



*Connecting Minds, Shaping the Future of Sustainability Research*

As we move toward to the end of the first semester of AY 2025/26, our LKCSB Sustainable Business Research Peak Team is delighted to present new sustainability papers contributed by LKCSB faculty and students. These papers encompass academic working papers and publications, practitioner articles, and case studies, building upon the content shared in our last newsletter. Our school members have explored a diverse range of sustainability topics, including environmental sustainability (e.g., food waste reduction, cross-cultural differences in environmental choices, vehicle-to-grid services), social sustainability (e.g., inequality and racial bias), governance (e.g., ESG engagement and controversies) and sustainable investment (e.g., impact investment and carbon divestment).

## Academic Papers

### Environmental Sustainability

Understanding how consumers make a decision on product is fundamental for achieving the environmental sustainability and food waste reduction. A recent published paper in *International Journal of Research in Marketing*, titled “Over-reliance on aesthetics? The appearance-reveals-character lay theory



*increases consumers’ devaluation of unattractive produce”* by **Shilpa Madan (Marketing)**, finds that consumers’ rejection of unattractive produce is driven by a lay belief that outward appearance reflects inner quality, which they apply this concept to food. This research develops an intervention to increase people’s acceptance of unattractive produce without harming perceptions among others by emphasizing that produce appearance does not indicate quality effectively.

Paper Link: [Over-reliance on aesthetics? The appearance-reveals-character lay theory increases consumers’ devaluation of unattractive produce](#)

Accurate value measure that distinguishes cross-cultural differences in environmental choices is also important to support environmental sustainability. Another published paper in *PNAS Nexus* by **Shilpa Madan (Marketing)** identifies a new cultural value measure that most clearly differentiates people across countries. Her paper titled “*What values best distinguish the world’s cultures? The machine learning-based cultural values inventory*” investigates cross-cultural differences in environmental choices and the underlying psychological mechanism by using machine-learning approach to identify the new cultural value measure. This cultural value measure predicts real behaviors, such as compliance with COVID-19 restrictions

and pro-environmental actions with higher accuracy than traditional cultural scales.

Paper Link: [What values best distinguish the world's cultures? The machine learning-based cultural values inventory](#)

Regarding transition to cleaner energy systems, developing practical solutions that support environmental sustainability while meeting everyday consumer needs has become increasingly essential. The working paper, titled “*The Power of Many: A Novel Aggregator Business Model for Vehicle-to-Grid Services*” by **Yangfang Helen Zhou and Meichun Lin (Operations Management)**, proposes a business model encouraging individual EV drivers to participate in vehicle-to-grid (V2G) services a limited number of times per year to minimize battery degradation using a two-stage game-theoretic approach to optimize rewards and grid usage. The model demonstrates both economic and environmental benefits, showing that rewards for V2G services can vary non-monotonically depending on the participation levels.



## Social Sustainability

Inequality in the marketplace has emerged as a critical challenge. **Chris Du Plessis (Marketing)** wrote a conceptual paper on marketplace inequality, titled “*Cycles of inequality in the marketplace: Insights from macro, marketer, and consumer perspectives*”, published in the *International Journal of Research in Marketing*.



This paper explores how consumers, marketers, and macroeconomic forces collectively shape, maintain, and mitigate inequality in markets. Insights from this analysis can guide researchers and practitioners in developing interventions that improve consumer well-being while supporting marketer profitability.

Paper Link: [Cycles of inequality in the marketplace: Insights from macro, marketer, and consumer perspectives](#)

In addition, racial bias represents another powerful force shaping unequal experiences in the marketplace. **David Gomulya (Strategy & Entrepreneurship)** is currently working on the paper, titled “*When You Discriminate, I See Opportunity: Appearance of Racial Bias as Corroboration for Racial Cues*”, which examines how the circumstances surrounding a candidate’s prior departure affect minority and majority candidates’ rehiring prospects. Labor market arbitrage and racial bias represent distinct but alternative patterns exhibited in hiring decision.



## Governance

As investor attention to ESG issues continues to grow, understanding what motivates meaningful ESG engagement has become increasingly important. The recent *ECGI working paper*, titled “*Incident-Driven ESG Engagement*” by **Hao Liang (Finance), Mandy Tham (Finance) and Yongheng Sun (Finance)** investigates when and why institutional investors engage firms on ESG issues and shows that negative incidents, especially in ESG leader firms, strongly prompt engagement because they expose

hidden risks and heighten reputational concerns. The research also finds that such engagement extends to issues in the supply chain of the firm and is linked to improvements in firm value, ESG performance, and cash flows, highlighting its effectiveness as a governance tool.



Paper Link: [Incident-Driven ESG Engagement](#)

Similarly, ESG controversies prompt firms to strengthen their ESG corporate governance practices. A working paper, titled “*Navigating Murky, Turbulent Water: Reactive Integration of ESG Goals in CEO Pay*” by **Xina Li (Strategy & Entrepreneurship)**, finds that firms respond to heightened ESG controversies by implementing CEO’s ESG incentives, typically in a narrow, short-term, and subjectively evaluated manner. This reactive adoption is more likely when CEOs already have weak ESG incentives and tend to improve shareholder reactions while reducing ESG controversies over time.

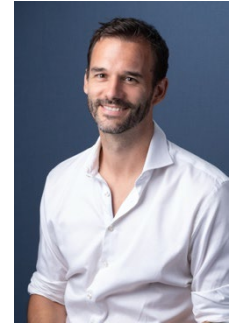


Paper Link: [Navigating Murky, Turbulent Water: Reactive Integration of ESG Goals in CEO Pay](#)

## Sustainable Investment

Impact investing is promoted to close funding gaps, yet specific capital still clusters in advanced economies, where proximity bias limits broader capital flow.

**Simon Schillebeeckx (Strategy & Entrepreneurship)** explores this insight in his current working paper, titled “*Going the Extra Mile: A Construal-Level Theory Perspective on Distance and Impact Investments When Challenges Loom Large*”. This research shows how distance to capital flow shapes capital allocation in impact investing. Although distance generally reduces the likelihood of investment, it can also make socially desirable opportunities more attractive to investors. This finding offers guidance for entrepreneurs on effective signaling strategies and highlights the need for policymakers to implement risk-mitigation mechanisms to support long-distance capital flows.



On the side of institutional investors, mutual funds also face increasing pressure to integrate ESG factors into their strategies, particularly through carbon divestment. A



recent working paper, titled “*Mutual Fund Carbon Divestment*” by **Weikai Li (Finance)** and **Sompassorn Ruksomboonde (Finance)** examines how funds strategically reallocate capital between public and private high-carbon firms and the implications for greenwashing. They find that mutual funds shift their investments from high-carbon public firms to high-carbon private firms, motivated





by the desire to attract more capital from ESG-conscious investors. The result provides insights on how mutual funds balance financial incentives with ESG commitment in the context of private market investments.

### Practitioner Articles

The following is a recent practitioner article authored by our faculty members in the field of ESG practice.

1. Hard Lessons, Stronger Banks, Nov 2025 by **Gloria Yang Yu (Finance)**

Paper Link: [Hard Lessons, Stronger Banks](#)

2. Alibaba: Building advanced intellectual property governance for e-commerce marketplaces, June 2025 by **Liang Chen (Strategy & Entrepreneurship)**

Paper Link: [Alibaba: Building advanced intellectual property governance](#)

### Case Studies

Our faculty members have recently created the following sustainability case studies.

1. Marou Faiseurs De Chocolat: Growing A Sustainability-Focused Bean-to-Bar Brand, won the Curtis Tate award in Oct 2025 by **Seshan Ramaswami (Marketing)** and **Michelle LEE (Marketing)**

Paper Link: [Marou Faiseurs De Chocolat: Growing A Sustainability-Focused Bean-to-Bar Brand](#)

2. Tariff Shock: Sustainable Sneaker Start-Up Okepas Battles a Broken Supply Chain, June 2025 by **Wee Kwan Eng (Operations Management)**

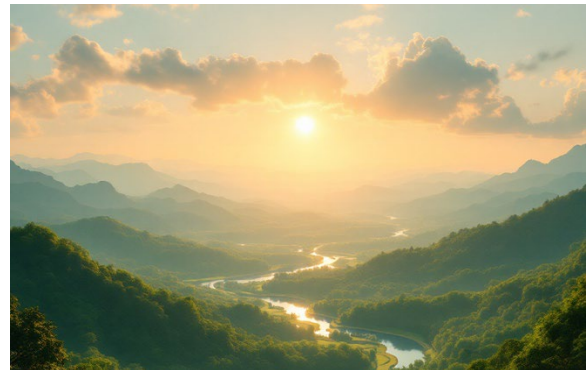
Paper Link: [Tariff Shock: Sustainable Sneaker Start-Up Okepas Battles a Broken Supply Chain](#)

3. Ento Industries: Developing Sustainable Solutions for Food Waste Management Using Black Soldier Flies, May 2025 by **Heli Wang (Strategic Management)**

Paper Link: [Ento Industries: Developing Sustainable Solutions for Food Waste Management Using Black Soldier Flies](#)

4. RWDC Industries: How an Octogenarian Helped Produce Sustainable Plastics, Mar 2025 by **Reddi Rayalu Kotha (Strategic Management)**

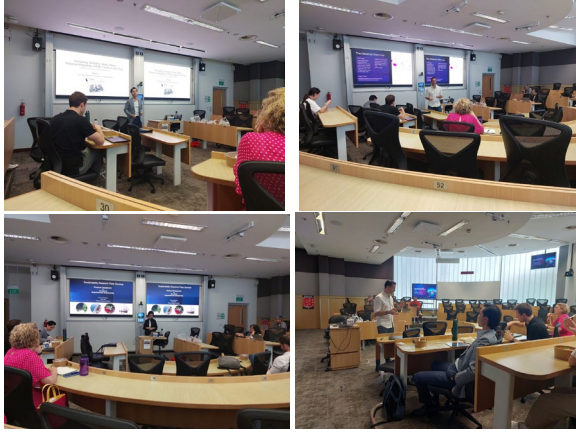
Paper Link: [RWDC Industries: How an Octogenarian Helped Produce Sustainable Plastics](#)



### Sustainable Business Research Peak Seminar

During the fall semester, we organized two Sustainable Business Research Peak Seminars on 3 September and 5 November 2025. Three presenters, Simon Schillebeeckx, Xina Li, and Susan Chong, spoke at the first seminar, while two faculty members, David Gomulya and Yangfang Zhou, presented at the second seminar. Michael Schaerer and Hao Liang served as moderators for these events. All presenters shared their latest sustainability papers, with details of their work provided on the first three pages.

## **Sustainable Business Research Peak Seminars on 3 September 2025**



## **Sustainable Business Research Peak Seminars on 5 November 2025**



*In case that a specific publication was not included in our newsletter, or if any faculty members have upcoming work that wish to highlight in our next newsletter, please kindly contact our team at [Sustainability\\_BSch@smu.edu.sg](mailto:Sustainability_BSch@smu.edu.sg) and our writers, Sompassorn Ruksomboonde at [sompassornr.2022@pbs.smu.edu.sg](mailto:sompassornr.2022@pbs.smu.edu.sg)*