



UN Global Compact

COMMUNICATION ON ENGAGEMENT

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Statement by the President

Dear Mr. Secretary-General,

ESMT Berlin has been an academic member of the UN Global Compact since 2016. In the last year we have announced new strategy ASPIRE, which guides our new phase of growth and is aligned with the UN Global Compact Principles. With the financial support of ESMT founders, we bring together the six most important strategic focal points of ESMT:

- Advance sustainability through education and research;
- Support diverse future leaders of the world with a European mindset;
- Promote a stakeholder-oriented market economy with sustainable and globally inclusive economic growth;
- Integrate business and technology to empower individuals, companies, and societies;
- Research rigorously to find the right solutions to upcoming challenges for businesses and beyond;
- Evolve into a hotspot for innovation and entrepreneurship in Europe.

As a first concrete measure, we have launched the Sustainable Business Transformation Initiative to bundle our existing and future research, education, and outreach activities around sustainability and transformation. As a part of the initiative, Deutsche Bank supports a professorship in sustainable finance. It underpins our commitment to advance sustainability through education and research. The professorship will examine incentives and risk-sharing options following the transition to a green economy and provide important insights into future policy frameworks.

With the new ASPIRE strategy as well as other social and environmental impact activities at ESMT, we aim to contribute more strongly to sustainable development. We are looking forward to working together with the UN Global Compact and its participants to achieve our goals.



Kind regards,

Prof. Jörg Rocholl
President and Professor of Finance
ESMT Berlin

Our activities relevant to the UN Global Compact

At ESMT, we are committed to developing entrepreneurial leaders who think globally and act responsibly. Our purpose reflects the “why” of what we do: Empowering people to create a better tomorrow. Our shared values guide us in “how” we work: through community, curiosity, courage, and rigor. We strive to bring the highest quality, most relevant and global management education and research to the world with the strategic ambition to educate graduates who will make a continuous impact on society by being responsible professionals.

The primary tasks of ESMT as a school are research and education. Research aims to contribute to solving economic, environmental and social challenges. Education aims to prepare students for successful entrepreneurial endeavors and careers in the corporate world, in national and international public policy-making, or in research. To achieve this, ESMT offers high-quality degree programs and executive education. UN Global Compact Principles are reflected in these key activities.

Research

ESMT fosters research with high academic and societal impact, and high visibility in the corporate world. The ambition is to be the leading learning and research community Germany and to excel in the different research subfields the school hosts, thereby deserving its high rank among the top of European schools of economics and business. ESMT positions itself as a research-focused institution and strives to generate relevant and innovative knowledge for managers and policymakers through the integration of world-class research with a practice-oriented approach. ESMT is home to research centers, which focus on topics related to sustainability, ethics, and related themes and facilitate research, collaboration, and discussions on these topics. For example, the Center for Sustainable Business and Leadership (CSBL) brings together the three areas of sustainable business, leadership, and business and society in one center. It concentrates research and thought leadership initiatives.

Research conducted at ESMT aims at having a significant impact at the highest academic levels, generating new knowledge, and boosting sustainable growth. In the last two years, Faculty members addressed important challenges that emerge especially in the context of sustainability transitions (Henry Sauermann, Katrin Vohland, Vyrion Antoniou, Bálint Balázs, Claudia Göbel, Kostas Karatzas, Peter Mooney et al. (2020), forthcoming); looked at the question of the persistent failure of organizations to engage diversity and to employ a diverse workforce and fully realize its potential (Chengwei Liu, forthcoming); dealt with a challenging topic of informing the public about the pandemic (Francis de Véricourt, Huseyin Gurkan, Shouqiang Wang, (2021) forthcoming), presented an analytical framework of the product take back legislation in the context of product reuse, while

characterizing existing and proposed forms of e-waste legislation and compared their environmental and economic performance (Shumail Mazahir, Vedat Verter, Tamer Boyaci, Luk N. Van Wassenhove (2019)).

Education

ESMT offers a full-time MBA, an executive MBA, a part-time blended MBA, a master's in management (MiM), and a PhD program (in cooperation with Berlin School of Economics), as well as executive education on its campus in Berlin, in locations around the world, and in an online blended format. A lot the courses taught in these programs are in direct relation to the UN Global Compact.

Ethics and social responsibility are a feature of program design and positioning at ESMT. They have been a part of the MBA and EMBA curricula since the beginning, mainly in the form of standalone courses:

- Responsible and Ethical Leadership (Full-time MBA)
- Ethics and Responsibility (Part-time MBA)
- Sustainable Energy Future (Executive MBA)
- Creating a Better World (Executive MBA)
- Managing Business Integrity (Executive MBA)

These topics have also been prominently placed in the curriculum of the MiM with the Social Impact Project. The Social Impact Project is an integral part of the ESMT Master's in Management curriculum, in which teams of three to eight students act as economic or management consultants for an organization with specific social objectives, such as a non-profit organization, a sustainability department, a development agency, a social entrepreneurship venture, or a social impact project of a for-profit organization. The project objective can include supporting economic or financial pillars of an organization engaged in social good or environmental initiatives. It helps students develop skills in initiative-taking, problem-solving, and project management that are difficult to acquire without guided practice. Unique to ESMT, students are required to use these skills to benefit society as a whole, which is a cornerstone of ESMT's mission. The Social Impact Project is therefore applied fieldwork with the goal of developing well-rounded, socially conscious graduates. Host organizations include GIZ, UN WFP, street football world and others.

More recently, in the context of improving the overall curricula, topics of sustainability and responsibility became part of each course (irrespective of the specific discipline or field). For example, a mandatory course on Strategic International Management in the MiM program directly addresses several learning objectives of the program, particularly with respect to applying an appropriate body of knowledge, frameworks and techniques, identifying critical information and issues in complex situations, and integrating long-term sustainability and ethical considerations into

written and oral presentations. In particular, two sessions - International expansion and corruption and Ethical dilemmas in international supply chains - help students to anticipate ethical dilemmas that derive from differences in practices and moral norms. A core MBA course Operations and Supply Chain ends with two sessions on Sustainability and Operations that offer an investigation on how business operations impact sustainability and a critical examination of the circular economy initiative aimed at closing the loop on product lifecycles and reducing waste.

Student and staff initiatives

ESMT is proud to host the first and only **Net Impact chapter** in Germany. The Net Impact chapter is dedicated to improving the world around through its mission: “to drive sustainable business practices and social responsibility by leveraging technology and collaboration”. The focus is on delivering key initiatives that have a positive impact on society.

Another student and staff initiative is the **Sustainability Ambassadors Initiative** that aims to transform ESMT Berlin into a more sustainable and environmentally-friendly campus. The goal is to create a platform where students, faculty, and staff can educate themselves and bring sustainability initiatives to life. There are multiple initiatives aimed at raising sustainability awareness and incorporating sustainable choices into everyday life and drive long-term change. Here are some examples:

- Introduction of a 3-bin recycling system on Campus and respective recycling training
- Introduction of re-usable coffee mugs on Campus
- Informational stickers and posters around Campus that promote sustainable choices
- Providing more sustainable and healthier snack and food options on campus
- Introduction of sustainable printing solutions

In 2021 the Net Impact and Sustainability Ambassadors started a data-driven carbon accounting initiative, partnering with a startup Plan A to measure, track, and reduce the carbon emissions of our school. ESMT will receive recommendations and opportunities to further reduce its emissions.

Thought leadership

Center for Sustainable Business and Leadership

The Center for Sustainable Business and Leadership (CSBL) brings research, expertise, and initiatives to bear on issues connecting business leadership, society, and sustainability. One of its initiatives is the Sustainable Business Roundtable, a world-class, peer-to-peer learning network of global

companies. Founded in 2011, the network of 20 companies, such as Accenture, Adidas, BNP Paribas, Covestro, Deutsche Bank, Deutsche Telekom, E.ON, Enel, Evonik, H&M, ING, McDonald's, McKesson, Merck, Orange, Osram, PricewaterhouseCoopers, Siemens, UniCredit, and Volkswagen, meet biannually to discuss sustainability challenges and opportunities, inviting guest experts to join the discussion. A dedicated digital learning experience platform with exclusive member access enables members to share learnings from the Roundtables with their teams. In the period 2018-2021 seven roundtables took place:

- June 8-9, 2021: “Sustainable Finance and Investment”
- October 21-22, 2020: “Impact Valuation”
- May 14, 2020: “Decarbonization: Business Case, Innovations & Corporate Strategies”
- October 30-31, 2019: “Driving Circular Economy Goals: Business Models, Design, and Collaboration”
- April 11-12, 2019: “Digital Innovations and Startups Driving Sustainability”
- November 14-15, 2018: “Sustainable Policy, Regulation, and Compliance”
- April 26-27, 2018: “Implementing Sustainability Across the Company”

Climate Governance Initiative

ESMT, together with the German Council for Sustainable Development (RNE) and Board Academy e.V., has joined the World Economic Forum's Climate Governance Initiative and coordinates its Chapter Germany. The network aims to mobilize non-executive directors and supervisory board members (“Aufsichtsräte”) to align business models with ambitious climate policy and a set of joint Climate Governance Principles.

Other relevant activities

Responsible Leaders Fellowship Program

The Responsible Leaders Fellowship Program is a postgraduate program available to graduates of the ESMT MBA program. The six-month fellowship starts immediately after graduation, allowing the graduate to take up to six months to complete a social impact project in a developing country, where they contribute their knowledge and capabilities and gain real-world business experiences. Partners of the project include Ampion, Barefoot College, German Doctors, TsiBA Education, Welthungerhilfe, and Worldwide Fund for Nature (WWF).

Industry Immersion Program

The Industry Immersion Program is a joint initiative with the African Institute for Mathematical Sciences (AIMS), the Southern African-German Chamber of Commerce and Industry Johannesburg, as well as African and German companies. It established in 2017 to enable young university graduates in Africa to start a career, and thus sustainably enhances employability across Africa. The program is comprised of two academic modules and a 12-week internship with industry partners across Africa. Professors from ESMT faculty teach pro bono on topics such as business etiquette and presentation skills, corporate strategy, finance and accounting, data analytics, and organizational behavior.

The Inclusive Leadership Roundtable and Gender Equality Officer

The Inclusive Leadership Roundtable (ILRT) has been started at ESMT in 2017. In 2020 the ILRT assumed the mandate to provide, propose, and pursue methods and approaches for achieving diversity, equity, and inclusion goals at ESMT within the framework of its official charter and its ongoing strategic planning and with the approval, cooperation, and financial and administrative supports of the Management Committee and additional ESMT leadership. This internal network is dedicated to push forward the development of diversity and inclusion goals and to ensure that all programs, policies, output, and operations of the school are designed, implemented, and evaluated accordingly. The roundtable is coordinated jointly by ESMT degree students, administrative staff representatives, and a faculty member. It is an effort of its students, staff, faculty, and administrators to prioritize the values and practices of diversity, equity, and inclusion within the school and to champion the same in academia and the business community.

During 2020, progress was also achieved in the area of inclusion through the appointment of a **Gender Equality Officer** for the next four years. This position seeks to contribute to the development and implementation of a Gender Equality Plan, as well as to work towards generally establishing equal opportunities of professional development for women and men at ESMT, by developing policy, strategies, and actions that ensure gender equality and inclusivity at the school. The Gender Equality Officer for this project presents and acts as an advocate for the needs of members of ethnic minority groups, the LGBTQ+ community, and those affected by age or disability.

Outlook and commitment

ESMT is fully committed to supporting and promoting the UN Global Compact Principles. In June 2021, we launched the Sustainable Business Transformation Initiative. The goal of this initiative is to increase our academic footprint in research and education on critical areas with impact for business and society. We want to provide innovative solutions to global environmental and social challenges. This initiative is the first step towards the establishment of a new institute for sustainable transformation and will strengthen partnerships with external stakeholders and expand faculty expertise in multiple thematic areas related to sustainable business. These include professorships in sustainable finance and accounting impact measurement, circular business, and energy markets and transition. We are confident that with this initiative we are positioned even more strongly to contribute to the UN Global Compact Principles.

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