy could offer. Government leaders and other stakeholders used the approach to address energy- and economy-related challenges.
- To facilitate the industry climate transition in the materials sectors, the platform collaborated with the [Mission Possible Partnership](#) to mobilize stakeholders in the industrial ecosystems for the aluminium, concrete/cement, chemicals and steel sectors. By taking a driver's seat in these sector-focused initiatives, the platform curated coalitions of leading high-ambition

companies to enable system-wide change and bring about the market infrastructure needed to support that implementation.

- The 2021 [Effective Energy Transition report and index](#) marked the 10th anniversary of this flagship report, which benchmarks 115 countries on the performance of their energy systems. While 92 of the countries have improved their score over the past 10 years, only 10% were able to realize consistent gains.

## Shaping the Future of Digital Economy and New Value Creation

*Mission: Navigating industry disruptions, transitioning to a new digitally inclusive normal*

*Highlighted achievements:*

- The [EDISON Alliance](#) was launched to accelerate digital inclusion, address inequality and digitally connect critical sectors of the economy. EDISON, the Essential Digital Infrastructure and Services Network, is a global movement of 45 leaders from the public and private sectors that aims to improve lives through affordable and accessible digital solutions in healthcare, education and financial inclusion. The Alliance defined collaboration principles and an operating model and prioritized three key levers for impact: accelerating partnerships at scale, empowering policy-makers and unlocking innovative capital to ensure everyone gets online.
- Companies use digital technologies and business models to create new business value and long-term growth and to deliver net positive impacts for people and the planet. The Accelerating Digital Transformation for Long-Term Growth programme mobilized a cross-industry leadership community of over 90 leaders who advanced knowledge exchanges on post-COVID transformation priorities and co-created guides, such as [Bridging Digital and Environmental Goals](#), [Next-Generation Business Models: A Guide to Digital Marketplaces](#) and [Digital Culture: The Driving Force of Digital Transformation](#).
- The Global Future Council on Quantum Computing developed a series of industry-specific briefings on quantum applications and used them to start conversations on accelerating applications with Forum industry groups. Further, a community was mobilized to develop the first set of global governance principles for quantum computing. Building on this work, preparations continued to launch the [Quantum Computing Network](#) in September 2021, aggregating the Forum's quantum computing work in a single place and providing companies across industries the chance to collaborate with governments and other organizations to accelerate responsible quantum computing.



## Centre for Cybersecurity

*Mission: Leading the global response to address systemic cybersecurity challenges and improve digital trust*

*Highlighted achievements:*

- The Centre for Cybersecurity established a Cybersecurity Leadership Community uniting over 100 top cybersecurity leaders across various geographies and industries. This community leverages notable peer-level engagement and exchange on the most salient cybersecurity challenges with the goal of developing collaborative, forward-looking solutions on key issues in order to shape the future of cybersecurity.
- The [Partnership against Cybercrime](#) was formed to drive momentum for public-private cooperation to combat cybercrime. The partnership brings together a dedicated community of stakeholders, including leading law enforcement agencies, international organizations, cybersecurity companies, service and platform providers, global corporations and leading not-for-profit alliances.
- The Centre published the *Principles for Board Governance of Cyber Risk* in collaboration with the National Association of Corporate Directors and the Internet Security Alliance. This Insight Report serves as a reference for corporate directors as they set their organization's cybersecurity strategy and engage with stakeholders on the issue of cyber risk.
- In collaboration with the Forum's Systems of Cyber Resilience: Electricity community, the Centre was invited by the European Commission to provide high-level input on the Commission's cybersecurity and critical infrastructure package released in December 2020, the Proposal for a Directive on Security of Network and Information Systems (NIS2 Directive) and the Proposal for a Directive on the Resilience of Critical Entities.

## C. Centre for Nature and Climate

Highlighted Centre for Nature and Climate achievements from the past year also include:

Growth of the [Alliance of CEO Climate Leaders](#) (as part of the Climate Action Platform). The chief executives of the companies forming this initiative commit to achieving net-zero emissions by 2050, setting short-term targets for 2030 and disclosing environment-related metrics in their corporate reporting. The alliance includes over 100 CEOs whose companies have combined revenues of \$2.4 trillion (approximately the annual GDP of Italy).

Expansion of the **Mission Possible Partnership** to over 457 companies from 30 in 2019. This partnership endeavours to decarbonize heavy industry and transport (aviation, shipping, trucking, cement, chemicals, aluminium and steel). Sector-specific projects include the [Clean Skies for Tomorrow Coalition](#) (aviation), [Road Freight Zero](#) (trucking), the [Circular Cars Initiative](#) (automotive) and the [Getting to Zero Coalition](#) (shipping).

Development of the **Tropical Forest Alliance (TFA)** regional expertise in South-East Asia, China, Latin America and the EU. By deepening engagement with private-sector companies in both producer and consumer countries, launching the collective action agenda to push private sector action, advancing high-impact partnerships with governments on advancing the “zero deforestation” agenda, the TFA has continued to support its partners to reduce commodity-driven deforestation. It is now expanding its engagement to take on the Secretariat role for the Investors Policy Dialogue on Deforestation – a high-ambition group of the most engaged investors, while steering the multistakeholder FACT (Forest Agriculture and Commodity Trade) Dialogue in partnership with the COP26 Presidency.

Raised ambition for [1t.org](#) on corporate commitments to forest conservation and restoration, and developed region-specific partnerships, including in:

- The [Sahel](#), in support of the African Union Commission’s Great Green Wall for the Sahara and the Sahel Initiative
- India, through the work of the World Economic Forum Young Global Leaders and Global Shapers communities
- The Amazon, by facilitating collaborations to catalyse the financing and implementation of a sustainable bioeconomy
- China, through cooperation with the National Forestry and Grassland Administration
- The United States, in partnership with American Forests, where a pledge was made to plant 49 billion new trees, which would help increase the carbon captured by trees from 15% to 27% of total CO<sub>2</sub> emissions there.

Publication of the *New Nature Economy Report Series*, the

*State of Finance for Nature* report and the *Natural Climate Solutions for Corporates* guidelines:

- The *New Nature Economy Report Series* became the main resource to highlight pathways towards a nature-positive economy. In that series, *The Future of Nature and Business* report found that a nature-positive economy could generate up to \$10.1 trillion in annual business opportunities and 395 million jobs by 2030 and proved significant in nature being seen as a profitable investment.
- The *State of Finance for Nature* report tracked global trends in public and private investment in nature-based solutions, and called for investments to triple by 2030.
- The *Natural Climate Solutions for Corporates* guidelines provided insights for corporations looking to invest in nature-based solutions to climate change.

Expansion of the [Food Systems Initiative \(FSI\)](#). The initiative brought together various global stakeholders to shape future food systems and strengthen the resilience of these systems around the world.

- The initiative actively supported the Special Envoy for the 2021 UN Food Systems Summit during the preparatory process in the lead up to the Summit in September 2021. The engagement included:
  - Co-leading the organization of the **Innovation Lever of Change**, promoting the shaping of innovation as a major enabling factor for food systems transformation
  - Re-launching the **Transformation Leaders Network** in April 2021, aiming to promote systems leadership, scale the impact of game-changer initiatives, develop self-promoting local models and networks, and unlock systems influence.
- The FSI launched the [Food Innovation Hubs](#) as a platform that connects ecosystem players to foster partnerships and unlock investments and institutional bottlenecks and provide equitable access to technology innovations for farmers and consumers, and increase investments in inclusive and scalable technology solutions.
- The [Food Action Alliance](#) increased its portfolio to 20 flagship initiatives across Latin America, Africa and Asia, supporting national pathways for food systems transformation.
- [100 Million Farmers](#), a multistakeholder platform hosted by the Forum, brought numerous organizations and stakeholders together under an ambitious new effort to decarbonize the European food system and maximize other benefits, such as soil health and farmer resilience.

Continuation of **Friends of Ocean Action** as the platform of choice to gather global leaders from a wide range of sectors who are committed to action for a healthy ocean. After the successful conclusion of the initiatives' Phase I, marked by a new **Impact Report, Phase II** kicked off in January 2021 with a reinvigorated focus on five critical areas for ocean action to contribute to achieving SDG 14, the ocean goal:

- Activating ocean finance, for a thriving and sustainable blue economy
- Building a resilient ocean, the greatest buffer and ally in tackling climate change
- Creating a digital ocean to accelerate research, observation and data collection
- Nourishing billions through ethical, transparent and sustainable aquatic resources
- Through UpLink Ocean, fostering and enabling a global community of ocean innovators.

The achievements, assets and visibility of Friends of Ocean Action Phase I proved to be fundamental foundations for further ocean action, including:

- Strengthening membership and activity in China to galvanize ocean action there, as well as continuing to prioritize gender parity, youth engagement and respect for human rights across the ocean space
- Organizing high-level webinars and visibility around the need to end harmful fisheries subsidies through successful conclusion of WTO negotiations, and collaborating with the UN Food Systems Summit team to mainstream discussions around blue food (edible aquatic organisms)
- Creating the **Virtual Ocean Dialogues** in 2020 and 2021, bringing together hundreds of thousands of ocean advocates online from around the world to chart a path forward for ocean action despite the pandemic. The dialogues came about through a collaboration of the Forum's **Friends of Ocean Action** and the UN Ocean Conference.

Expansion of the **Sustainable Development Investment Partnership** (SDIP), a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the World Economic Forum. SDIP worked to transform the sustainable financing ecosystem to unlock capital flows towards the SDGs at the scale and speed needed to enable emerging and developing countries to transition into greener, more sustainable and resilient economies. With over €2 million of grant funding from the European Commission and Danida, SDIP this past year had a membership of over 40 global financial institutions that combined with regional communities of purpose and forward-thinking thought leaders to deliver solutions and achieve impact through innovative approaches to the SDGs, including:

- SDIP's flagship initiative, the **Country Financing Roadmap** (CFR), a joint country- and private-sector-led initiative, which became increasingly important as one of the initiatives to address the economic and social impacts of the pandemic in the context of the COVID-19 pandemic by:
  - Engaging CFR pilot programmes in **St Lucia** and **Ghana** that provided a new model for sustainable finance; overseen by the Prime Minister of St Lucia, the CFR aligned \$12 million in new innovative private financing and donor funding for much-needed reskilling and upskilling efforts to address increasing unemployment due to COVID-19
  - Identifying solutions to increase sources of financing for sustainable infrastructure and micro, small and medium enterprises, through the CFR in Ghana, led by the Office of the President of Ghana
- SDIP's global platform, rising as a reference in the following areas:
  - *Driving global, regional and local communities of action:* The **SDIP Africa and ASEAN Hubs** are regional communities of innovation and action for replicable, scalable financing mechanisms. The Forum's **Global Future Council on SDG Investment** produced practical recommendations on what is needed for asset allocators to invest more in the SDGs.
  - *Fulfilling a need to generate impact at scale:* SDIP supported the Asian Development Bank's publication of an SDG bond book to explain the mechanism to help accelerate the scale of finance needed to meet the sustainability goals of developing countries in Asia.

Development of the **Circular Economy** project. Through circular economy platforms, including the Global Battery Alliance, Scale360° and the Platform for Accelerating the Circular Economy (PACE), investments helped to spur new work in China and other developing countries and strengthen coalitions for a circular economy in African countries. Specific progress included:

- Growth of the **African Circular Economy Alliance** to include eight member countries, to work with the African Development Bank to launch a secretariat hosted in Abidjan. The Alliance is a country-led platform that aims to lead advocacy projects, undertake policy research and support high-impact circular economy projects. It released a strategy report outlining the five big bets for the circular economy in Africa and launched a multi-donor trust fund to finance circular economy projects on the continent.
- Completion of the **Circular Electronics in China** project. The project was formed as a collaboration platform between industry, government and academia to reach the Chinese government's ambitious circular economy targets of recycling 50% of e-waste by 2025 and

including 20% of recycled content in new products. In 2021, the project drew to a close, publishing a series of policy recommendations for implementation at the national level.

- Launch of the [Circular Electronics Partnership](#) together with other partners. The first business led group focused on creating a circular economy for the electronics industry.
- Launch of activities in 20 countries for [Scale360°](#), the Forum’s flagship circular innovation initiative. The project engaged more than 300 circular economy innovators, experts, investors and supporters on UpLink. Examples included: a programme led by a Global Shaper Hub that mobilized 796 individuals and fostered 11 new partnerships for circular innovation; two countries (Chile and UAE) in which Scale360° is collaborating at the ministerial level that launched new national circular economy policies.
- Unveiling of the [Circular Economy for Net-Zero Industry Transition](#) initiative. With 60% of industry emissions emanating from four industries (cement, steel, aluminium and chemical), circular economy strategies could help avoid 40% of these industries’ emissions by 2050 at a relatively low cost. The initiative seeks to realize this opportunity. After launching in February 2021, the initiative convened over 30 companies and countries to increase business ambition and political momentum as well as drive on-the-ground solutions by convening key players in action tracks. The first action track on

the built environment is working to accelerate solutions for reusing building materials and enabling material passports for buildings.

Launch of the [Global Plastic Action Partnership](#) (GPAP) and initiatives. GPAP is a coalition of public- and private-sector leaders who seek to address plastic pollution. GPAP’s community embraces people from all sectors, with 24% from the public sector, 36% from the private sector, 15% from civil society, 16% from international organizations and 9% from academia or other sectors. At all levels of its governance bodies, women make up 45% of the Steering Board and Expert Group members. Over the past year, GPAP’s achievements included:

- Establishing the National Plastic Action Partnership in Viet Nam, after building partnerships in Ghana and Indonesia
- Publishing the “Guide to Ensure Gender-Responsive Action in Eliminating Plastic Pollution” and the NPAP “Gender Analysis of the Plastics and Plastic Waste Sectors in Ghana”
- Launching an UpLink innovation challenge in collaboration with the Incubation Network and the Ocean Plastic Prevention Accelerator, calling for ideas to solve key issues and support the informal sector in Indonesia.

# Reflections from the Founder: Why the World Economic Forum exercises a leadership role in today's political, economic and social context

In 1970, as a young professor, I wrote a book on modern management. I started writing this book by asking myself the question: what is the purpose of a corporation? I pioneered the “stakeholder concept”, which was avant-garde at the time, arguing that a business should serve not only its shareholders, but all those who have a stake in the destiny of the company, such as the employees, society and the planet. Following the strong reception that concept received, I created the World Economic Forum as a not-for-profit foundation, with the idea in mind of a global village where all stakeholders could gather to engage on the most important issues of our time and organize around collective action for the common good.

Over the last 50 years, I have further developed the stakeholder concept into a global governance approach, arguing that business, together with governments and civil society, must be an active and responsible stakeholder in addressing global problems.

Today, the concept of stakeholder capitalism, as well as the idea that the complex issues in our world can only be solved through public-private cooperation, has increasingly become mainstream. Stakeholder responsibility on a corporate and global level remains the fundamental underlying principle behind everything the World Economic Forum does.

The Forum's evolution over the past 50 years has undergone four distinct phases. In the first phase after the initial meeting in Davos in 1971, we strengthened our convening power, integrating the top leaders from government, business and civil society. In the second

phase, we turned the participants in our events into members, laying the foundation for continued interaction and cooperation. In the third phase, we developed our internal capability to exercise intellectual leadership, through initiatives and reports that have become reference benchmarks around the world in areas such as global competitiveness, global risks and gender parity. In the fourth and last phase, we moved from generating stakeholder interaction to enabling joint action and achieving collective impact.

The World Economic Forum is distinctive in the way it approaches problem-solving in an integrated manner, exercising systems leadership. Whereas a clearer distinction was made in the past between the political, economic, social, technological and ecological aspects of a challenge, today everything is interdependent and interwoven. The Forum is the only international organization that examines the global issues in an interconnected way.

To structure this approach, the Forum's five Centres lead numerous interconnected initiatives:

- The Centre for Global and Regional Cooperation focuses on political, global and regional aspects.
- As an engineer, I have always been fascinated by technological progress and, in my book, I coined the notion of the Fourth Industrial Revolution. Consequently, we have developed unique expertise in areas such as AI and blockchain through our Centre for the Fourth Industrial Revolution and its worldwide network.



- Environmental responsibility is a crucial part of stakeholder responsibility and the Forum's Centre for Nature and Climate provides a platform for a holistic approach to regenerate nature and reach net-zero carbon emissions by 2050 at the latest.
- The Centre for the New Economy and Society works towards reimagining policies that aim for robust resilience, stronger equality and greater sustainability.
- The Centre for Industry Transformation is a leader in helping companies strengthen their competitiveness while fulfilling the expectations of their shareholders.

In everything we do, we look towards the future and break through conventional attitudes and practices. That is why, in addition to our traditional government and business leader communities, we have built strong, forward-looking and challenging voices through our communities of Young Global Leaders and Global Shapers, providing the Forum with a network of local hubs in more than 450 cities around the world. The Forum curates communities of leaders from all walks of life, and I have been particularly attentive to maintaining an open platform approach and integrating grassroots leaders into our activities. That is why my wife Hilde and I created the Schwab Foundation for Social Entrepreneurship, which has directly and indirectly improved the lives of half a billion people over the last 20 years.

Regionalization and localization have become counterparts to globalization. Meaningful perspectives must be based on the integration of all three of these dimensions, which is why, in addition to its headquarters in the international city of Geneva, the Forum has offices in New York, Beijing, Tokyo, Mumbai and in Silicon Valley. Through our Centres for the Fourth Industrial Revolution, we are present in 14 countries, and the network is expanding fast.

Our strongest assets are the trusted relationships we have built with our constituents and partners. We have worked with nearly all the international organizations, as well as with governments worldwide, including the G20 countries. To achieve impact in all our endeavours, the commitment, engagement and cooperation of our Industry Partners are decisive. We are proud to engage the foremost global leaders in the business community, ensuring that the most relevant and knowledgeable global corporations not only sit at the table but are at the forefront of driving positive change. To ensure engagement, a business can only be affiliated with the Forum if the company participates in at least one of its initiatives.

What fills me with optimism in addressing our global challenges is the increasing degree of personal commitment of the leaders of our Partner companies, who continue to provide leadership, entrepreneurship and stewardship to enact the Forum's mission. This is best demonstrated by the fact that, despite all the impediments of the COVID-19 pandemic, the Forum has steadily increased its community of Partner companies.

When looking back over the last 50 years, through its communities' collaborative efforts, the Forum has had considerable impact on political and business decision-

making. We have led new societal concepts, such as stakeholder capitalism, global corporate citizenship, social entrepreneurship, public-private cooperation and the Fourth Industrial Revolution. We have been at the origin of other important international organizations, such as the Global Fund; GAVI, the Vaccine Alliance; and the Coalition for Epidemic Preparedness Innovations (CEPI), among others. We have also played a major role in national and regional reconciliation processes. In addition, the informal and trusted atmosphere that prevails in our activities has led to manifold opportunities for learning, collaboration and friendships.

As an organization that blends the mission and orientation of an NGO with the creativity of an academic institution and the entrepreneurship and efficiency of a business enterprise, the Forum is a new type of international organization. Our Board of Trustees reflects this approach; it is comprised of roughly one-third of members who are CEOs of multinational companies, one-third who are leaders of international organizations and government, and one-third from civil society.

The Forum's not-for-profit, service orientation, its commitment to the highest intellectual and moral principles, as well as its special culture have attracted more than 600 highly motivated people from over 80 countries as staff members. We have also hosted 200 secondees and fellows to work with us on specific projects. Executive responsibility is in the hands of a Managing Board led by a president, with each member bringing valuable experience in government or business to the table.

Independence and neutrality, in the best Swiss tradition, have also been decisive in safeguarding our credibility and reputation and to our recognition as the International Organization for Public-Private Cooperation through a host-state agreement with the Swiss Government in 2015. Our strategic framework cooperation agreement with the United Nations, as well as with the OECD, are important as an anchor in the international governance system.

We live in a world in which protecting one's own interests has increasingly become a guiding principle. It is also a world absorbed by the speed of change, the complexity of issues, and unforeseen circumstances and crises that make addressing fundamental longer-term challenges ever more difficult. On the positive side, it's also a world in which businesses have never shown greater willingness to provide top-level attention, resources and know-how to working with other stakeholders in efficient ways for progress, people and the planet.

For me, true leadership has four dimensions: brains, soul, heart and muscles. At the Forum, we are committed to implementing these four dimensions in all our activities. We aim for the best professionalism, combined with a vision and values executed with passion, to translate action into impact.

We believe our work has never been more essential and our approach has never been more needed in our complex global landscape.

#### **Klaus Schwab**

Founder and Executive Chairman, World Economic Forum





# WORLD ECONOMIC FORUM

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The World Economic Forum,  
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