

2024 Sharing Information on Progress (SIP) Report

IESE Business School

Table of Contents

1. About PRME 3
2. About SDGs 5
3. Values 6
4. Teach 8
5. Research
6. Partner 22
7. Practice 32
8. Share 35

About the Principles for Responsible Management Education (PRME)

The Principles for Responsible Management Education (PRME) is a United Nationssupported initiative founded in 2007 that aims to raise the profile of sustainability in their classrooms through Seven Principles focused on serving society and safeguarding our planet.

PRME engages business and management schools to ensure they provide future leaders with the skills needed to balance economic and sustainability goals, while drawing attention to the Sustainable Development Goals (SDGs) and aligning academic institutions with the work of the UN Global Compact. Driven by its mission to transform management education, PRME equips today's business students with the understanding and ability to deliver change tomorrow. As a voluntary initiative with over 800 signatories worldwide, PRME has become the largest organized relationship between the United Nations and management-related higher education institutions.



The PRME initiative was launched to nurture responsible leaders of the future. Never has this task been more important. Bold leadership and innovative thinking are needed to achieve the Sustainable Development Goals (SDGs).

Antonio Guterres

Secretary-General (2017 - Present)
United Nations

"

Principles of PRME



Purpose

We advance responsible management education to foster inclusive prosperity in a world of thriving ecosystems.



Values

We place organizational responsibility and accountability to society and the planet at the core of what we do.



Teach

We transform our learning environments by integrating responsible management concepts and practices into our curriculum and pedagogy.



Research

We study people, organizations, institutions, and the state of the world to inspire responsible management and education practice.



Partner

We engage people from business, government, civil society, and academia to advance responsible and accountable management education and practice.



Practice

We adopt responsible and accountable management principles in our own governance and operations.



Share

We share our successes and failures with each other to enable our collective learning and best live our common values and purpose.

The Sustainable Development Goals (SDGs)

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all – laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of Agenda 2030 are 17 Sustainable Development Goals (SDGs) and 169 related targets that address the most important economic, social, environmental and governance challenges of our time. The SDGs clearly define the world we want – applying to all nations and leaving no one behind. Successful implementation of the SDGs will require all players to champion this agenda; the role of higher education is critical to this.









































Values

We place organizational responsibility and accountability to society and the planet at the core of what we do.

RME Leadership Accountability

At IESE Business School, accountability for responsible management education is structured as follows:

Formalized Senior Leadership Role

Committee accountable and responsible for RME

IESE Business School integrates the PRME at all levels: Research, Faculty, Partnerships, etc. In terms of responsibility and accountability. The Executive Committee is accountable and responsible for these matters.

The Executive Committee is composed by faculty members and members of the staff, ensuring the PRME are well understood and disseminated across the organization.

Organizational Structure for RME

The following organizational entities at IESE Business School are responsible for RME:

- Research-Focused Entity
- Teaching-Focused Entity
- Community Engagement Entity



Teach

We transform our learning environments by integrating responsible management concepts and practices into our curriculum and pedagogy.

PRIME Elements in Degree Programs

IESE Business School integrates responsible management education into its degree programs through 6 different approaches:

Professor-Discretionary Course Topics

Course-Level RME Learning Goals

Program-Level RME Integration

Description of degree programs with RME in the program-level learning goals and assessment rubrics

Below you will find some examples of specific degree programs where sustainability-focused courses are provided. In addition, a couple of executive education examples are provided to show that PRME and SDG are relevant in every level of education granted at IESE.

A concentration has been created in MBA program to address sustainability focused matters:

"Sustainability & Responsible Business" where the following courses are provided:

- · What is Business for?
- · Cities in Motion
- Corporate Governance
- Leading the Energy Transition
- ESG Risk Management
- ESG and Impact Investment
- Strategies for Impact
- · Managing Social Ventures
- Strategic Board Governance
- · Strategy and Sustainability
- Social Impact & Sustainability
- Consulting

In addition, in all our degree programs **elective courses** focusing on sustainability are offered. Since 2021-22, over 50% of each year cohort have taken such courses, with a growing interest every year steadily:

MiM:

-Sustainability: Leadership for a better world

MBA (full-time program):

- -Sustainable Leadership
- -Cities in Motion: Strategy Foundations of City Management
- -ESG and Impact Investment
- -Social Impact and Sustainability Consulting

- -Strategy and Sustainability
- -Sustainable Entrepreneurship: Creating opportunities for meaningful change
- -Sustainable Finance
- -Middle East: from cultural foundations to sustainability and Al.

Executive MBA (part time program):

- -Sustainability
- -Strategy and Sustainability
- -Sustainable Entrepreneurship
- -Inside Africa
- -Middle East: from cultural foundations to sustainability and Al

Assessment of the learning goals is made through direct measures (such as students' grades and mentor's assessments – as every degree program student has a mentor during the whole duration of the program-) and indirect measures (such as alumni surveys performed every year, course evaluations by the students made systematically at each course end, and others). All this data is collected so that Faculty (through Academic Directors of the programs) may determine improvements to be made, ensuring that the needed amendments are provided to each and every course, program, degree.

In addition, ESE is one of the two initiators of the **project "Future of Capitalism" together with Shizanken University**. Indeed, it was initiated by Prof. Franz Heukamp (Dean of IESE Business School) and Prof. Tomo Noda of Shizenkan University. The first edition was held from January to April 2021 as a joint course among four schools: IESE, Shizenkan, School of Inspired Leadership and Fundação Getulio Vargas. In our attempt to scale the impact of this course and people involved in as well as to provide a broader platform for students participating, several like-minded schools joined in 2022: Copenhagen Business School, IMD, IPADE, IPB University, Lagos Business School, Seoul National University, Tecnológico de Monterrey, and Universiti Sains Malaysia.

The course consists of a series of virtual field trips -rather than academic sessions-. By using remote communication tools, e.g. Zoom, students interact and discuss with classmates from all around the globe; have dialogue with leaders from diverse sectors; and are inspired to contemplate individually what to do as a next-generation leader.

Students understand the key issues society faces within the capitalist system today, as it acts as an integral part of the socio-economic system. Because today's socio-economic system is founded upon nation-state democracy and capitalism, when challenges faced by capitalism are discussed, often reflections on the nation-state and/or democracy become inevitable. By connecting virtually with thought leaders who are trying to address key concerns arising out of the current system, students will gain insight from firsthand experiences. Furthermore, students will engage in dialogue with people who are affected in various ways by today's socio-economic system, to better understand their perspectives and interests. Each student is expected to

reflect upon the role of business enterprises in society and responsibility of business leaders, and to translate the inputs from the sessions into a personal commitment for the betterment of society as a future leader and a plan to bring about changes.

Finally, a **short focus program** has been created recently on "**sustainability and ESG**" with editions in Madrid and Barcelona every year. Participants are professionals in different sectors and from around the world who learn how the three areas of ESG (environmental, social and corporate governance) directly impact their business and area of responsibility. The program provides them with a high-level approach to help create an action plan for their own unit or function and, most importantly, help them reflect on how managers may need to evolve in order to "walk the talk."

Sustainability & ESG | IESE Focused Programs

The signatory's pedagogical approach, which includes RME in all degree program design and pedagogical innovations

Description of the Signatory Member's pedagogical approach, which involves RME in all degree program design and pedagogical innovations

A variety of methods are used at IESE, constantly reassessed and improved. In addition to the case method, we may mention, for example: simulations, internships, international exchanges, meetings with all kinds of stakeholders (entrepreneurs, public figures, etc.).

The method used since IESE beginning is the **case method**. https://www.iese.edu/the-case-method/

The case method is a learning methodology built on learning by doing and which aims to prepare students for strategic decision-making in companies through the practice of real situations.

After students in groups study and prepare the case, and tackle the problem to be solved, the professor facilitates and guides the classroom debate. Addressing the prognosis prepared by the participants, the professor encourages participation from the entire class to deepen the discussion with different points of view stemming from diverse experiences and cultural backgrounds.

This method was first used at Harvard in the early 20th century and has since become hugely popular thanks to its effectiveness in developing knowledge, skills and attitudes among experienced students. These are the benefits:

- · Shape new perspectives through active listening with classmates and teachers.
- \cdot Improve critical judgment through discussion. Expand the capacity for diagnosis and reflection.

- · While making decisions within the case method, learn how to make decisions you can apply to your company.
- · Develop a cross-sectional view of general management to face any business decision.
- · Apply ethical management values and organizational purpose toward making decisions with people at the center.

In summary: through the analysis of real cases, the case method connects theory to practice. It also favors the development of managerial capacities such as analyzing business problems, balancing different perspectives, presenting viable solutions and deriving power from conviction. Furthermore, as there is often no single solution to a problem, this system allows you to enrich yourself with multiple ideas, experiences and points of view. All is into action to learn to take responsible business decisions. As sustainability is a transversal concept, it is embedded in most of the cases drafted and used at IESE.

Even though, initially, mainly all the cases were Harvard cases, nowadays, as we enjoy an international and highly qualified vibrant academic faculty, IESE produces study cases, technical notes (aside from peer-reviewed journal articles, etc.).

https://www.iese.edu/faculty-research/learning-methodologies/

In terms of pedagogical approach, **real-life experience** is sought in many ways (apart from the case method referred above). For example, through the internships done during the program by our younger students (MBA mainly). Also, during the modules performed abroad, students are mixed up with other students and professionals from other cultures and backgrounds enriching the real-life experience. Students are also given the opportunity to learn by doing during simulations and by participating to the many IESE clubs. All these different means prepare them for strategic and responsible decision-making in companies.

https://www.iese.edu/faculty-research/research-centers/eic-entrepreneurship-innovation-center/

The **mentoring program** is also a privileged tool in IESE pedagogical approach. Indeed, since its inception in 1958, IESE has emphasized mentoring as a core component of its educational approach, reflecting its commitment to developing leaders through individualized guidance. The mentoring program connects students with professors and professionals who offer insights, advice, and support tailored to each student's unique academic path and career aspirations and challenges. It fosters meaningful relationships between mentors and mentees, grounded in mutual respect and open communication. These relationships are nurtured through a variety of structured and informal interactions, ensuring that mentees receive valuable feedback and encouragement. Additionally, a digital platform has been developed to provide enhanced experience to both mentors and mentees. Each mentor only supervises a handful of mentees to ensure that every student will be attended anytime needed.

https://www.iese.edu/faculty-research/learning-methodologies/

On the technical side, pedagogical innovation is fostered by the **Learning Innovation Unit** (where cut edge technologies are used to enhance the student experience to develop quicker his/her skills).

Our publishing through our magazine (**IESE Insight**) provides reviewed and summarized articles of all publications by IESE Faculty (books, chapters, articles in journals with or without refereed, study cases, working papers, etc.). They are catalogued by SDG and disseminated in English and Spanish (in free access in our web), contributing to expansion of the knowledge in SDG related matters. Such magazine reaches over 52,800 people, making it the digital magazine in Economics with the largest circulation in Spain.

https://www.iesepublishing.com/

RME is in the signatory's educational vision, so that it drives the signatory's business model and all educational efforts, courses, programs, degrees, and non-degrees

Description of the business model with RME in all educational efforts

IESE Business School's **educational vision** is human-centered. Specifically, we develop leaders who have a deep, positive, and long-lasting impact on people, firms, and society. This vision is driven by a commitment to responsible management and is closely aligned with the principles of the United Nations Global Compact. IESE emphasizes ethical leadership, integrity, and a human-centered approach to business education, aiming to cultivate professionals who are not only skilled in their fields but also dedicated to making socially and environmentally responsible decisions.

IESE's **business model** is designed to support this vision through a combination of high-quality teaching, rigorous, relevant and accessible research, and a global perspective. The school leverages its extensive network of international campuses and partnerships to provide a diverse and inclusive learning environment. This model is sustained by a faculty renowned for both academic excellence and real-world business experience, which ensures that the education provided is both relevant and cutting-edge. The focus is on creating a dynamic interplay between theory and practice, enabling students to apply their learning in real-world contexts.

Limitless Learning | IESE Business School

IESE's **educational efforts** encompass a wide array of programs designed to meet the needs of various professional stages. These include MiM, full-time MBA programs, Executive MBAs, Global Executive MBAs, and the Master in Research Management together with a PhD program. Each program is structured to foster leadership, strategic thinking, and ethical decision-making. Additionally, IESE offers non-degree programs such as customized corporate training and openenrollment courses that address current business challenges, ensuring that learning is continuous and accessible to a broad audience

<u>IESE Business School: World Leader in MBAs & Executive Education</u>

<u>Programs and Courses | IESE Business School</u>

IESE's commitment with Responsible Management Education even goes beyond its owns operations. Since its beginnings, IESE has contributed to the dissemination of knowledge and "savoir faire" through different actions among which the **founding and development of a network of 15 associated business schools**, mainly in Latin America and Africa, but also in Europe and Asia. Together, these schools help drive IESE mission worldwide, reaching more than 300,000 alumni and thousands of companies on these continents.

https://www.iese.edu/about/international-alliances/

One of the goals of the Future Forward 2023-25 (IESE's current Strategic Plan) focuses precisely in **Latin America**. In the Spanish-speaking world in Latin America, we will explore ways to better serve those regions and markets, with particular emphasis on online and blended programs. In Brazil, where we have a joint venture with our associated school ISE, we will foster our offer of joint programs under our academic direction.

https://www.iese.edu/es/roadmap-2023-25/

As mentioned in another part of the present report, since more than 20 years, the **Africa Initiative** has a clear mission: to help develop sustainable business leadership in Africa in order to have a positive and lasting impact on African society. Among other milestones, it is worth highlighting the crucial participation of IESE in the creation of three business schools on the continent: Lagos Business School in Nigeria, Strathmore Business School in Kenya and MDE Business School in Ivory Coast. Since then, among other things, IESE, provides training and courses to professors from African business schools, helps decision-taking in such schools and enables networking events in Barcelona Campus with these three business schools (Africa Thing Tank).

IESE has been contributing to business development and executive training in Africa, with dozens of programs and modules, training courses for professors, exchange events and activities, institutional agreements and academic research with the above referred business schools.

https://www.iese.edu/es/claustro-investigacion/iniciativas/africa/

In addition, impact in Africa is achieved through raising awareness of specific difficulties of the continent through the **offering of elective courses** in MBA & EMBA dedicated to Africa such as "Inside Africa". In addition, we may mention "Middle East: From Cultural Foundations to Sustainability and AI", among others.

Finally, all is put in place so that our students strive in their fields of interest. For example, in relation with our MBA cohort graduating in 2024, we celebrate (i) that the Caatinga Bank team (Brazil), who secured second place at the Kellogg-Morgan Stanley Sustainable Investing Challenge, and (ii) that Nura Smadi, was recognized on the 'Poets and Quants 2024 Best & Brightest MBAs' list for her dedication to sustainability and positive change. These women exemplify IESE's mission of developing leaders committed to making a profound and lasting responsible impact on people, companies, and society.

https://prdt.iese.edu/EIC-Newsletter-May-2024-09-EN

2024 Sharing Information on Progress (SIP) Report

Resilient Waters Fund Wins the 2024 Kellogg-Morgan Stanley Sustainable Investing Challenge

- Company Announcement - FT.com

Guest Speakers and Showcase Events



Research

We study people, organizations, institutions, and the state of the world to inspire responsible management and education practice.

RME Elements in Research

IESE Business School incorporates responsible management education into its research endeavors through 7 different methods:

Regular Research Seminars

Research Conferences

Required Research Reporting

Description Faculty members must report their responsibility-related research publications regularly

As per IESE internal proceedings, all professors are required to report ALL their research publications regularly in a specific platform (ACADEM). In addition, they are required to specify, for each intellectual contribution, the SDG covered.

Professor provide therefore for each publication the following information:

- Type of intellectual contribution: article in refereed journal, article in non-refereed journal, book chapter, edited book, case, technical note, etc.
- Authors
- · Name of the publication
- SDG related
- Year of publication
- · DOI. etc

All is stored in ACADEM platform.

Dedicated Research Funding

Description of research funding specifically related to responsibility

At IESE Business School, our commitment to responsible research is evidenced by several key projects funded by public grants, targeting various aspects of sustainability and social responsibility. These projects align closely with the United Nations Sustainable Development Goals (SDGs) and aim to address critical global challenges.

Through these projects, IESE Business School demonstrates a strong dedication to advancing knowledge and solutions in sustainability and responsibility, contributing significantly to the global efforts in achieving the SDGs.

To be more precise, it has been identified that the research projects developed at IESE since 2022 are largely associated with the following SDGs:

- 3.Good Health and Well-being: Ensure healthy lives and promote well-being for all at all ages.
- 4.Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- 5. Gender Equality: Achieve gender equality and empower all women and girls.
- 7. Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable, and modern energy for all.
- 8. Decent Work and Economic Growth: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
- 9. Industry, Innovation, and Infrastructure: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.
- 10. Reduced Inequality: Reduce inequality within and among countries.
- 11. Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient, and sustainable.
- 12. Responsible Consumption and Production: Ensure sustainable consumption and production patterns.
- 13. Climate Action: Take urgent action to combat climate change and its impacts.

These projects reflect IESE's commitment to high-impact research and international collaboration in various key areas such as cluster management, workplace diversity, support for the independence of older people, economic-financial analysis, and social entrepreneurship.

Below is a list of some of our projects over the past two years, highlighting their alignment with specific SDGs:

· Green Investments, Household Finances, and Local Economic Dynamics (GREENVEST) – Claudio Rizzi

This project, funded by the Horizon-MSCA Postdoctoral Fellowships 2023, investigates the impact of green investments on household finances and local economies, supporting SDG 8 (Decent Work and Economic Growth) and SDG 11 (Sustainable Cities and Communities).

· WEQUALITY - Professional social media platforms and women's career advancement: factors impacting women's career equality without backlash. A management research perspective - Isabel Villamor.

WEQUALITY, funded by the HORIZON-MSCA-2022-PF-01-01, investigates how professional social media platforms influence women's career advancement, focusing on factors that promote career equality for women without causing negative repercussions, supporting SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities)

- · ¿Cómo reformar la información corporativa y los sistemas de incentivos para lograr cero emisiones netas para el 2050? (How to Reform Corporate Reporting and Incentive Schemes to Achieve Net-zero Emissions by 2050?) Gaizka Ormazabal, Miguel Duro Funded by Public grants for strategic projects focused on ecological transition and digital transition under the State Plan for Scientific and Technical Research and Innovation 2021-2023, within the framework of the Recovery, Transformation, and Resilience Plan. The project proposes reforms to corporate reporting and incentive structures to align business practices with the goal of achieving net-zero emissions by 2050. It focuses on enhancing transparency, accountability, and motivating sustainable practices through improved regulatory frameworks and incentive. Supporting SDG 13 (Climate Action), and SDG 12 (Responsible Consumption and Production)
- · Adaptación y mitigación del cambio climático a través del emprendimiento y el sector financiero Carles Vergara; Desirée Pacheco
 Funded by Public grants for strategic projects focused on ecological transition and digital transition under the State Plan for Scientific and Technical Research and Innovation 2021-2023, within the framework of the Recovery, Transformation, and Resilience Plan. The project explores how entrepreneurship and the financial sector can contribute to climate change adaptation and mitigation. It examines innovative business models and financial strategies to address environmental challenges. Supporting SDG 13 (Climate Action), and SDG 8 (Decent Work and Economic Growth).
- · Shaping a Thriving Society: Exploring the Dynamic Intersection of ESG Strategy, Firm Location, and Stakeholder Management on Performance and Social Impact Romain Boulongne; Pascual Berrone

Funded by Social Trends Institute (STI), this project is focused on examining how ESG strategies, firm location, and stakeholder management interact to affect organizational performance and social impact. Supporting SDG 8 (Decent Work and Economic Growth), and SDG 11 (Sustainable Cities and Communities).

· The power of Inclusion - Elena Reutskaya

Funded by Social Trends Institute (STI), the Power of Inclusion is a research initiative focused on enhancing diversity and inclusion in various organizational contexts. Reutskaya's project emphasizes the importance of creating environments where all individuals, regardless of their backgrounds, can participate meaningfully and feel valued. Supporting SDG 10 (Reduced Inequalities)

- · Plural Institutions in a Sustainable Society John Almandoz
 Funded by Social Trends Institute (STI), this project aimed at understanding how various types of institutions—such as businesses, non-profits, and governmental organizations—can collaborate to promote sustainable development in society. It explores how these institutions can integrate diverse logics and values to address complex societal challenges like climate change, inequality, and social cohesion. Supporting SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities)
- · Towards a Green Economy: Climate-Related Physical & Transitional Risk in Real Estate Carles Vergara
- · Funded by Social Trends Institute (STI), this project focuses on assessing the impacts of climate change on the real estate sector, particularly addressing both physical and transitional risks. Supporting SDG 13 (Climate Action) and SDG 9 (Industry, innovation and Infrastructure.

Additionally, IESE is part of the EIT HEALTH network, founded in 2015 as a 'knowledge and innovation community' (KIC) of the European Institute of Innovation and Technology (EIT). The so-called 'knowledge triangle' is the principle that when experts from business, research, and education work together as one, an optimal environment for innovation is created. In this context, we have more than twenty active projects from 2022 to the present. Most of these projects are linked to the following SDGs: SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 9 (Industry, Innovation, and Infrastructure), SDG 10 (Reduced Inequality) and SDG 11 (Sustainable Cities and Communities). IESE is also a silver member of KIC EIT Urban mobility focused on SDG 9 (Industry, Innovation, and Infrastructure) and SDG 11 (Sustainable Cities and Communities) among others.

PhD-Level RME Courses

Research Awards Program

Research awards for responsibility-related research

Please find below a list of awards granted to IESE Professors and related to responsibility-related research

Faculty	Academic Year	Title of the awards
		International Conference on Social Dilemmas Award for the Best Presentation on Health and
		Sustainability
		for the paper "The transmission game: Testing behavioral interventions in a pandemic-like simulation"
Hafenbrädl, Sebastian	2021-2022	(Presenter: Jan K. Woike, with <u>Kanngiesser</u> , P. & Hertwig, R.)
		Outstanding Paper Award, 14th Annual Research Conference for "Institutional Investors, Climate
		Disclosure, and Carbon Emissions" (formerly titled "Why Do Institutional Investors Request Climate
		Related Disclosures?") published in Journal of Accounting & Economics (coauthored by Cohen, Kadach
Kadach, Igor	2021-2022	and Ormazabal)
		Outstanding Paper Award for "Institutional Investors, Climate Disclosure, and Carbon Emissions"
		(formerly titled "Why Do Institutional Investors Request Climate Related Disclosures?") published in
Ormazabal, Gaizka	2021-2022	Journal of Accounting & Economics (coauthored by Cohen, Kadach and Ormazabal)
		2023 MSOM (Manufacturing and Service Operations Management)
		Society Award for Responsible Research in Operations Management
		for her paper "Can Brands Claim Ignorance? Unauthorized Subcontracting in Apparel Supply Chains"
Sáez de Tejada, Anna	2022-2023	co-authored with F. Caro and L. Lane published in Management Science

Other types of research support for faculty or PhD students

In relation with other types of research support for faculty or PhD students, we could mention the Global Compact ("Pacto Mundial") Report reported regularly.

Please refer to the most recently uploaded information in the following webpage: https://www.pactomundial.org/



Partner

We engage people from business, government, civil society, and academia to advance responsible and accountable management education and practice.

Partnership Approaches for RME

IESE Business School partners with external stakeholders to advance responsible management education through 5 different approaches:

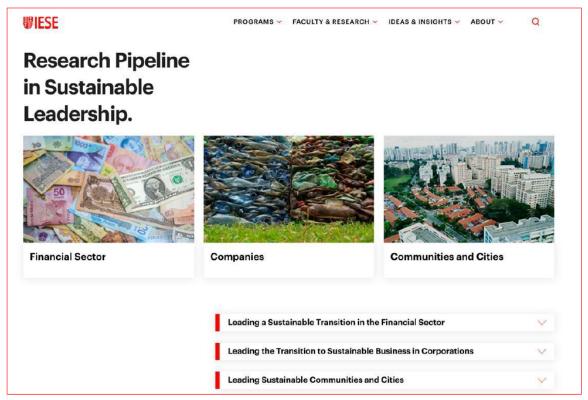
Knowledge Translation and Dissemination

Description of partnering activities that involve informing

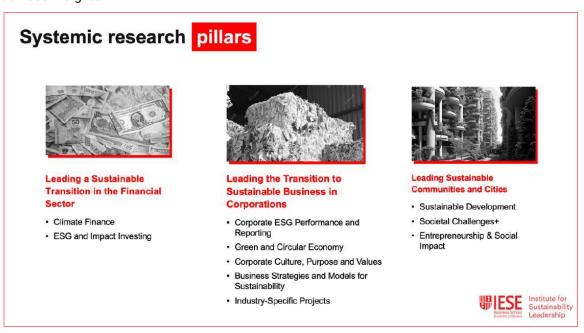
The SLI at IESE advances interdisciplinary research on the transformation to help companies and their stakeholders, navigate the transition to a more sustainable form of capitalism.

In the section below, examples will be provided of (i) publications focused on business practitioners, translating academic knowledge into practical business insights; (ii) an example of executive education that offers practical guidelines to develop innovative solutions and establish novel business models around sustainability and (iii) of a global PhD course "Organizing the Climate Transition" (free of charge) intended to well-equip PhD students to contribute to the field of climate transition, strategy and organization studies, addressing climate change challenges with innovative research.

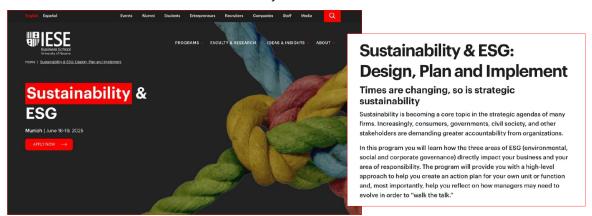
The SLI at IESE advances interdisciplinary research on the transformation to help companies and their stakeholders, navigate the transition to a more sustainable form of capitalism.



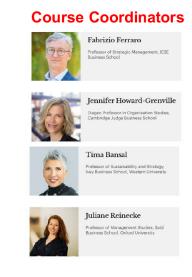
Publications focused on business practitioners, translating academic knowledge into practical business insights.

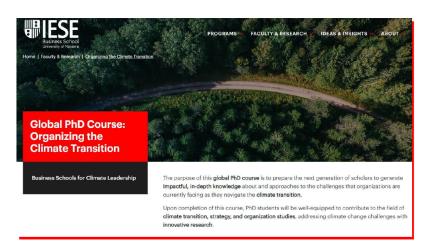


A Focus Program: that offers practical guidelines to develop innovative solutions and establish novel business models around sustainability.



A global PhD course "Organizing the Climate Transition" (free of charge) is offered by BS4CL alliance, of which IESE takes part. This course intends to well-equip PhD students to contribute to the field of climate transition, strategy and organization studies, addressing climate change challenges with innovative research.





External Community Dialogue

Description of partnering activities that involve dialoguing

Please find below some examples of partnering activities that involve dialoguing:

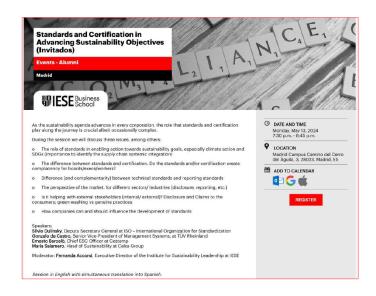
- · Launch of a center of excellence in Sustainability
- Classes
- Dialogue with companies
- · Panels with industries

SLI: a center of excellence in Sustainability

Please visit: https://www.iese.edu/faculty-research/initiatives/institute-sustainability-leadership/



Panels and classes to facilitate the exchange of knowledge









CSO circles: Sustainability leaders from diverse companies convene to identify shared challenges across sectors and within supply chains, as well as explore collaboration opportunities to address them.

Fabrizio Ferraro, Professor of Strategic Management opened the session and then handed over to Claudio Rizzi, Assistant Professor of Financial Management at IESE Business School, for a presentation on 'The cost of biodiversity loss to companies, sectors and societies'. Following this valuable input and context setting, our facilitator for this CSO Circle, David Sagristà, took over and ran a round of ice breaker discribes to enable participants to get to know each other better and create a comfortable atmosphere in the room. David invited the 6 participants to reflect on the following questions:

- "What is a leadership challenge you are currently facing as a CSO that keeps you awake at night?".
 "Tell us a challenge that you are currently facing, or a past challenge that might be relevant for the other participants?"

Participants were then given time to contemplate these questions and prepare a short verbal presentation summarizing their current challenge. Following their individual presentations, they received feedback, advice and recommendations from their peers.

Once everyone had shared, David facilitated an individual call to action, in which participants were asked to make a practical commitment to next steps, besed on the feedback they had received.

The feedback from the CSOs was very positive. They commented that they valued having the opportunity to share their challenges in a relaxed way and, for a brief moment in time, not feeling lonely in their role. Senior leaders, particularly CSOs (a relatively new role within most organizations) have a heavy burden of responsibility and accountability and there is often a lack of peer support. However, in the CSO Circle, we were able to offer an opportunity to oreate meaningful connections and provide a space were CSOs can discuss challenges and concerns who there who share similar experiences. This was only the first session, with a further Circle planned for next month, where more CSOs from our founding members group will join.

We also received positive feedback from our facilitator, David, who shared that: "I was very positively surprised by the motivation of all the Foun. Members to drive sustainability goals within their companies. Through conversations with them, you get the feeling that, far from being just and project, sustainability is embedded in their DNA and they share a personal comminement to the success of the project." We look forward to sharing more learning and good news from our CSO cohort. As one of them aptly said,

"The future of sustainability lies in the alliance".

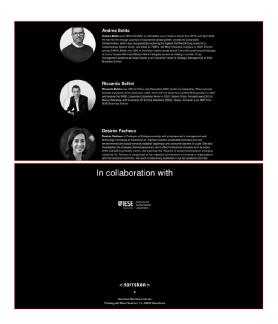
hanks to Fernanda Accorsi, Executive Director of the Institute for Sustainability Leadership at IESE and Fabrizio Ferraro, Professor of Strategic





Panels with industries





Collaborative Problem Solving

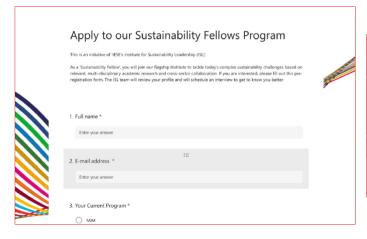
Description of partnering activities that involve problem-solving

Description below of the "Sustainability Fellows Program".

Description of partnering activities that involve <u>problem-solving</u>



•Sustainability Fellows - enrolled in various degree programs, students will have the opportunity to apply and collaborate with faculty members and corporate partners on academic initiatives focused on sustainability. These initiatives encompass: Engaging in collaborative research projects with corporations/start-ups/NGOs. Developing case studies and educational materials; Collaborating in academic research with IESE professors and researchers;





Collaborative Change Action

Description of partnering activities that involve acting

Even though there are many examples of partnering activities that involve acting, we are only referring here to the Business Schools for Climante Leadership (BS4CL)

Partnership with other Education Institutions to advance the Climate Transition:

- Business School for Climate Leadership (BS4CL) Alliance
- BS4CL Conference



Additional information available at: <u>Business Schools for Climate Leadership</u> (bs4cl.org)

Description of partnering activities that involve acting

IESE Africa Initiative is another example of great partnering to impulse change at different levels: curriculum, research and knowledge dissemination, internal and external actions.

IESE's commitment to Africa's development keeps steady. Indeed, as mentioned in previous reports, since more than 20 years, the **Africa Initiative** has a clear mission: to help develop sustainable business leadership in Africa to have a positive and lasting impact on African society. Among other milestones, it is worth highlighting the crucial participation of IESE in the creation of three business schools on the continent: **Lagos Business School in Nigeria**, **Strathmore Business School in Kenya and MDE Business School in Ivory Coast**. Since then, among other things, IESE enables networking events in Barcelona Campus with these three business schools (Africa Thing Tank).

IESE keeps contributing to business development and executive training in Africa, with dozens of programs and modules, training courses for professors, exchange events and activities, institutional agreements and academic research with the above referred business schools. https://www.iese.edu/es/claustro-investigacion/iniciativas/africa/

The Africa Initiative enables the **creation of up-to-standard jobs on the continent**. It serves as a real social elevator thanks to scholarships granted. Indeed, it enables talented students to obtain a higher education that they would not otherwise.

It also fosters awareness and development of capacities and skills around environmental issues among the students and communities related to our associated business schools. As per applied research, to meet the need for access to energy in the African continent, the **Fuel Freedom Chair for Energy and Social Development** was created. Currently, the Chair is developing projects through business schools in Ethiopia, Ghana, and has worked in the past with Kenya and Ivory Coast. Many articles have been published in refereed journals on ending poverty by IESE Faculty as well as a case for study from Prof. Talamas on "Lebanon's Post-War Economic Reconstruction.

In order to contribute to quality education, **new study cases** have been drafted in academic year 2022-2023 such as "Shell: Green Finance and Sustainability Challenges: Activist Investor Demand to Split the Company" and "Holaluz and the EU Green Deal".

Related to Africa Initiative, new cases have also recently been drafted: "Uwa Ode: Embracing Life and Career across Cultures" and "Ignite Power in Rwanda. Electric Power on a Different Scale".

These enable study at IESE and are purchased from our website to be used in other business schools around the world, sharing relevant and useful insight.

As far as our internal operations are concerned, please note that most of our PhD students come from abroad and they are not meant to stay and develop their career at IESE once graduated but rather to go back to their countries of origin and spread their learning. All of them have a **full scholarship during their PhD studies** at IESE (in Barcelona campus).

In general terms, IESE is continuously increasing the number of **scholarships granted** (steady increase of grants in MBA, mainly favoring students coming from emerging countries). In addition to scholarships granted by IESE, some companies are partnering to offer grants. For example, in January 2024, IESE and Equatorial Coca-Cola Bottling Company signed a collaboration agreement, with the aim of facilitating executive training and talent development on the African continent. Initially established for a duration of five years, the agreement states that, each year, the company will grant two students on the MBA program and another two students on the MiM.

As far as our internal processes and policies are concerned, a full set of corporate governance tools has been developed over the years with, among others, a code of conduct that ensures all our providers behave according to ethical standards. Indeed, IESE would not partner with companies, individuals or institutions that do not implement and foster responsible management and ethical conduct.

In terms of dissemination of the UN Global Compact ten principles, and to be more specific about concrete actions led by the Africa Initiative, we may mention that, since November 2023, IESE is collaborating in 2 projects in Kenya: (i) the Macheo Program and (ii) the Karibu Sana Initiative. These projects facilitate access to education in Kibera (Nairobi), the largest slum in Africa:

- (i) The Macheo Program helps schools in disadvantaged areas such as Kibera. The Program supports the adaptation and equipping of educational centers as well as supplements the cost of education for families. School centers that have received support include Ushirika, John Paul II, New Horizons and the Academia School of Kibera.
- (ii) The Karibu Sana Initiative is promoted by Professor Javier Aranguren and works to rehabilitate and rescue street children. This goal facilitates the continued participation of these children in local education centers. The work of the Initiative is carried out in collaboration with the Kwetu Home of Peace, a Catholic foundation managed by Kenyan nuns. The nuns, called the Eldoret Sisters of the Immaculate, have been working in the area since 1996.

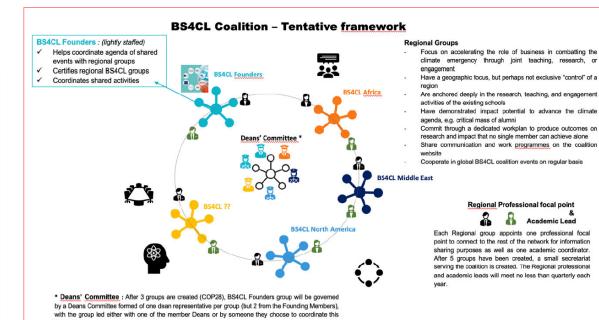
To learn more about IESE Alumni having an impact in Africa (for example through a techenabled trading platform that updates commodities prices daily helping farmers adjust production to match buyers' needs in Kenya, Uganda, Nigeria, Benin, Togo, etc.), you may refer to the latest IESE Insight Magazine. Please note that such magazine reaches over 52,800 people, making it the digital magazine in Economics with the largest circulation in Spain. It understands "business as a source for good" and it reflects how we think at IESE, spreading therefore the Ten Principles.

Leaping ahead_IESE Business School Insight.pdf

Formalized Partnership Governance

Description of governance

Just to provide an example, we shall refer to the expansion to other continents of the BS4CL.





Committee.

BS4CL Deans' Memo '23



2. The BS4CL Coalition - A global network of business school collaborations to advance the climate agenda

The founding members of BS4CL are Cambridge Judge Business School, HEC Paris, IE Business School, IESE, IMD, INSEAD, London Business School, Said Business School, University of Oxford. These schools are not only founding members but constitute BS4CL Europe.

Since the launch of BS4CL at COP26, other business schools have expressed interest in joining the group. To remain manageable, it was decided to not expand the founding group but rather to explore creating similar collaborations.

BS4CL Africa was launched at COP27 with the support of UNPRME which will launch BS4CL Middle East at COP28. As we move from a loosely affiliated set of regional groups, we need to define the role of regional BS4CL groups and a new Global BS4CL oversight group.

The key principles for new regional groups to be created as well as ways of working for the Global coalition are the following:

• Principles for each Regional BS4CL group & BS4CL Global:

- Focuses on accelerating the role of business in combatting the climate emergency through joint teaching, research, or engagement
- Has a geographic focus, but perhaps not exclusive "control" of a region

- Anshored deeply in the research, teaching, and engagement activities of the existing schools.

 Has demonstrated impact potential to advance the climate agenda, e.g. critical mass of alumni.

 Commits through a dedicated workplan to produce outcomes on research and impact that no single
- Shares communication and work <u>programmes</u> on the coalition website Cooperates in global BS4CL coalition events on <u>regular</u> basis
- BS4CL Global
- Agendas for each regional group are set locally, but BS4CL Global will help coordinate the agenda for shared events.
- BS4CL global has two key functions:
- ✓ Certifying regional BS4CL groups
 ✓ Coordinating shared activities
- BS4CL Global has three related groups:
- ✓ A Dean's council responsible for certification of regional members and general oversight.
 ✓ Academic and professional coordinating committees shares information and plans joint
- BS4CL Global is designed to be lightly staffed, but on a certain scale will need a small secretariat



Practice

We adopt responsible and accountable management principles in our own governance and operations.

PRIME Policy Implementation

IESE Business School has implemented 7 policies to support its commitment to responsible management education:

Greenhouse gas emissions

Water

Buildings/real estate

Travel

Employee equity, diversity, inclusion

Student equity, diversity, inclusion

Dignity, Diversity and Belonging

Please note that the below information affects to all IESE, not only its students.

A brief presentation of IESE Dignity, Diversity and Belonging Office will be provided.

At the heart of IESE's mission, **dignity** is tightly interwoven into all of the school's activities. As a mission-driven school grounded in Christian humanism, IESE aims to shine a spotlight on human dignity, showing openness and respect for everyone.

The IESE community encompasses faculty, staff, students, participants and visitors who reflect diverse backgrounds and interests. **Diversity** enriches the learning experience. We believe that embracing and consciously tapping this rich source of diversity leads to better ideas and outcomes, and a greater social impact.

Members of the IESE community are expected to positively contribute and collaborate in fostering an environment that allows everyone to thrive and develop their talents, where everyone feels engaged and a sense of **belonging** to their teams and the institution as a whole. We work every day to make our school an inclusive environment where everybody is welcome. We work to create a learning environment that embraces the search for truth in an open dialogue, the defense of freedom, and a sense of respect and solidarity for all. Differences of opinion should never lead to a lack of respect for one another. Anyone coming to IESE is expected to follow these principles in the way they deal with others. Through mutual understanding and willingness to cooperate, we promote an environment in which everyone can flourish and contribute to the common good through one's own talents and capabilities.

In 2021-2022, the Dignity, Diversity and Belonging (DDB) Office was therefore created to encourage the entire IESE community to work according to these principles and supports the school's activity regarding diversity and inclusion matters.

We may highlight in particular the following actions of the DDB Office:

- \cdot Collaboration with IESE People and Compliance Areas in the implementation of latest regulations on equality matters
- · Assessment of belonging measurements in IESE climate survey
- · Personal conversations (140+) with IESE faculty and experts outside IESE
- · Presentations to companies and institutions (30+)
- \cdot Workshops on mutual understanding and willingness to cooperate with over 400 staff members
- · Promotion of dissemination of humanistic values across teaching and research activities (*Humanity in Business* and *Christian Identity* working groups).
- · Support of Faculty in Case material preparation on diversity, inclusion and belonging topics
- · Cooperation with the MBA Diversity and Inclusion (DI) Committee to help students curate the DI Conference
- · Coordination of the solidarity tasks for Turkey and Syria (earthquakes); and Ukraine-Russia and Middle East conflicts
- · The Women-Win website (https://www.iese.edu/women-win/) compiles all initiatives fostered by IESE for and with women in business
- · Active member of the International Women Entrepreneurial Challenge (IWEC) through the Board and several committees and leadership of the Annual Conference in Madrid in November 2022: with the assistance of 240 businesswomen from 23 countries. https://www.iwecfoundation.org/

Local staff/student/faculty transportation

Institutional Aspiration Targets

IESE Business School has set aspiration targets in 7 different areas:

- GHG Emission Targets
- Water Conservation Targets
- Building and Real Estate Targets
- Internal Transportation Targets
- Travel Reduction Targets
- Employee EDI Targets
- Student EDI Targets



Share

We share our successes and failures with each other to enable our collective learning and best live our common values and purpose.

Performance Disclosure and Transparency

Regarding transparency in RME performance disclosure, IESE Business School operates with the following approach:

Full Transparency Disclosure

SIGNATORY

IESE Business School

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Avenida Pearson, 21, Barcelona Spain

Website

https://www.iese.edu