

Leading Change Towards a Globally

Responsible Economy

• Communication on Engagement from 2013 to 2016



PUCP



CENTRUM

GRADUATE BUSINESS SCHOOL
PONTIFICIA UNIVERSIDAD CATÓLICA DEL PERÚ

LEADING CHANGE TOWARDS A GLOBALLY RESPONSIBLE ECONOMY

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Leading Change Towards a Globally Responsible Economy

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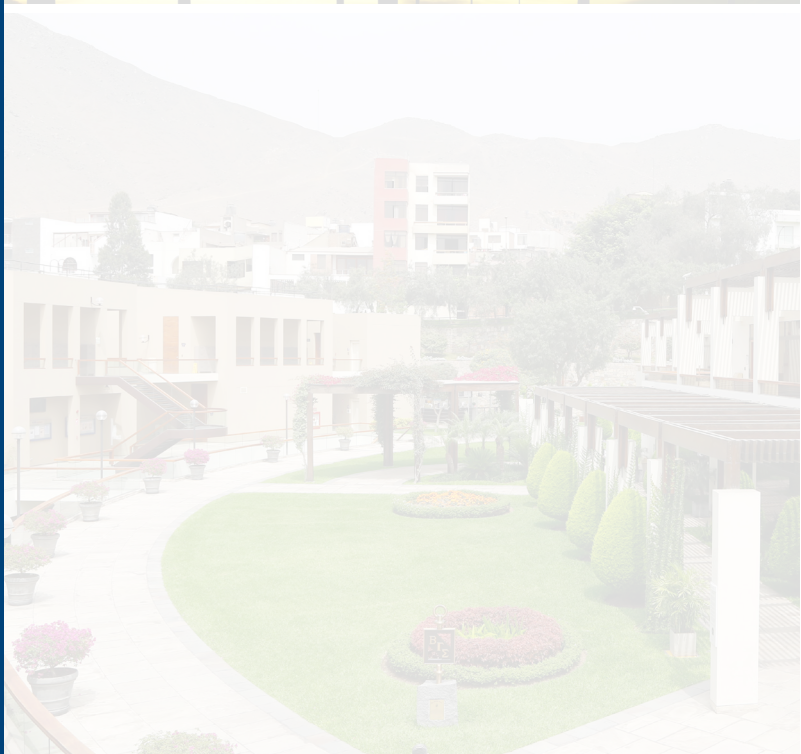
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Pontificia Universidad Católica del Perú
CENTRUM Católica Graduate Business School

Leading Change Towards a Globally Responsible Economy

Communication on Engagement in the UN Global Compact from 2013 to 2016

Lima, Peru, 2016



The Mission, Vision and Values of the Pontificia Universidad Católica del Perú

Mission

The Pontificia Universidad Católica del Perú:

- Is a pluralistic and tolerant academic community, based on ethical, democratic and Catholic principles.
- Provides excellent humanistic, scientific and comprehensive training and education.
- Contributes to the expansion of knowledge internationally through research and innovations.
- Promotes the creation and dissemination of culture.
- Assumes its commitment to human development.
- Liaises effectively and permanently with its stakeholders and the external environment.

Vision

By 2017 our University:

- Will be a national and regional academic reference in comprehensive, multi- and inter-disciplinary training and education.
- Will have the necessary conditions to be known as a research university.
- Will be proactively involved in the discussion and the development of solutions to national problems on education, social development and sustainability.

Values

The values that distinguish our university are: (a) The search for the truth, (b) Honesty, (c) Justice, (d) Leadership, (e) Pluralism, (f) Respect for the dignity of the person, (g) Social responsibility and commitment to development, (h) Solidarity, and (i) Tolerance.



The Mission, Vision and Values of CENTRUM Católica Graduate Business School

Our Mission

To contribute to the sustainable development of organizations through the education of socially responsible leaders inspired by ethical principles, Christian values, and the creation of knowledge for the benefit of our stakeholders. To develop a strategic, global and holistic vision of business in our graduate students through an effective learning experience. This process will facilitate the acquisition of knowledge, managerial skills, an entrepreneurial spirit, and best practices in business, thus permitting our graduates to lead their organizations towards global competitiveness, making us an important agent of change in society.

Our Vision

To continue being recognized as the leading business school in Peru, and to be ranked among the top 50 best business schools worldwide before 2024. To be a globally benchmarked organization for the high quality of the education it provides, for its excellence in research, for the values instilled in our students, and for our contribution to the development of ethical managerial practices throughout society.

Our Values

CENTRUM Católica Values are: (a) To search for the truth, (b) To respect the dignity of the person, (c) To respect plurality, (d) To be socially responsible and committed to sustainable development, (e) To be honest, (f) To be solidary with others, and (g) To be just.

Code of Ethics

Our School is guided by the following Code of Ethics:

Promote and ensure respect for human rights and the dignity of the members of our community and those with whom we interact.

Harassment of any member of our community is considered serious misconduct and unacceptable behaviour.

Foster and maintain an environment of respect and tolerance in our relationships with others, whatever their position or rank.

The resources made available to our community will be used wisely and efficiently, and private property, furniture, facilities and materials of CENTRUM Católica will be safeguarded.

Encourage intellectual contributions and respect the moral and legal ownership of the knowledge generated by the entire academic community.

All information will be generated, registered and used exclusively for academic, research, and administrative purposes, respecting the right to personal privacy. We will provide real and timely information to those requiring it.

Decision-making will be entirely objective, honest, and fair.

Encourage the objective and impartial development of our functions and the fulfilment of our duties. We will not accept or solicit gifts and donations for personal gain from any individual or corporation, whatever the value of the gift or donation.

Sustainability is paramount to our academic, research, outreach, advocacy, and administrative activities. We will ensure the care and conservation of the environment through our daily activities and programmes in an effort to reduce their negative impact.

The relationship with our suppliers should always be beneficial to both parties.

Every member of our community that relates to our suppliers shall be fair, honest and responsible, and ensure protection of the interests of the institution.

Students, professors and workers will reflect a positive, fair, and just institutional image to our stakeholders. Therefore, all members of the institution will act with prudence, consideration and care with our stakeholders.

We are also committed to communicate about any act that disparages the image and prestige of the institution.

As part of its mission, CENTRUM Católica Graduate Business School offers employees the opportunity to develop professionally and provides equal opportunities for all, according to their abilities following the internal rules of evaluation and promotion.



Part I

Statement of Continued Support, by Professor Marcial Rubio, the Rector of the Pontificia Universidad Católica del Perú

Lima, October 24, 2016

Ms. Lise Kingo
Executive Director of the UN Global Compact
Headquarters of the United Nations,
405 East 42nd Street,
New York, NY 10017

Dear Ms. Kingo:

I am pleased to reaffirm our University's commitment and support to the UN Global Compact and to its ten Principles dealing with Human Rights, Labour, the Environment, and Anti-Corruption.

The Pontificia Universidad Católica del Perú (PUCP) is the most prestigious higher education institution in Peru, and one of the top universities in Latin America and the Caribbean. Next year it is going to celebrate its 100th Anniversary. It is based in Lima, has approximately 25,000 students, and houses eleven Colleges, four Schools, twenty one Research and Cultural Centres, and is actively involved in national and international affairs.

The PUCP is a global referent in human rights. It has played a pivotal role in advancing the discussion of this topic. A former rector, Dr. Salomón Lerner, led the National Commission on Truth and Reconciliation, which was launched by Peru's president Valentín Paniagua in 2001 to complete a report and to formulate recommendations dealing with the internal armed conflict that afflicted Peru from 1980 until 2000. In 2004, the PUCP created the Institute for Democracy and Human Rights with the purpose of strengthening democracy and the observance of human rights in Peru through formal education and vocational training, applied research, the creation of spaces for dialogue and debate, and public policy advocacy in civil society and the government.

This CoE is focused in the work of our Graduate Business School, CENTRUM Católica, and the activities carried out as well as the outcomes of this unit in advancing the ten Principles of the UN Global Compact. Needless to say, PUCP is also heavily and actively involved in numerous activities that are aligned with the Principles. Our commitment to graduating responsible business leaders, carrying out leading research dealing with these issues, and in advancing and advocating for positions and change that will impact positively in the future of humanity and our planet earth are our top priority.

Kind regards,



Dr. Marcial Rubio
Rector
Pontificia Universidad Católica del Perú

Statement of Continued Support by Professor Fernando D'Alessio, Director-General, CENTRUM Católica Graduate Business School

Lima, October 24, 2016

Ms. Lise Kingo
Executive Director of the UN Global Compact
Headquarters of the United Nations,
405 East 42nd Street,
New York, NY 10017

Dear Ms. Kingo:

I am also pleased to reaffirm our commitment and support to the advancement of the ten UN Global Compact Principles, and to the UN Global Compact Secretariat. It was our school that asked the rector of our university to become a signatory of this organization. Since our inception sixteen years ago, we have been a leader in ethics and business, business and society, responsible leadership, corporate social responsibility, and in business and sustainable development. This decision is our driver in seeking avenues and solutions for business to become a force for good, and for contributing to the creation of a better world for all.

Our MBA and DBA Programmes reflect this determination. All of our students develop competences and attitudes to be change agents. Our graduates are leading personalities in the private sector, government, academia and in civil society organizations in Peru, Latin America, and abroad.

Since 2008, our school has been a UN PRME signatory and since 2013, we have been a UN PRME Champion. In 2013, the Latin American Chapter of the UN PRME was founded on our campus. Our school was the first to Chair this Chapter. Furthermore, CENTRUM Católica is one of 57 business schools worldwide that have earned the Triple Crown, the most coveted international accreditations in the world: AACSB International, EQUIS and AMBA. We also continue to advance in the world rankings among the business schools. The Financial Times in 2015 ranked CENTRUM Católica's Executive MBA as the 52nd best worldwide. That same year this newspaper also placed the school's Online MBA in 13th place in the world, and in the first place in Latin America; Executive Education was placed as the 65th best in the world. Likewise, the 2015 Eduniversal Best Masters Ranking placed the Full-Time MBA, Managerial MBA, and Global MBA Programmes in the first place in Latin America. It placed the specialised MBA in Supply Chain Management as one of the six best in the world.

These achievements recognise that the school offers programmes of academic excellence that meet the highest international quality standards. Our renewed commitment to the UN Global Compact is a critical part of that ongoing effort.

Very truly yours,


Dr. Fernando D'Alessio
Director General
CENTRUM Católica Graduate Business School

Part II

Description of Actions and Outcomes

Summary

The Pontificia Universidad Católica del Perú and CENTRUM Católica Graduate Business School are fully committed to implementing and promoting the ten Principles of the UN Global Compact. During the last three years we have advanced these Principles inside and outside the institution. Emphasis was given to graduating globally responsible business leaders, carrying out applied research aimed at contributing to sustainable solutions in business and government, and working within the UN PRME network of business schools to advance responsible leadership, ethical business, corporate social responsibility, and sustainable development. Results so far have been outstanding.

Among the achievements of this period at CENTRUM Católica, the most important are: (a) incorporating the UN PRME into the curriculum of the MBA, DBA and executive education programmes; (b) carrying out research and outreach to support public policies and decision-making in business, government, and civil society organizations in association with the Principles of the UN Global Compact, and the UN PRME; (c) liaising with business, government, and other business schools to advance the above-mentioned principles; (d) graduating globally responsible business leaders with a change agent mentality and equipped with the knowledge and tools to change the business world, and (e) carrying out proactive and effective advocacy to accelerate change that seeks to build a better world for everyone.

HUMAN RIGHTS

Global Compact Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Global Compact Principle 2: Make sure that they are not complicit in human rights abuses

Our university has always been a stalwart of human rights in Peru. Some of our Professors and

a former rector are well-known global authorities in this field. One of our Professors was Chairman of the Inter-American Court of Human Rights, the highest Court of Justice in the American continent in this field. CENTRUM Católica is an integral part of the university and therefore is also committed to respect and promote internationally proclaimed human rights. We are a leading business school in teaching about third generation human rights: intergenerational rights associated with sustainable development and solidarity rights dealing with human well-beings. We are proactive leaders in seeking ways for the production of Common Goods, and the conservation of eco-systematic functions and environmental protection in business.

CENTRUM Católica is a member of the United Nations Principles for Responsible Management Education (UN PRME), launched by the UN Global Compact in 2008. Our school has always been committed to engaging in a continuous process of improvement while applying the UN PRME Principles, reporting on progress to all our stakeholders and exchanging effective practices with other academic institutions. Starting in 2012, CENTRUM Católica included themes dealing with sustainability, ethics, and corporate social responsibility in the syllabi of most courses in the MBA Programmes, in the Doctoral Programme, and in Executive Education Programmes. These include: (a) Ethical analysis of business, (b) Corporate governance, (c) Development of organisational culture guided by social values, and (d) Design and implementation of strategic plans that ensure competitiveness and sustainability of business and the development of business models aimed at the base of the pyramid.

Case studies and readings covering topics of ethics, social responsibility and environmental stewardship are used throughout our academic programmes. Students are encouraged to use topics of social impact in their thesis work and proposed cases. A significant number of final MBA theses have consisted of field research on

the application of business social responsibility theory to particular Peruvian companies.

Our MBA core curriculum contains a full-term required course called “Ethics and Social Responsibility.” The main objective of this course is to provide participants with knowledge of the principles and strategic management tools of business social responsibility for responsible and effective decision-making that places people and the planet at the centre of socioeconomic and environmental development. It also seeks to reflect on business decisions from the perspective of ethics and social responsibility. The core curriculum also contains a course called “Strategic Management,” in which topics of ethics are analysed as a key component of the strategic planning process and in strategizing. The MBA Programme curricula also include entrepreneurship courses in which emphasis is given to businesses that use a sustainability approach and create shared value. Our MBA Programmes were recognised by the Aspen Institute in its 2011-2012 Beyond Grey Pinstripes ranking as the best in Latin America and number 77th in the world for its content on social and environmental stewardship, and the exposure its students have to these topics.

We also offer a 12-course, 240-hour Specialised Master’s non-degree programme in Corporate Social Responsibility with the stated objective “to develop students’ business management skills within a new

approach and methodology of corporate social responsibility and sustainability.” Furthermore, CENTRUM Católica carries out the International Week each year in the month of September, with the participation of around 500 alumni and students, covering themes aligned with the UN PRME.

Our ultimate goal is to have a range of graduate educational and research programmes that create synergies that contribute decisively to the creation of a new corporate culture that, hand-in-hand with business social responsibility and environmental protection, contribute to taking concrete actions toward the achievement of sustainable development.

LABOUR

Global Compact Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Global Compact Principle 4: The elimination of all forms of forced and compulsory labour

Global Compact Principle 5: The effective abolition of child labour

Global Compact Principle 6: The elimination of discrimination in respect of employment and occupation

The Human Factor is the most important asset in an organization. Employees at CENTRUM Católica are given full opportunity to develop professionally. To this end, we grant scholarships to study at our MBA Programme or to complete training courses at other institutions. We conduct periodic on-campus health campaigns, where the school invites health and wellness specialists to advise our employees. Furthermore, we conduct periodic on-campus fitness campaigns including after-office fitness training sessions and sports tournaments.

All of our employees exercise their labour rights. The university has a Union. All of our employees are given the opportunity to grow and advance within the organization. We have health campaigns, and a health check-up once a year. Our employees have a lengthy vacation time twice a year. They have job stability. We do not discriminate on the basis of gender, colour, race, national origin or age.



Our Centre for Women's Studies is aimed at the promotion, development and publication of research that will help understand the role of women in Peru's economy, seeking to contribute to gender equality and gender justice in the country and in Latin America. The centre is engaged in research on issues related to the integration of women in the economic activities of Peru, and is dedicated to generating tools that strengthen and develop the managerial capabilities of women. Between 2013 and 2016 the Centre for Women's Studies published several works and advised several MBA theses related to these topics.

ENVIRONMENT

Global Compact Principle 7: Businesses should support a precautionary approach to environmental challenges

Global Compact Principle 8: Undertake initiatives to promote greater environmental responsibility

Global Compact Principle 9: Encourage the development and diffusion of environmentally friendly technologies

CENTRUM Católica was one of the first 100 organizations to sign on to the United Nations Global Compact's PRME. We are certified by Lloyd's Quality Register of London as an ISO 9001-2015, ISO 14001-2015 certified organization, and as an ISO 26000 pre-certified organization. This achievement is unique among business schools worldwide.

CENTRUM Católica continued to work toward the incorporation of the UN PRME in all of its Programmes. It also continued to implement UN PRME-related strategic activities within the organization, and with numerous strategic partners. Research conducted during this period included, just to mention a few, themes on the social license to operate in the extractive industries, willingness to pay for products and services that have social responsibility attributes, eco-efficiency in industrial sectors in Peru and Colombia, status of the shared value creation in nine economic sectors in Peru, gender balance in business in Brazil, Colombia, and Peru. This research sought to contribute to making corporations better global corporate citizens. As stated above, most courses



in the MBA curricula have social responsibility as a key component. For example, all finance courses include responsible finance content; most operations courses include efficiency, some being eco-efficiency; marketing courses include responsible marketing and responsible consumption content. All MBA students make international trips to the USA or Europe, including visits to corporations that are members of the UN Global Compact, where they learn how they are applying those principles.

We are an eco-efficient organization. Since 2009, we have carried out a plan to reduce the consumption of electricity, water, paper, printed materials, and other inputs by adopting better technology and by implementing much more efficient processes. We also recycle paper and paper products and plastic bottles.

In terms of contributing to the sustainable development of organizations through the formation of socially responsible leaders inspired by ethical principles, our Centre for Social Responsibility, Entrepreneurship and Sustainability Studies (CERES), created in 2013, leads innovative research and collaborative activities for assisting companies and other institutions to address the challenges they face in adapting to and becoming leaders in sustainable development. We carried our research dealing with the social license to operate in the extractive industries, eco-efficiency in nine



business sectors, consumers' willingness to pay for social responsibility attributes in products in all productive sectors in Peru.

CERES has developed a methodology to measure social responsibility levels in Peruvian companies – the Corporate Reputation Index (IRCA). This Index measures social responsibility levels among Peruvian companies, and evaluates the impact of social responsibility on corporate reputation. CENTRUM Católica also carries out the yearly Regional Competitiveness Index of Peru and the Regional Social Progress Index of Peru. These indices have environmental components in their structure. These results help government and business to improve their performance, including taking steps to contribute to sustainable development.

Furthermore, topics of ethics, social responsibility and sustainability have been woven into the individual courses in each MBA course curriculum, helping students develop an understanding of responsible risk management and sustainable value creation on the basis of the environmental, social and governance impacts of business. Furthermore, a specific Corporate Social Responsibility and Ethics course is part of all MBA programs.

Each year, CENTRUM Católica and our university help Peru 2021, the national association of socially responsible corporations, to select the most socially

responsible companies and to grant them the CSR Prize. Since 2009, CENTRUM Católica's professors have been judges of the National CSR Prize and the National CSR Distinction, given by Peru 2021 to corporations with the best record of social and environmental behaviour.

Our school is a leading member of the Globally Responsible Leadership Initiative's 50+20 Agenda, which seeks to develop a vision for the transformation of management education. The common tenet of being the best *in* the world is revised in favour of creating businesses that are designed and led to be the best *for* the world.

One of the key activities implemented within the organisation is the "Clima de Cambios (Climate of Change)" campaign, a university-wide commitment to be eco-efficiency: reducing, reusing or rethinking inputs; improving processes, and recycling and repowering outputs and the way we operate to minimize the negative impact in the environment. A successful recycling programme has evolved into a current effort to be paperless to the extent possible, where student source materials are increasingly online, limiting the use of physical materials and textbooks. All CC employees go through an induction process in which they are familiarised with CC's environmental policies.

Our Approach to corporate social responsibility, published in the principles that guide the school's operations, include the following: (a) Focus on ethics and corporate social responsibility, (b) Promote humanistic thinking as a basic principle and value, (c) Generate knowledge for the benefit of humanity

ANTI-CORRUPTION

Global Compact Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

According to Professor Fernando D'Alessio, CENTRUM Católica's founder, the values of an organization should be considered as the most important policy guidelines. He added that they are also the framework for establishing performance standards for executives, and a guide in the decision-making process in organizations. CENTRUM Católica's Values are: (a) To search for

the truth, (b) To respect the dignity of the person, (c) To respect plurality, (d) To be socially responsible and committed to sustainable development, (e) To be honest, (f) To express solidarity with others, and (g) To be fair.

We teach about corruption in several MBA and DBA courses: Ethics and CSR, Strategic Management, Leadership and Management, Sustainable Entrepreneurship, Finance, Macro and Micro Economics, to mention a few. Our commitment to ethics, responsibility and sustainability has always been present in our Mission, Vision, Long-term Objectives, institutional strategies and in all of our activities.

Our published Values and Principles Guide encourage staff involvement in service and community activities. The values specifically state that the foundation and the uniqueness of the school lies in the search for truth; respect for personal dignity; emphasis on pluralism and social responsibility; and commitment to development, honesty, solidarity and justice. CENTRUM Católica has an Ethics Committee that monitors, evaluates, and issues recommendations on the behaviour of any member of our community who may represent a violation of the commitments and obligations established in the Code of Ethics.

CENTRUM Católica implements a range of graduate educational and research programmes that create synergies and contribute decisively to the education of a new corporate cadre of professionals who are contributing concrete actions toward the achievement of sustainable development. Our priority for the coming years is to continue strengthening our MBA and DBA Programmes, our research, our outreach and advocacy activities, and our leadership worldwide to contribute much more effectively to accelerated change at the school, corporations, government, and society in general, seeking to achieve a critical mass of responsible business leaders, to lead responsible corporations within the framework of a responsible global economy and sustainable development. We also have numerous public events every year, with the participation of more than 10,000 persons, and do advocacy and think-tank-like work using the media to advance ideas, initiatives, and change in Peru and abroad.

Conclusions

The Pontificia Universidad Católica del Perú and CENTRUM Católica Graduate Business School are fully committed to implement and promote the ten Principles of the UN Global Compact. The University and the Graduate Business School are working to advance continuous improvements in all of their programmes and activities in association with those Principles.

CENTRUM Católica is a leading business school committed to ethics in business and academia, responsible leadership, corporate social responsibility and sustainable development, which are fully aligned with the ten UN Global Compact Principles. The school is also fully committed with the six UN PRME Principles, and in finding better ways for business to contribute to the creation of Common Goods, a better world for everyone, and the conservation and protection of the environment.

Among the achievements of this period at CENTRUM Católica, the most important are: (a) the incorporation of the UN PRME in the coursework of the MBA, DBA and executive educations Programmes; (b) carrying out research and outreach to support public policies and decision-making in business, government, and civil society organizations in association with the Principles of the UN Global Compact and the UN PRME; (c) liaising with business, government, and other business schools to advance the above-mentioned Principles; (d) graduating globally responsible business leaders with a change agent mentality and equipped with the knowledge and tools to change the business world, and (e) carry out proactive effective advocacy to accelerate change, while seeking to build a better world for everyone.

References

This CoE took information from official documents of the Pontificia Universidad Católica del Perú, and CENTRUM Católica Graduate Business School. It also took information from reports prepared for the EFMD Quality Improvement System (EQUIS) and for the UN PRME, and in particular the *Sharing Information on Progress Report 2014-2015*.

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