White Paper

Steering Boards Through Geopolitical Turbulence

A Risk and Governance Approach

Acknowledgements

This white paper was developed in collaboration between CSIA and the Global Advisory Alliance, with contributions from advisors across the GAA's international network:

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Foreword

Biography of the CSIA President

Funmi Ekundayo is a Harvard Business School alumna and a seasoned capital market and trust professional with over 29 years of experience. She holds LL.B and LL.M degrees from the University of Lagos and is a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), where she serves on the Governing Council and is the immediate Past President and Chairman (2023-2025)—the first female to hold the position in the Institute's 57-year history.

Funmi is the Group Managing Director of STL Capital Group Limited, overseeing trusteeship, asset management, and investment banking businesses, and has successfully repositioned the Group as a leading financial services firm in Nigeria. She has held senior leadership roles across law, capital markets, and financial services, including MD/CEO of STL Trustees Limited.

A respected industry leader, Funmi is a Past President of the Association of Corporate Trustees of Nigeria and has served in executive roles within CSIA. She is a Fellow and Associate of several professional institutes in banking, governance, investment, risk management, and securities. Funmi also serves on multiple corporate boards in a non-executive capacity and is recognised for championing excellence, strong corporate governance, and industry leadership.

A message from the President

Ms. Funmi Ekundayo FCIS, President, Corporate Secretaries International Association Limited (CSIA)

Geopolitical turbulence is no longer an item boards review once a quarter — it is a condition we now govern continuously. Conflict, trade fragmentation, resource nationalism, and diverging regulatory regimes are reshaping the environment in which every corporate secretary, GRC professional, and governance leader operates. What was once the domain of geopolitical risk specialists has become core governance business.

This is precisely why CSIA is publishing this whitepaper now. Our members sit at the intersection of board oversight, regulatory compliance, and enterprise risk — and they are being asked, with increasing urgency, to help their organisations make sense of a world that no longer behaves predictably. This paper does not offer easy answers. It offers something more useful: a set of sharp, practitioner-grounded perspectives that connect global developments to the specific governance and investment decisions boards face today.

What makes this collection distinctive is its range. Contributors span supply chain risk, sustainability, critical minerals, fiduciary duty, responsible investment, water security, and defence finance, drawing on experience across Europe, Asia, and beyond. Read together, their perspectives reveal a consistent thread: resilience alone is no longer sufficient. Organisations must build governance structures that grow stronger through disruption — what this paper calls antifragility.

Geopolitical uncertainty is unlikely to diminish. The organisations that will thrive are those whose boards recognise that managing geopolitical risk is no longer about responding to crises — it is about building resilient governance capable of navigating an increasingly complex world.

I encourage every CSIA member to read this whitepaper as a starting point, not a conclusion — building on the conversation we began at our webinar Steering Risk and Governance Through Geopolitical Turbulence, and one we look forward to continuing together.

Executive Summary

Geopolitical turbulence has moved from background risk to priority boardroom agenda item. Traditional assumptions such as stable trade routes, predictable regulation, and static ESG frameworks no longer hold. Boards need to respond to the realigned trade relations, regional conflict, resource nationalism, and diverging regulatory regimes that are reshaping supply chains, capital flows, and fiduciary obligations in real time.

This whitepaper brings together nine senior practitioners across supply chain, sustainability, critical minerals, fiduciary governance, responsible investment, water security, and defence finance to answer one question: what should boards and governance, risk, (GRC) and investment leaders do about it?

Resilience — enduring shocks as they come — is no longer sufficient. Boards must build antifragility where governance and capital structures strengthen under pressure rather than merely survive it. This requires moving from reactive crisis management to proactive risk governance that treats disruption as information.

For C-suite executives, GRC professionals, corporate secretaries, and legal/compliance leaders, this whitepaper translates macro geopolitical signals into concrete board-level actions: what to put on the risk register, what questions to ask management, and where capital and oversight should shift first.

The paper is structured in four parts:

1. Introduction
2. Perspectives (ten cross-sector perspectives)
3. Recommendations
4. Conclusion — building from context to diagnosis to action.

> What gets on the agenda gets governed.

Diego Rafael Braga — Brazil
Tekoha Climate & Territory

Fiduciary Duty Doesn’t Pause for a Crisis

Boards that sustain climate investment build resilience against both geopolitical and climatic disruptions.

Boardrooms are navigating a new phase of compounding crises. Armed conflict, geoeconomic fragmentation, and trade realignment currently dominate the agenda. The temptation is to treat climate as a lesser concern, a luxury from calmer times. That instinct misreads fiduciary duty.

Geopolitical conflict has diverted attention from extreme weather, biodiversity loss, and resource scarcity — but these remain among the most material risks businesses face. Directors must exercise due care, loyalty, and diligence across both geopolitics and sustainability.

The question that boards should ask is not which crisis matters more, but whether their risk oversight can govern both without losing rigour. Failing to do so is not an oversight; it is a governance backslide.

Directors should not treat climate and geopolitical risks as separate silos. Integrating both into capital decisions, stakeholder engagement, and risk monitoring is what modern fiduciary duty demands. Instability in key energy-producing economies has driven energy and input costs sharply higher, fuelling inflation and pressuring real incomes. Capital allocation that reduces resource dependence and diversifies energy exposure is now a matter of prudence, not preference. Company secretaries should ensure climate and geopolitical risks share the same board agendas and risk registers. What gets on the agenda gets governed.

Helen Fisher UK

Context Europe

Sustainability Strategy is Risk Intelligence

Materiality assessment as the foundation for navigating compounding global disruption

> Good sustainability strategy is
> not lip service — it is the foundation
> for navigating a rapidly changing world.

Political fragmentation, accelerating technological disruption, and mounting environmental and social instability have made strategic uncertainty the defining challenge for organisations today[1,2]. Integrating environmental and social risk management into core business planning is no longer optional.

Yet in some markets, ESG backlash and retreating regulatory ambition risk reducing sustainability strategy to a political liability or a compliance exercise to be quietly shelved[3]. This is the wrong response.

Sound sustainability strategy is not lip service to stakeholder demands. It is a practical foundation for understanding and navigating a rapidly changing world[4].

This starts with a rigorous materiality assessment: reviewing how the value chain affects people and planet, and how social and environmental context creates near- and long-term financial risk and opportunity. Today's impacts — emissions[5], human rights exposure[6] — become tomorrow's liabilities.

Integrating this process with enterprise risk management and stakeholder engagement closes blind spots. It surfaces supply chain instability early and identifies openings for innovation across products, processes, and markets[7]. That intelligence is what keeps organisations resilient and prepared.

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Oliver Maennicke France
Independent Advisor

Water Risk Belongs on the Finance Committee Agenda

Deploying market-driven financing instruments to overcome development finance stagnation in stressed basins

> Treating water risk as a localised utility issue is a fragile corporate strategy — antifragility means converting water shocks into a framework for premium capital access.

Industrial portfolios that rely on slow development-bank or utility processes to insulate operations from water disruption remain dangerously exposed. Modern risk management demands more than tracking volume and scarcity — it requires genuine water stewardship, spanning wastewater circularity, groundwater replenishment, and pollution management.

With international frameworks warning that deteriorating water systems now pose a systemic threat to global trade, boards can no longer wait for public funding to secure the basins their operations depend on.

Simply enduring water disruptions or meeting minimum discharge limits is no longer sufficient. Emerging frameworks — including UN and OECD initiatives on water finance — signal that central banks are beginning to fold water-related risk directly into financial supervision. Companies that ignore basin-level exposure face asset devaluation, regulatory liability, and rising borrowing costs.

Forward-looking financial officers are responding by restructuring debt: issuing sustainability-linked bonds tied to credible watershed stewardship targets to secure premium private capital, upgrade infrastructure, and build community trust.

The takeaway for leadership is direct: move water stewardship from the ESG compliance desk to the finance and audit committee; treat basin degradation as a threat to corporate credit viability; and proactively issue KPI-linked financial instruments to convert comprehensive watershed protection into a distinct, long-term corporate funding advantage.

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Same Strategy, Different Language, By Region

Why investors must localise the sustainability narrative without deviating from their core strategy

> The strongest investors keep their strategy constant and adapt only the narrative.

Geopolitical pressure is reshaping how investors position strategy across markets. In sustainable investing, the question is no longer whether the underlying priorities matter, but how they are articulated in different political and regulatory contexts.

Where explicit ESG language invites resistance, leading investors are reframing the conversation around resilience, competitiveness, capital discipline, and long-term value creation. This is not a cosmetic shift. It reflects a broader reassessment of what constitutes systemic risk and economic security. Energy security, supply chain durability, critical minerals, workforce capability, and infrastructure resilience are increasingly viewed as core to protecting enterprise value — regardless of what they are called.

That translation varies by region. European investors may emphasise regulatory alignment and decarbonisation; US investors may frame the same priorities through competitiveness and energy independence; investors in Asia and other growth markets may focus on industrial resilience and resource access.

The substance of strategy should not change by geography, but the narrative must. In a fragmented world, strategic consistency paired with contextual fluency is what will separate credible investors from reactive ones.

Kazuhiko Tahara Japan
Zenvest Partners

Asia’s Sustainability Trajectory Holds Steady

Why regional divergence on ESG is becoming a competitive signal, not a retreat.

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Sustainability is not being displaced by geopolitical challenges — it is becoming a core component of corporate resilience.

While parts of the United States have seen anti-ESG sentiment and some European jurisdictions have recalibrated sustainability rules, Asian markets — including Japan, South Korea, Taiwan, and Singapore — have continued to strengthen disclosure requirements and governance frameworks. This steady, incremental approach is reinforcing market predictability and long-term investment attractiveness at a time when other regions are introducing uncertainty.

Across the region, sustainability is increasingly treated as a practical business imperative rather than a political position. Organised opposition to that trajectory remains limited relative to other markets.

For global investors, the underlying objective has not changed: improving corporate performance and long-term value through active engagement with investee companies. Even if the language of “ESG” recedes, stewardship and dialogue-driven investment will remain embedded in the process.

Geopolitical tension does not diminish the materiality of governance quality, climate resilience, supply-chain security, or human capital management — it sharpens it. For boards benchmarking against Asian peers, the lesson is that consistency, not rebranding, is what markets are rewarding.

Mike Davies South Africa

Kigoda Consulting

Africa Can Shape ESG

Local expertise informs material risks

> Rejecting ESG frameworks would raise, not lower, the cost of capital.

Amid the pushback against ESG and responsible investment frameworks in some geographies, it is sometimes alleged that ESG is imposed on Africa and other developing markets. However, the claim that ESG is an ill-fitting developed-world import understates both the flexibility of the framework and Africa's role in shaping it.

ESG is not a fixed rulebook but a materiality-based lens. It asks what environmental, social, and governance issues matter most in a given context. That design is inherently adaptable. A mining operation in the DRC and a fintech company in Lagos will assess entirely different material risks. Nothing in ESG methodology prevents local dynamics from driving the analysis. In fact, it requires them to.

African institutions have also actively localised the frameworks rather than passively receiving them. The Johannesburg Stock Exchange pioneered integrated reporting years before many developed markets, and King IV governance codes are a globally respected, home-grown standard. Regulators in Nigeria, Kenya, and Egypt have issued their own ESG disclosure guidance tailored to domestic priorities, and several African states now adopt ISSB standards with national modifications.

Furthermore, ESG increasingly unlocks capital for Africa. The substance of ESG's frameworks aligns closely with African development priorities. Sustainability-linked bonds, green finance, and just-energy-transition partnerships depend on credible ESG frameworks. Rejecting them would raise, not lower, the cost of capital.

While critics raise fair points about compliance costs and one-size-fits-all ratings that penalise African realities, the answer is not weaker ESG frameworks that mask inaction. It is rigorous, locally-grounded analysis that systematically applies materiality assessments to universal risks and context-specific challenges.

Keith Morrow Ireland

Kamolyn Ltd

When “Efficient” Stops Meaning “Safe”

Efficiency and resilience are not the same test — and boards need to apply both.

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Is your supply chain both still fit for purpose and resilient?

Asia-to-Europe supply chains are under sustained geopolitical pressure. Tensions in the Middle East have disrupted shipping routes, lengthening transit times and raising freight and insurance costs. Container shipping traffic through the Red Sea in July fell to its lowest level since last December due to increased security concerns in the area. Diverting ships via the Cape of Good Hope adds 10 to 14 days to transit times, contributing to Asia-Europe shipping rates being 25-40 per cent above pre-crisis levels.

Further east, the concentration of high-performance chip production in Taiwan is renewing scrutiny of supply arrangements long treated as settled. What has been viewed as an efficient operating model is now exposed as a fragile one.

For a European board, the issue is no longer simply cost — it is whether the current set-up remains fit for purpose in a more volatile world. Directors should be challenging dependency on single routes, single ports, and single-source suppliers, testing the realism of lead-time assumptions, and understanding how long the business could operate if a critical route were blocked or delayed.

The practical response is straightforward: map critical dependencies, stress-test alternative routes, review safety stock for key items, extend supplier visibility beyond tier one, and build contingency plans for rerouting and substitution. Where exposure is high, selective dual sourcing or nearshoring may be justified. Efficiency and resilience are not the same test — boards need to apply both.

Oliver Maennicke France
Independent Advisor

Europe's Mineral Mandate Meets Local Resistance

Navigating environmental pushback and heritage protections to build antifragile resource security

> Domestic supply security is impossible if it triggers local environmental or cultural gridlock.

The EU Critical Raw Materials Act[1] sets a target of 10% domestic extraction of strategic metals by 2030 — a baseline that exposes a supply chain more fragile than it appears on paper. The reinstated Couflens[2] exploration permit in France, targeting tungsten and gold at the historic Salau mine, illustrates the tension: despite its strategic value for defence and green technology, the project faces sustained local opposition over health concerns linked to naturally occurring asbestos and mine waste. Romania's Roșia Montană[3] gold reserves present a parallel case, where UNESCO World Heritage protections have complicated multi-billion-dollar investor-state disputes.

For boards, building genuine antifragility means moving past binary compliance thinking. Security of supply cannot rest on domestic mandates or open-market transactions alone — it requires treating Social License to Operate with the same operational rigour as financial liquidity, backed by independent, transparent environmental baseline data.

Boards should stress-test sourcing against localised civic resistance, diversify across allied jurisdictions, commission independent environmental baselines before permitting, and co-invest in processing technologies that can safely manage geological hazards.

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Defence Investing Needs More Than Exclusion Lists

Boards need stronger governance to understand, monitor, and explain defence exposure

> The risk is no longer holding defence exposure — it is holding exposure boards that cannot explain, govern, or monitor.

The traditional ESG approach to defence — built largely on static exclusion lists — is no longer sufficient in an era of trade fragmentation, regional conflict, and renewed national security priorities. Institutional investors are caught between government pressure to support resilience and strict human rights and due diligence expectations. The governance question has shifted from whether to invest in defence, to how exposure can be identified, assessed, governed, and explained.

The critical vulnerability is the widening gap between ESG data and real-world conflict exposure. Investors need more than revenue thresholds or sector labels — boards and GRC leaders should assess proximity to harm: how close a company's products, services, or customers sit to potential civilian harm, unlawful use, or controversial weapons systems.

The practical shift is from passive compliance to values-based realism. Boards should require a defence exposure map, clear escalation criteria for grey-zone holdings, stronger manager oversight, and a stewardship approach for dual-use and defence-linked companies. Collaborative standard-setting initiatives, such as the emerging GRID (Guidance for Responsible Investment in Defence) standard, can help investors build governance frameworks that hold up under scrutiny.

Financial institutions must move beyond the guest mentality and adopt a proactive, adaptive, and inclusive approach to capital decisions.

Rebecca Self Netherlands
Seawolf Sustainability Consulting

From Guest to Owner: Finance in a Fractured World

Why financial institutions can no longer rely on standardised global playbooks

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For decades, financial institutions largely operated as guests in the countries where they did business — local compliance and cultural sensitivity mattered, but were balanced against efficient, standardised global operations. Frameworks like the Basel Accords and IFRS created a workable sense of international uniformity: compliance was complex, but broadly predictable across jurisdictions.

Today's environment is defined by fragmentation — regional blocs, national priorities, and diverging regulatory regimes. A one-size-fits-all approach no longer holds. Institutions now need geopolitical awareness at the macro level alongside genuine understanding of local community needs.

Political divergence increasingly shapes funding decisions in ways that cut both ways. Financing a data centre, for example, can be framed as a driver of economic growth and a step toward positioning a nation as a technology hub — or as a source of local displacement, resource strain, and environmental backlash, depending on stakeholder perspective and execution.

Institutions must ask: are we prepared for the scrutiny our capital decisions invite? The answer requires scenario planning that stress-tests decisions against geopolitical, environmental, and social conditions.

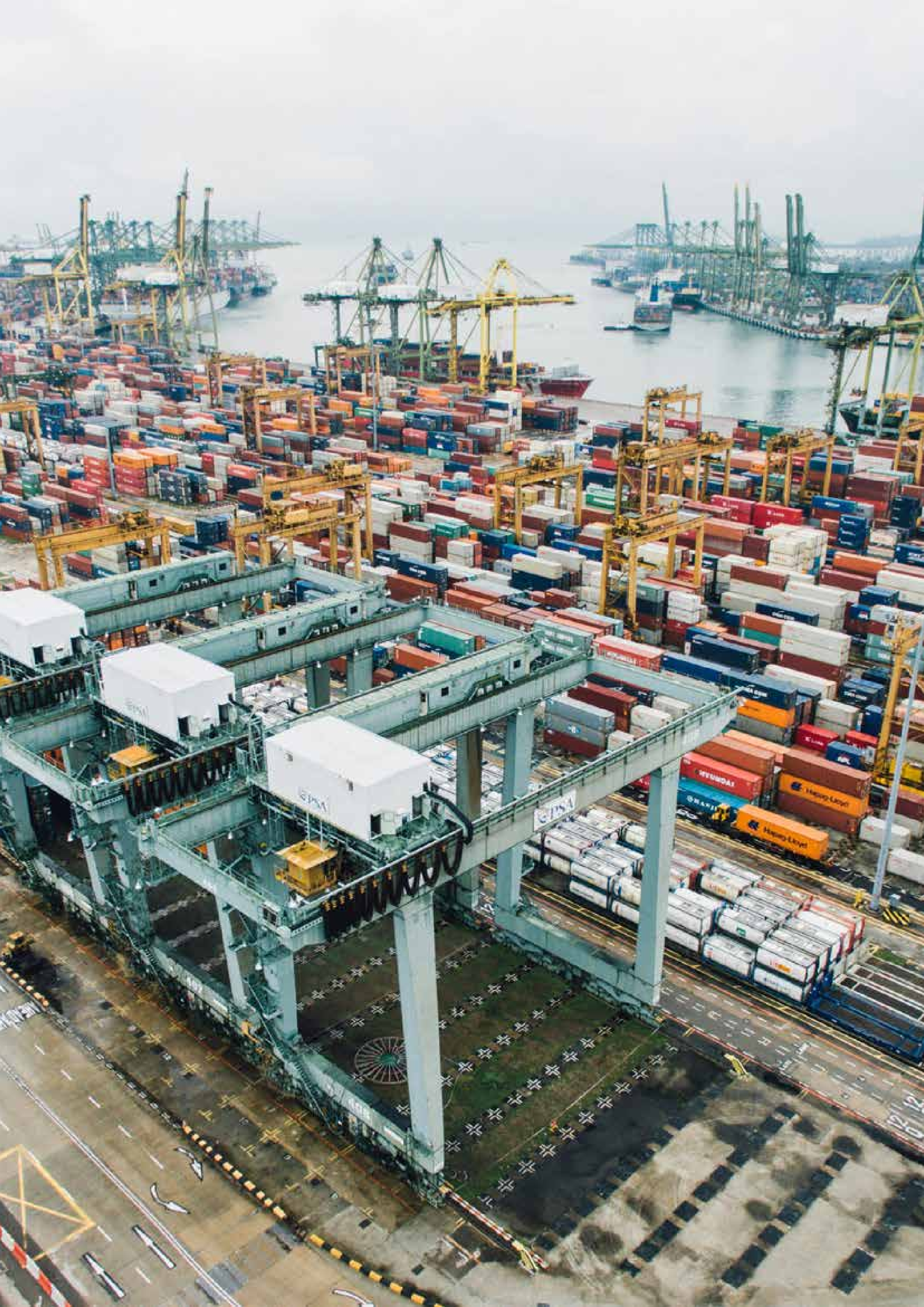
This process must include diverse external viewpoints, from local stakeholders to global experts. Financial institutions must move beyond the guest mentality and adopt a proactive, adaptive, and inclusive approach to decision-making. By integrating geopolitical awareness, reputational risk assessments, and diverse scenario planning, fragmentation can be turned into opportunity—and ensure investments deliver value not just to shareholders, but to society.

Strategic Recommendations:

For boards, GRC leaders, and corporate secretaries, here are five priorities:

- Geopolitical risk belongs on every risk register. Integrate it with the same rigor applied to financial, operational, and compliance risk.
- Map dependencies before disruptions force you to. Know where your supply chains, resources, talent, and other vulnerabilities are.
- Assess your scenario-planning discipline. Can management articulate how the business operates if a major geopolitical event disrupts a key input or market in the next 90 days?
- Ensure resource risks are not placed in ESG silos. Water stewardship, mineral security, and supply chain resilience are credit risks and operational risks, not merely sustainability issues.
- Build governance structures that improve through pressure, not just survive it. This is antifragility. It requires capital discipline, active stewardship, scenario planning, and willingness to act on uncertainty before certainty arrives.

> **Across supply chains, critical minerals, sustainability, fiduciary duty, water security, and defence investment, one message recurs: resilience is no longer the ceiling — it is the floor.**
>
> The organisations best positioned for what comes next are not the ones that merely withstand disruption, but those that treat disruption as information — using it to stress-test assumptions, diversify exposure, and strengthen governance before the next shock arrives. This is the shift from resilience to antifragility: structures, oversight, and capital strategies that emerge stronger, not just intact.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Today, CSIA connects governance professionals, companies and public-sector organisations around the world, creating a platform to exchange knowledge, experience and leading governance practices.

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