

A School with a View

30
YEARS

COMMUNICATION ON ENGAGEMENT
by
IEDC-Bled School of Management

TABLE OF CONTENTS:

1.	ABOUT IEDC-BLED SCHOOL OF MANAGEMENT	4
1.1.	Mission	4
1.2.	Vision	4
1.3.	Responsible and creative leadership.....	4
2.	INTEGRATION GLOBAL COMPACT PRINCIPLES IN IEDC-BLED SCHOOL OF MANAGEMENT'S TEACHING AND LEARNING PROCESSES	5
2.1.	Actions	5
2.2.	Measurement of outcomes.....	6
3.	COMMITMENT TO GLOBAL COMPACT PRINCIPLES WITHIN IEDC COCA-COLA CHAIR OF SUSTAINABLE DEVELOPMENT	7
3.1.	Actions	7
3.2.	Measurement of outcomes.....	8
4.	ENGAGEMENT IN ADVANCING THE TEN GLOBAL COMPACT PRINCIPLES THROUGH SLOVENIAN CHAPTER OF THE UN GLOBAL COMPACT	11
4.1.	Actions	11
4.2.	Measurement of outcomes.....	11
5.	ADVANCING AND ELEVATING THE TEN GLOBAL COMPACT PRINCIPLES THROUGH CEEMAN ASSOCIATION	14
5.1.	Actions	14
5.2.	Measurement of outcomes.....	14
6.	CHALLENGE: FUTURE	14

Statement of IEDC-Bled School of Management's commitment to United Nations Global Compact and its principles

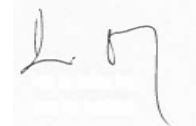
To our stakeholders:

I am pleased to confirm that IEDC-Bled School of Management reaffirms its support to the United Nations Global Compact and its mission of promoting corporate sustainability in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this Communication on Engagement (hereinafter: COE), we describe our actions to continually support the Global Compact and its principles and to engage with the initiative. We also commit to sharing this information with our stakeholders using our primary channels of communication.

COE is divided into five chapters. First chapter provides general information on IEDC-Bled School of Management's mission, vision and highlights "*Responsible and creative leadership*" as the main distinctive feature of IEDC-Bled School of Management. The second chapter presents how Global Compact and its principles are integrated in IEDC-Bled School of Management's teaching and learning processes. Third chapter highlights actions provided by IEDC Coca-Cola Chair of Sustainable Development and fourth chapter deals with actions implemented by Slovenian chapter of the UN Global Compact. Fifth chapter presents actions of CEEMAN Association and as well of Challenge: Future, both were initiated by IEDC-Bled School of Management.

Sincerely yours,



Prof. Dr. Danica Purg
Dean and President

1. ABOUT IEDC-BLED SCHOOL OF MANAGEMENT

1.1. Mission

IEDC-Bled School of Management's mission is to attract the most promising executives and top managers, provide them with world-class management education and other relevant services in an international context, inspire them for lifelong-learning, and prepare them to act and add value as competent and ethically responsible transformational leaders in their organizations and society at large.

1.2. Vision

IEDC-Bled School of Management's vision is to be:

- A center of excellence
- One of the best business schools in Europe
- An agent of change
- A major business meeting place in the Region
- Developing responsible and creative leadership

1.3. Responsible and creative leadership

IEDC-Bled School of Management is a pioneer in providing a “creative environment for creative leadership”, an innovative approach which encourages business leaders to take on new, and more creative ways in meeting their challenges. The school is driven by a vision that successful management is not only affected by one's own company and the business world it is part of, but also by the society that surrounds it, and aims to promote ethical, socially responsible and creative leadership. Significant emphasis is put on exposing the participants to experiences from broader human activities and in particular arts, science and philosophy.

Art as inspiration for managers and leaders, and learning from other professions are special features of the IEDC-Bled School of Management approach. Not only does the school feature a contemporary art collection, but it regularly invites guest lecturers from society at large, including prominent creative and performance artists, sportsmen, leading politicians and philosophers, NGO representatives, as well as successful business people, to open up the mind to the importance of original and creative thinking, quality and communication.

Art inspires, enriches our feelings, opens new horizons, helps to explore relationships, teaches us to learn about ourselves, and helps us to become more responsible and creative leaders.

2. INTEGRATION GLOBAL COMPACT PRINCIPLES IN IEDC-BLED SCHOOL OF MANAGEMENT'S TEACHING AND LEARNING PROCESSES

2.1. Actions

Recognizing the growing importance of sustainable development for business leaders, IEDC-Bled School of Management has taken significant steps in promoting the concept by integrating sustainability as a required course in its curriculum, developing innovating teaching tools and cases, and organizing seminars, conferences and networking events for companies and other stakeholders (for that purpose we fully employed faculty member), with a specific commitment of supporting the needs of Central and Eastern Europe.

In its curriculum, IEDC-Bled School of Management has been putting a very strong emphasis on developing business leaders that are not only concerned with the '*how*' of business, but also with the '*why*' of business, inviting practicing decision makers to re-think the role of business in society, and reflect on the nature of fundamental business issues, such as profit and value creation. In its core management curriculum, IEDC-Bled School of Management:

- Was among the first business schools to integrate business ethics as a core required topics since 1991;
- Was among the first business schools to integrate sustainable development in the mandatory courses of curriculum since 2007;
- Pioneered systematic use of art in leadership development for heightening managers' ability to reflect, appreciate beauty and harmony, respect multicultural values, and aspire for servant orientation in leadership. For its contribution to art and leadership development, in 2012, IEDC MBA program was awarded The MBA Innovation Award as one of the four most innovative among more than 700 MBA programs, accredited by AMBA;
- Consistently integrated speakers from non-managerial background, such as politics, culture, history, and science into its educational programs to broaden horizons of modern managers and foster appreciation for broader context business operate within.

In the IEDC-Bled School of Management's EMBA study courses with direct implication of sustainability and corporate responsibility are: Business in Society (5 ECTS), Business Ethics and Corporate Governance (5 ECTS), Leadership (10 ECTS). Also in the IEDC PhD study we also have a course specifically dealing with sustainable development: Business in Society – (5 ECTS); this course provides an in-depth exploration of key questions concerning the relationship between businesses and the societies of which they are a part – including the challenges of climate change and the shift to a low-carbon economy.

2.2. Measurement of outcomes

- Prof. Dr. Danica Purg was one of the six deans, university presidents, and official representatives of leading business schools, who formed an international task force for Geneva Global Forum which launched PRME at the UN Global Compact Leaders Summit in July of 2007.
- IEDC-Bled School of Management is proud to be among the first signatories of PRME.
- In 2009, IEDC-Bled School of Management's achievements in this area was recognized when the school became the first school from Central and Eastern Europe to be selected as one of Top 100 Business Schools by Aspen Institute's 2009-2010 edition of Beyond Grey Pinstripes, a biennial survey and alternative ranking of business schools, which assesses how well schools are preparing their students for the environmental, social and ethical complexities of modern-day business.
- Prof. Dr. Danica Purg received the 2010 Educator of the Year Award by the Academy of International Business.
- IEDC-Bled School of Management was invited to be a member of PRME Champions: <http://www.unprme.org/working-groups/champions.php>
- Prof. Dr. Danica Purg was also entrusted to Chair PRME Steering Committee, while the PRME Global Forum 2013 was hosted at IEDC-Bled School of Management in Bled, Slovenia and co-organized by PRME Steering Committee member CEEMAN, also led and founded by Prof. Danica Purg. At the PRME Summit more than 200 members of the responsible management education community convened to discuss the continued creation of a new intellectual, research, teaching, and institutional agenda that develops leaders for the future we want.
- In May 2015 IEDC-Bled School of Management organized International Academic Conference 2015: "Leadership: today & tomorrow"; which was focused on 2 core themes 1) what is the nature of leadership today? and 2) how do we rethink and develop leadership for a better tomorrow? Keynote speaker at the conference was: Prof. Jonathan Gosling, University of Exeter, UK, a great author on responsible leadership.

3. COMMITMENT TO GLOBAL COMPACT PRINCIPLES WITHIN IEDC COCA-COLA CHAIR OF SUSTAINABLE DEVELOPMENT

3.1. Actions

The Coca-Cola Chair of Sustainable Development was established as a partnership between Coca-Cola Company and IEDC–Bled School of Management in December 2010. The Chair was founded after the two-year successful collaboration through Coca-Cola Chair of Marketing, which contributed to the development of IEDC’s marketing expertise from 2008 to 2010. Since then, being a forerunner in CEE in educational and research development in this field, IEDC-Bled School of Management has Coca-Cola Chair for Sustainable Development.

The Coca-Cola Chair of Sustainable Development at IEDC-Bled School of Management is an interdisciplinary initiative aimed at:

- **RESEARCH:** Creation of cutting-edge knowledge through applied research activities on the how of sustainable value and disseminating this knowledge regionally and internationally.
- **TEACHING:** Development and dissemination of teaching tools such as case series, syllabi, exercises, and teaching modules, allowing for successful integration of sustainable development agenda into the core management curriculum and inviting managers to reflect deeply on the role of business in society.
- **OUTREACH:** Organization of seminars, conferences, and educational events aimed at promoting the concepts of sustainable development and sustainable value.

In 2012, the renewal and extension of the Coca-Cola Company and IEDC–Bled School of Management cooperation through the Coca-Cola Chair of Sustainable Development was approved for another five years. In following years (2013, 2014 and 2015) research into sustainable value and embedded sustainability has continued to be of highest priority. In essence, this research agenda aimed to introduce the concept of embedded sustainability to theoretical and applied discourse, inviting social and environmental performance to be integrated into business DNA, its strategy and operations.

Coca-Cola Chair of Sustainable Development at IEDC–Bled School of Management has contributed at extended programs at IEDC–Bled School of Management MBA (Executive MBA, General Management Program, Advanced Management program, General Management Program, Young Managers’ Program and Discover Management Program). The Chair participated in a number of custom-made programs for internationally operating corporations.

3.2. Measurement of outcomes

- Coca-Cola Chair and IEDC–Bled School of Management faculty has developed a new sustainable innovation course for all long programs at IEDC–Bled School of Management, including the Executive MBA, General Management Program, Young Management Program, and Discover Management Program.
- In 2011, IEDC–Bled School of Management developed deeper relationships with the Coca-Cola University. Upon the initiative of Melissa K. Hungerford, Ph.D., Director, Talent and Development, Eurasia Africa Group, Chair provided extensive consultations to the leaders of Coca-Cola University exploring the possibility of developing a multi-modular sustainability program for senior leaders of the company. Across a few months, Chair served as a pro-bono consultant on both content and process of this potential program.
- Coca-Cola Chair's exercises, syllabi, teaching cases and other materials have been featured on such renowned sustainability education outlets as www.caseplace.org (an online knowledge-sharing project of Aspen Institute) and the United Nations Principles of Responsible Management Education (PRME) Inspiration Guide, launched at the 2012 Rio+20 Summit.

In the recent years, the most notable tangible outputs of research include:

- Publication of a groundbreaking book, “Embedded Sustainability: The Next Big Competitive Advantage,” co-authored by Dr. Nadya Zhexembayeva, and published by Stanford University Press and Greenleaf Publishing in April 2011.
- Publication of scientific peer-reviewed articles and book chapters, such as “Embedded Sustainability and the Innovation-Producing Potential of the UN Global Compact's Environmental Principles,” which appeared in “Globally Responsible Leadership: Managing According to the UN Global Compact,” co-authored by Joanne Lawrence and Paul Beamish and published by SAGE Publications in March 2012.
- Publications of applied articles in magazines, radio shows, specialized online portals, and other practitioner-focused outlets, such as “Embedded Sustainability: A Strategy for Market Leaders,” which appeared in the European Financial Review in April 2011 or a month-long series of articles and podcasts for “2degrees Business for Sustainability” network, contributed in April 2012.
- Development of extensive research effort, resulting in a signing of the contract for a new book, “Overfished Ocean Strategy: Disruptive Innovation for a Resource Deprived World,” single-authored by Dr. Nadya Zhexembayeva, published by Berrett-Koehler Publishers (USA) in 2014 (already announced in 2012/2013 report).
- Publication of the scientific peer-reviewed book-chapter by Dr. Nadya Zhexembayeva “In search of Sustainable business in Central and Eastern Europe” in Peter McKiernan, Danica

Purg (editors), *Hidden Champions in CEE and Turkey*, Springer Publishing, Heidelberg 2013, pp.81-94. The book was presented at international conference on Hidden Champions in Vienna in May 2014.

- In 2014 the actual research into sustainability and embedded sustainability was finalized and reported in the book “Overfished Ocean Strategy: Disruptive Innovation for a Resource Deprived World”, authored by Dr. Nadya Zhexembayeva, published by Berrett-Kochler Publishers (USA) in 2014.
- Publication of contribution of Prof. Dr. Danica Purg on “Dynamically changing societies and social responsibility of entrepreneurship”, *Strategy Journal*, Russia, 2015.
- In frame of IEDC, Faculty of Postgraduate studies, Iztok Seljak, CEO of Hidria, defended his PhD thesis with the title “Embedded Business Model Innovation (EMBI).” He designed a model for embedded and sustainable innovations (March 18, 2015).

Other PhD proposals, dealing with aspects of sustainability are approved by IEDC Faculty:

- The project “Identity as a code” for organizational sustainability. A study of organizational identity’s influence on the organization’s life expectancy vs. organizational survival (to be defended in 2016) by Mag. Larissa Winter.
- “Consolidation, strategy and the effects on local production within the food and beverage industry: A look to long term sustainability and competitiveness” by Mr. Darko Knez.

Coca-Cola Chair of Sustainable Development at IEDC–Bled School of Management has continued to make a significant contribution to sharing of insights and fostering change via organization of unique projects and events aimed at engaging business in sustainability efforts and catalysing positive change, such as:

- IEDC–Bled School of Management hosted a Sustainable Development Module in the framework of BMW Clean Water Regatta (Bled, June 6, 2014).
- Young Bled Strategic Forum with case study competition on sustaining the Slovene forest. The team from University of St. Gallen won the competition (September 2, 2014).
- IEDC–Bled School of Management hosted a conference and an innovative workshop with the title “Open Source of Sustainable Innovation” (October 23, 2014).
- The IEDC Coca-Cola Chair of Sustainable Development participated in the conference “Corporate Social Responsibility Trends in 2015: Managing Risk vs. Innovation Management”. Dr. Nadya Zhexembayeva opened the conference with a lecture, entitled “Management with risk, innovation and social responsibility” (May 12, 2015).
- The IEDC Coca-Cola Chair organized on June 16, 2015 the international symposium “Water: Human Right, Responsibility and Opportunity” in the frame of the Bled International Film Festival, which aims was to move, through film, towards a better and more sustainable world. At the conference some distinguished keynote speakers, such as Prof. Lučka Kajfež Bogataj, Biotechnical Faculty, University of Ljubljana, Mr. Tomo Križnar,

Human Rights Activist, Dr. Guido Schmidt, Fresh Thoughts Consulting, and Mrs. Milica Stefanović, The Coca-Cola Company, Senior Public Affairs and Communications Manager for SEE, discussed the most essential life-sustaining resource: water. The agenda of the symposium was structured in the following way: Water as human right, water as strategic issue, water as business, water as inspiration. Mrs. Milica Stefanović, The Coca-Cola Company, had a lecture about the Danube project, titled 'Water as business: Dilemmas & solutions'.

- IEDC Coca-Cola Chair of Sustainable Development together with partners (UNGC Slovenia and EISEP; European International Institute for Ethics and Compliance) organized the first Slovene conference on Ethics and Compliance which was held on September 29, 2015.
- The IEDC Coca-Cola Chair cooperated in all bigger Slovenia and international initiatives on sustainable development, such as UNGC, Ethos, EISEP, Institut Ekvilib, CEEMAN International Management Teachers Academy and others.

IEDC–Bled School of Management is in the process of enlarging activities of the Coca-Cola Chair of Sustainable Development, and strengthening the research focus. For this purpose IEDC–Bled School of Management employs with part-time engagement and offer the Coca-Cola Chair Fellowships to three experts on sustainability and ethics: Dr. Nadya Zhexembayeva, Prof. Mollie painter Morland and Prof. Lučka Kajfež Bogataj.

Prof. Mollie Painter Morland from the College of Business Law & Social Sciences, Nottingham Business School will - as a follow of Coca-Cola Chair - develop a research program on sustainability. Her interest lies in the issue of Relationality as the process by which responsible and sustainable business practice emerge. The main thesis in this respect is that responsible business practices emerge as part of a dynamic network of relationships between people, systems and material environments.

4. ENGAGEMENT IN ADVANCING THE TEN GLOBAL COMPACT PRINCIPLES THROUGH SLOVENIAN CHAPTER OF THE UN GLOBAL COMPACT

4.1. Actions

To promote changes in business philosophy, strategy, and practice, in 2007, IEDC–Bled School of Management initiated establishment of the Slovenian chapter of the United Nations Global Compact (UNGC), the world's largest global corporate responsibility and sustainability initiative. Offering education, support, and networking for better implementation of sustainable business practices, the UNGC Slovenia provided education and awareness of the strategic value of sustainability in business through various events and conferences.

In line with tenth principle of UN Global Compact, the UNGC Slovenia initiated and now coordinates so called *project Ethos* whose mission is to establish mechanisms, processes and know-how with which the economy would be able to proactively and following their own initiative, fight corruption and increase compliance to ethical and legal norms. The first output of project Ethos was Declaration on Fair Business which introduces the principles of Partnering Against Corruption as a guideline for creating and improving compliance programs in signatories. Following project Ethos' objectives the UNGC Slovenia organized also a conference titled Fairness as a Source of Sustainable National Competitiveness which offered the draft Declaration on Fair Business into consideration to Slovenian business leaders; all companies that sign the declaration annually meet at Assembly of signatories and discuss possible amendments to the declaration and have the ability to exclude the signatory which violates the declaration. This independent Initiative working group started in 2011.

UNGC Slovenia has started to work with Slovenian Network of Transparency International called "Društvo Integriteta" and Slovenian Managers' Association on joint event for business and general society on anticorruption and integrity issues. It is planned for the beginning of December, to celebrate the international Anti-Corruption day.

4.2. Measurement of outcomes

- In June 2013 the UNGC Slovenia organized a seminar "The Business Case for Sustainability". The event was organized within BMW Clean Water Regatta, 3rd special event that was promoting and supporting the idea of sustainable development not only through sport, but also by focused business education. The UN Global Compact Slovenia and IEDC were partners of the educational and theoretical part of the event, the educational module on sustainable development.

- The UN Global Compact Network Slovenia organized in January 2014, the first training seminar on the reporting of sustainable development and corporate social responsibility entitled "Sustainability reporting in accordance to the requirements of the UNGC and GRI G4 guidelines with an explanation of the concept and indicators of reporting".
- In May 2014, IEDC-Bled School of Management in partnership with its partners (Studio Moderna, Zavod Viva, the Network for Social Responsibility of Slovenia and the Institute Ekvilib) organized the international conference entitled "New Economies for Sustainable Horizons". At this unique international forum, Slovenian economists, social entrepreneurs and non-governmental organizations tried to find answers to the following questions: why CSR is a business necessity; why the economy must become actively involved in solving socio-environmental challenges and in what way; how the economic growth in Slovenia depends on the rise of innovation in the workplace. The conference was attended by 150 participants from business, NGOs and government sector.
- In June 2014, UNGC Slovenia participated in the organization of the training module on sustainable development within the BMW Clean Water Regatta 2014 event for the fourth time in a row. After the first three years of discussions that were devoted to the topic of sustainable development in general, this year's event was dedicated to water, entitled "Module for sustainable development; meaning of waters at home and abroad". The module was attended by representatives from Austria, Czech Republic, Hungary and Slovenia.
- In October 2014, an autumn meeting of members of UNGC Slovenia was organized in MDOS on the theme "Health promotion in the workplace as part of the corporate social responsibility and sustainable business development".
- In October 2014, the UNGC Slovenia with partners Zavod Viva and the Network for Corporate Social Responsibility organized an innovative workshop on "Open source of sustainable innovations" under the slogan: "The open source does not work without you and there is no innovation without the open source" and "Today, we should solve our challenge, tomorrow yours and in this way achieve together a more innovative, competitive and socially-connected business environment". It was a pioneering event, since it appeals to the general public, who believes that through partnership, dialog, cooperation, exchange of experience and knowledge we can find better solutions to the challenges of the future. By using the method of "case study", the participants solved three specific enterprises challenges (Iskraemeco, Trajnostni park Istra - Sustainable park Istria, Pošta Slovenija – the Post of Slovenia and Slovenska filantropija - the Slovenian Philanthropy) with a clear goal of looking only sustainable and responsible solutions.

- In December 2014, the discussion entitled "The practices of fair and balanced business as a competitive advantage for financial institutions in today's world", brought together more than 70 representatives of the financial sector, signatories of the Declaration of Fair Business and members of the UNGC Slovenia. The motivation for the organization of the event was the decision of the largest Slovenian bank NLB d.d. to sign the Declaration of Fair Business. Signing the Declaration of Fair Business means putting a commitment to transparent and fair business of one's organization, also morally. The "Declaration of Fair Business" is a document, which has been since 2011 signed by 50 Slovenian companies and commits its signatories to transparent and fair business, to integrate anti-corruption clauses in their contracts and to respect international guidelines for the prevention of corruption in developing or improving of compliance programs.
- In May 2014, UNGC Slovenia in partnership with its partners (IEDC-Bled School of Management, IEDC Coca-Cola Chair, Network for Social Responsibility of Slovenia and the Institute Ekvilib) organized the international conference entitled "Between Risk Management and Innovations".
- UNGC Slovenia co-organized in June 2015 the international symposium "Water: Human Right, Responsibility and Opportunity" in the frame of the Bled International Film Festival, which aims was to move, through film, towards a better and more sustainable world. At the conference some distinguished keynote speakers, such as Prof. Lučka Kajfež Bogataj, Biotechnical Faculty, University of Ljubljana, Mr. Tomo Križnar, Human Rights Activist, Dr. Guido Schmidt, Fresh Thoughts Consulting, and Mrs. Milica Stefanović, The Coca-Cola Company, Senior Public Affairs and Communications Manager for SEE, discussed the most essential life-sustaining resource: water. The agenda of the symposium was structured in the following way: Water as human right, water as strategic issue, water as business, water as inspiration. Mrs. Milica Stefanović, The Coca-Cola Company, had a lecture about the Danube project, titled 'Water as business: Dilemmas & solutions'.
- In September 2015 European Institute for Compliance and Ethics – EICE, together with IEDC- Bled School of Management and UN Global Compact - Slovenian branch, organises first multi- sector compliance and ethics conference in Slovenia. The conference was participated by 66 participants, who deepened their knowledge about new emerging discipline - compliance and ethics and learned more about its role in the system of internal governance.

5. ADVANCING AND ELEVATING THE TEN GLOBAL COMPACT PRINCIPLES THROUGH CEEMAN ASSOCIATION

5.1. Actions

IEDC-Bled School of Management in 1993 initiated the establishment of CEEMAN Association with a goal of strengthening overall socio-economic development of the region, CEEMAN was among first business schools' associations to support Principles of Responsible Management Education (PRME). Serving as headquarters of CEEMAN, IEDC-Bled School of Management then created a call for CEEMAN member organizations to sign the PRME. Furthermore, responsible management education was encouraged by introducing new criteria into the CEEMAN accreditation scheme IQA, whereby schools have to showcase introduction of social and environmental issues into their business curriculum in order to be accredited by CEEMAN. As a result, out of first 100 business schools that signed the PRME Principles, 20 organizations came from CEEMAN.

IEDC-Bled School of Management is also partnering in research activities with CEEMAN members, other Slovenian universities and has also made some efforts to apply research projects (dealing also with sustainability and responsibility of education) to EU Commission tenders.

5.2. Measurement of outcomes

IEDC-Bled School of Management supported the creation of IMTA (the International Management Teachers Academy), CEEMAN's flagship faculty development program, which integrated issues of sustainability, ethics, and social responsibilities as foundational for management faculty. In 2013 IMTA has introduced also a sustainability track, a one week long program for young faculty, teaching sustainable development, lectured by Tony F. Buono Professor of Management and Sociology and Executive Director, Bentley Alliance for Ethics and Social Responsibility.

6. CHALLENGE: FUTURE

In 2009 IEDC-Bled School of Management co-founded Challenge:Future global student competition, which has engaged nearly 15,000 students, 18 to 30 years old, from 90 countries to address global sustainability challenges through the means of open collaborative innovation. With six sustainability challenges explored (communication, transportation, media, health, youth in society, and prosperity) Challenge:Future has ignited unprecedented interest across universities and continents, and created a vibrant online youth community dedicated to advancement of the vision of sustainable development.