Sharing Information on Progress Report

September 2012

Introduction from Dean Alberto Grando

We are pleased to renew the commitment of the SDA Bocconi School of Management to the Principles for Responsible Management Education (PRME), and to report on their on-going implementation and incorporation both in our day-to-day activity and in our planning, as of 2012.

SDA Bocconi School of Management has always been recognized in Italy and abroad for its conception of managerial education that goes beyond sector boundaries. Our sound tradition of management education for current and prospective managers in the Private, Public and Non Profit sector has enabled a cross-fertilization in terms of principles and practices, which stands as a strength for our stakeholders, be they our Faculty, our present and prospective students, the corporate world, the economic and social community -national and international, and our Board.

SDA Bocconi School of Management Mission and value system encompass a strong commitment to social responsibility, which is reflected throughout the institution's activities.

We consider the development of this Report and its exchange with other Schools as an opportunity to take stock and review our recent activities and to brainstorm future efforts in the direction of the PRME.

Alberto Grando
Dean, SDA Bocconi School of Management

The Principles for Responsible Management Education

As institutions of higher education involved in the education of current and future managers in the Private, Public and Non Profit sectors we are committed to engaging in a continuous process of ensuring the inclusion of, and improvement in, the following Principles.

It should be underlined that we operate in the larger context of Università Bocconi, where an ad-hoc Chair in CSR has been activated as well as the Center for Research on Sustainability and Value (CreSV) and several mandatory and elective courses on CSR, sustainability and social entrepreneurship are held. While in this report we account for the specific progress made by SDA Bocconi School of Management, there are significant synergies that take place on a daily basis between the School and Università Bocconi in the field of global sustainability and responsibility. These include the organization of seminars and guest speeches, access to resources for joint research activities and collaboration for research and teaching among faculty members and the launch of an across the board initiative called "Bocconi Sociale" which has been conceived during 2012 and will begin operating next year.

In the pages that follow we describe our recent progress in each of the principles. The general perspective we intend to adopt is confirming the actions taken in the past and enlightening the steps forward we are making.

Principle 1

Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

Principle 2

Values: We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Principle 3

Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Principle 4

Research: We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Principle 5

Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6

Dialogue: We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability

Principle 1

Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

We consider Principle 1 as the guiding principle which informs and inspires the efforts of SDA Bocconi School of Management in developing the capabilities of students to be future generators of sustainable values.

Therefore we decided to adopt an inclusive and organic perspective regarding the wealth of activities SDA Bocconi and Bocconi University carry on under the PRME framework. This means offering a stimulus to students and executives to take advantage of the Bocconi learning environment since the beginning and during their learning experience. We called these initiatives of student/participant induction "The SDA Bocconi learning Environment" and "Bocconi Sociale" (described under Principle 3).

Principle 2

We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

We pursue the objective of incorporating in our programs the values of global social responsibility from a twofold perspective:

- First, we confirmed the specific courses dealing with these topics.

- Second, we enlarged our vision to other courses, with a stronger orientation to global social responsibility issues, such as entrepreneurship, innovation, microfinance, environment, shared value creation and others.

The Full Time MBA, the EMBA Programs, the Specialized Master Programs (such as MISA-**Master in Strategy and Entrepreneurship**, the MCF-**Master in Corporate Finance**, the MPM-**Master of Public Management**, MASP-**Master in Management of Performing Arts,** and others) offer courses and activities related to sustainability according to their specific teaching and learning goals.

Some examples are the following:

In the MBA program

As usual: the students are required to take the course entitled Corporate Citizenship that provides a primer into the understanding and management of the complex web of relationships that any company establishes with its stakeholders, and especially with those in the "non-market" sector (public sector and not-for-profit/voluntary sector). Beyond the traditional focus on mapping relationships, the course provides insight into the challenges associated with globalization, which is forcing companies to learn how to be good "corporate citizens" in the face of diverse institutional environments and a global public opinion.

Examples of the new orientation: Operations and Information Systems Management, Entrepreneurship and Business Planning and Change and Organizational Renewal Strategies.

In the Executive MBA (taught in Italian) and Global Executive MBA

As usual: participants are required to attend courses on Business-Government Relations and on Corporate Entrepreneurship. The first analyzes the main interactions between corporations on the one hand and government agencies both at the local and national level, and NGOs and International Organizations on the other hand. The latter is focused on corporate governance, viewed in a broad perspective: all types of enterprises (small-large, public, state-owned, group of companies, etc.), all stakeholders (shareholders, banks, employees, etc.) and the governance structures and mechanisms (board of directors, executive compensation) are considered and discussed with a particular emphasis on sustainability and accountability. Through these courses participants learn to

recognize environmental challenges and opportunities that include formal regulation and societal expectations.

Examples of the new orientation: Courses dealing with the theme of innovation for sustainability are those on Business Planning and on Firms and its environment.

Regarding Specialized Master programs, in the MISA the focus on sustainability is particularly highlighted in the courses in Entrepreneurship, Corporate Strategy and Competitive Intelligence that deal with the themes of social entrepreneurship, CSR and the creation of a value grid; in the MCF students are provided with an in-depth analysis of the CSR instruments both from a company perspective and a financial markets perspective (benchmarking and ethical indexes) also in the Family Business and Corporate Governance course; the Master of Public Management (MPM) provides students with the foundations of Corporate Citizenship from the perspective of NGOs, discussing the implications of corporate philanthropy for the activities and the autonomy of nonprofit organizations as well as the emergence of social entrepreneurship and social franchising, the MASP offers students the analysis of public policies, governance and welfare mix and how to apply an appropriate strategy and develop a business plan for entertainment initiatives in a view of cultural and societal impact.

A special focus is due to our specialized master "**Master in Management of Social Enterprises, Not for Profit Organizations and Cooperatives**" which has been the result of an intensive dialogue and discussion with the third sector, aimed to analyze the needs of the demand.

All the courses that the students of Management of Social Enterprises, Non Profit Organizations and Cooperatives attend are related to topics about responsibility, innovation and sustainability, in particular the Fundraising & Cause Related Marketing course analyzes the relationship between profit and not for profit organizations and the relationship with marketing and CSR, presenting the cause-related marketing tools and the tools to involve staff. Furthermore the course addresses the relationship between stakeholders and CSR tools. Another important core course is Social entrepreneurship: policy and strategy that focuses on the impact of social entrepreneurship in Italy and abroad as a strategic development of CSR, and it provides insight into the relationship between social and economic performance and balance.

Principle 3

We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

SDA Bocconi School of Management aims to further enhance the activities delineated here, and in particular, to aggregate the research and teaching interests, the resources and the contacts available, and the networking opportunities arising from the already consolidated educational and research activities.

The motivation of the faculty and the creation of the network have created a solid mainstream for the School, as a basis for an on-going development of new research and courses dealing with the theme of strategic innovation for sustainability.

The following are ongoing activities which SDA Bocconi sustains and reinforces each year:

- The faculty of SDA Bocconi School of Management has developed specific frameworks and teaching materials for the courses listed above, these represent the learning backbone of sustainability and responsibility. Such materials include specific examples and case-studies on responsibility and sustainability in an ESG – Environmental, Social and Governance framework.

- MBA students have founded Ethica Club, whose mission is to discover experientially the meaning of business ethics and corporate social responsibility and to make a direct impact on the community. Each year students focus on several large projects, that typically include an international conference, fundraising events, and visits to Non Profit and social care institutions. The events include the following:

    - Building Haiti Back Better: Education, Entrepreneurship, and the Non-profit sector. Speaker: Laura Zanotti, Virginia Polytechnic Institute and State University;

    - Medina nursery school: Sustainability for Education and Social Development. Speaker: Cristina Zennaro, Manager Fondmetal Technologies;

    - Dr. Ambrosoli Hospital in Kalongo, Uganda: Talking about the work needed to be done there. Speaker: Ginevra Barroero;

- The three pillars of sustainability. Speaker: Paola Fiore, ETICAMBIENTE Sustainability Management & Communications Consulting.

- Internships provide another form of hands-on engagement. Examples are:

  - Internships offered for the first three of the above mentioned topics. With reference to the project in Kalongo internships have been offered to post-experience master students (MBA Program and MCF-Master in Corporate Finance Program) and to undergraduate students;

  - A system of summer internships with NGOs, International Development Agencies and International Organizations is available for the Master of Public Management and the Master in Management of Social Enterprises, Non Profit and Cooperative Organizations;

  - MBA Summer Internship offered by Unaltromondo Onlus, Milan, Italy and Senegal, Africa, whose aim was to develop a business plan to start up for profit companies and use their profits a to cover the expenses of the social and education project "Garderie Unautremonde".

In addition candidates are offered the opportunity to participate in challenges to show their commitment to sustainable management, such as the MBA challenge launched by the Global Business School Network.

As set forth in Principle 1, we are also launching the two following initiatives:

- The "SDA Bocconi Learning Environment" initiative contains information regarding resources, Clubs and networks each participant can take advantage of in order to maximize her/his own capability to develop an innovative career inspired by the PRME principles. It happens at the outset of each program, based on a thorough presentation of all the opportunities SDA Bocconi offers to became inspired and responsible managers, and it will be soon available in our renewed website.

- The "Bocconi Sociale" initiative is one of the first experience of social responsibility and commitment of an Italian university. Bocconi Sociale is being launched in 2012-2013 in order to further develop and improve all the initiatives focusing on social commitment and experiences. Through academic and extracurricular initiatives Bocconi Sociale encourages students and communities' personal development and their contribution to the growth of the country and its social capital in line with the mission that has always characterized Bocconi.

The first two projects of Bocconi Sociale are Making Sense of your profits and Volunteer Empowerment Desk.

The first one is a new way to offer young students the opportunity to take on the job market through a practical experience in not for profit organizations, in which expertise in economics is naturally combined with the creation of social impact. It is an innovative and concrete project, held within various not for profit companies, which allows participants (in group of 3) to gain a stimulating work experience, guidance and support for professional growth through tutorship, as well as the possibility to be a candidate for an award recognizing performance. (www.unibocconi.it/cergasociale).

The second one is a "Volunteer desk" with the objective of encouraging an approach to the world of volunteering and social commitment. These activities will be carried out with several students association and it will be coordinated by an Italian volunteering association.

Finally the main goal in the next year will be to create several initiatives and projects in order to guarantee an important rule of the university in developing social capital in Italy and in foreign countries.

Principle 4

We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

- The Commitment to invest in this area of research can be observed in the ongoing activity of our **Center for Research on Sustainability and Value (CreSV)** that is envisioned to be a hub in order to facilitate the coalescing of the individual research interests on sustainability across the School. Main research targets of the Center include:

  - Sustainability, Corporate Social Responsibility, Environmental Management (to be investigated in conjunction with the challenges posed by Climate Change);

  - Social Entrepreneurship and Philanthropy Management;

  - Socially Responsible Investing and 'Ethical Finance'.

The conferences and events launched by the Research Center include: "*Beyond GDP, a New Concept of Value - From Corporate to Country Sustainability*"., with the speech of Amartya Sen Nobel Prize for Economics.

"*Efficiency and Energy Savings*" with the participation of Paolo Barilla Vice-President, Barilla Group (The Italian Food Company that has always linked its development to people's wellbeing and to the communities in which it operates).

- **Our Faculty is committed to publish academic articles** in the thematic areas of responsible and sustainable management and corporate governance. Their articles and contributions are published and accepted in a wide range of journals, including the *Academy of Management Perspective, British Journal of Management; Corporate Governance: An International Review; Business Ethics Quarterly; Business Ethics: A European Review; Business and Society; Business Strategy and the Environment; Journal of Business Ethics* and *Public Administration, Governance, Journal of Strategic Innovation and Sustainability; The journal of Management and Governance.*

- Among the research projects funded by the school and concluded investigated how International Organizations are addressing the need for a global regulation of MNCs (**International Organizations and Global Corporate Codes**), and in particular, it analyzed the governance, functioning mechanisms, and impact of two voluntary initiatives initiated by an International Organization, namely the UN Global Compact and the OECD Guidelines. Another research project (**Cost-driven vs.value-driven supply chain competition)** explored the integration of CSR into the management of the production chain and its implications. A recent example of our efforts to engage in and contribute to **academic research on responsible management** is the research project on "Innovation in the partnership between businesses and NGOs or social enterprises" funded by Mediafriends, which started in 2011 and whose results have been presented during a conference in 2012.

Principle 5

We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

We have structured our approach along three lines:

1) Networking with companies and institutions. A promising example of networking with companies to jointly address the challenges of sustainability is our Diversity Management Monitor, a network of companies that feature the management of diversity in their corporate missions: gender, lifecycle phases, culture and ability. The Monitor is unique in Italy for its constant partnership with the companies it works with and for its promotion and communication of debate on the issues of diversity based on precise research methods. The current research projects are 'Women ready for board', and 'The Impact of flexible-work'. The latter has produced a publication titled "La flessibilità paga" thanks to the support and sponsorship of Nestlé Italia and Intesa San Paolo. Other Research projects were 'Maternity and company costs' and 'Gender Pay Gap', conducted in partnership with the Hay Group.

2) Working with the Alumni community. The Bocconi Alumni Association, whose mission is to be a positive force in society, capable of mobilizing the maximum energy of people who grow culturally and professionally within the Bocconi world, counts almost 70.000 alumni worldwide. It aims to create a community of alumni which, through projects, activities, study and exchanges, contributes to the development and enhancement of the University, its students and society in general. The BAA has activated, among the others, two 'topic groups' dealing with Sustainability and Diversity and Plurality.

3) Developing the SDA for Growth Program. The program promotes the participation of the School, Faculty members and Students to the activity of the GBSN network. It includes initiatives such as: "Sustainable Development-Havana" a project to support rural community through a sustainable reforestation project and local development actions, and "Start from Ideas" a competition to select and support start-ups development, also by means of management education and training.

Principle 6

We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability

We continuously build on one of our strengthens, namely the cross-fertilization among the Private, Public and Non Profit sector research and practice, and to leverage our multi-stakeholder platform of students, alumni, faculty and affiliated organizations to organize initiatives aimed at addressing cutting-edge issues of sustainability.

In addition we have reinforced our participation in international accreditation organizations in working groups dealing with responsible management education. We are part of the AASCB Affinity Group on Principles for Responsible Management Education, a network of management educators committed to advancing sustainability, corporate responsibility, social entrepreneurship and innovation, and the Principles for Responsible Management Education (PRME) in business schools worldwide.

Looking to the future

SDA Bocconi School of Management aims to further enhance the activities delineated here, and to further aggregate the research and teaching interests, the resources and the contacts available, and the networking opportunities arising from our activities.