



COMMUNICATION ON ENGAGEMENT (COE)

EFMD GLOBAL

Period covered by this Communication on Engagement

1 January 2021 - 31 December 2022

Part I. Statement of Continued Support by the Chief Executive or Equivalent

Brussels, 22 September 2023

To our stakeholders:

I am pleased to confirm that EFMD reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organisation has taken to support the UN Global Compact and its Principles as suggested for an organisation like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

A handwritten signature in grey ink, appearing to read "Eric Cornuel", with a long horizontal stroke extending to the left.

Sincerely yours,

*Prof. Eric Cornuel
President, EFMD Global*

Part II. Description of Actions

EFMD is a strong advocate of the social and environmental imperatives that must accompany business practices globally. Our commitment is to offer professionals and institutions involved with management learning and organisational development the opportunity to be part of a dynamic, relevant and diverse network, sharing the common objective of developing effective and socially responsible leaders and managers.

Through our activities, publications and projects, we aim to contribute to the advancement of goals related to human rights, responsible management, ethics, corporate sustainability, inclusive economy, poverty alleviation and mitigation of climate change.

A. Global Governance

EFMD has initiated, managed, cooperated with or endorsed numerous multi-stakeholder organisations and initiatives active in the area of responsible business and management education.

United Nations Global Compact

In 2003, EFMD signed a partnership agreement with the United Nations Global Compact (UNGC) and launched the Global Responsibility Invitation, which in turn led to the creation of the Globally Responsible Leadership Initiative (GRLI). Moreover, EFMD has worked closely with the UNGC as a founding member in the development and formulation of the Principles for Responsible Management Education (PRME). In 2021, EFMD reaffirmed its support to the UNGC and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption through the Communication of Engagement.

GRLI

As mentioned above, in 2003, EFMD signed a partnership agreement with the UNGC and launched the Global Responsibility Invitation, which in turn led to the creation of the Globally Responsible Leadership Initiative (GRLI). The GRLI exists to catalyse the development of globally responsible leadership and practice in business and society worldwide. Since its foundation by strategic partner EFMD and the United Nations Global Compact (UNGC) in 2004, the GRLI now also counts the Association to Advance Collegiate Schools of Business (AACSB) International as a long-term strategic partner (since 2013).

RRBM

EFMD is supporting the dissemination of the Responsible Research in Business and Management network (RRBM), led by a group of renowned scholars. The White Paper, the Principles and the Community presents a vision of a future in which business schools and scholars worldwide have successfully transformed their research toward responsible science – defined as research that produces credible and reliable knowledge with either direct or indirect usefulness for addressing problems important to both business and society.

EFMD has helped design and maintain the community website, which was launched in early 2017, and provides administrative and communication support to the network and its growing pool of adherents and activities.

PRME

EFMD has worked closely with the UNGC since 2006 as a founding member in the development and formulations of The Principles for Responsible Management Education (PRME). The PRME initiative has grown to 800 business schools and management-related academic institutions across the world.

Business in Society Gateway

The Business in Society Gateway is part of the strategic partnership between EFMD and the Academy of Business in Society (ABIS). The Gateway is a comprehensive online resource centre featuring thought leadership and educational materials on issues related to business in society.

SuliTest

Since its formal launch in 2016, EFMD has supported the "Sustainability Literacy" Test, which provides citizens and organisations with internationally recognised and locally relevant tools to engage learning and access the degree of awareness on sustainability challenges and solutions of their stakeholders, helping them to contribute to the SDGs.

Business school rankings

EFMD has actively participated in discussions and round-tables organised by leading media administering business school league tables in order to capture and address the increasing importance of social impact and responsibility of business schools in their ranking criteria, especially that pertaining to the impact

and relevance of research as well as institutional carbon footprint. Those consultations resulted in changes to the ranking criteria of some of the leading ranking publications, including the Financial Times, giving higher importance to the diversity and sustainability offered by education.

B. EFMD Quality Services

Ethics, Responsibility and Sustainability are fully embedded into both of the EFMD international accreditation systems: EQUIS – EFMD Quality Improvement System - institutional accreditation since January 2013, and EFMD Programme Accreditation since January 2014.

EFMD was the first accreditation body to give such importance to responsible management issues in its accreditation standards, being an active agent of change in the management development industry.

Ethics, responsibility and sustainability (ERS) permeate all the EQUIS accreditation standards, from strategy through programmes, faculty and research to resources and administration. Together with Internationalisation and Connections with Practice, ERS constitutes a stand-alone transversal standard, which stipulates that the accredited school should have a clear understanding of its role as a “globally responsible citizen” and its contribution to ethics and sustainability in an increasingly global world. This understanding should be reflected in the school’s mission, strategy and activities. There should be evidence that the school’s contribution to ERS is reflected in its regular activities, covering education, research, interactions with businesses and managers, community outreach and its own operations, many of which will be digitally enabled.

In 2022, in order to provide better guidance and stress the relevance of ERS, the standard was revised to underscore the need for a school to have developed a full-fledged strategy embedded in the current operations, which includes, among other things, sustainable management thereof.

After having introduced ERS to aspects of the EFMD Programme Accreditation in 2014, ERS became one of three important transversal standards, next to Internationalisation and Connections with Practice. ERS topics cut across institutional aspects of strategy and programme design, delivery and quality assurance mechanisms and processes. EFMD Programme Accreditation pays close attention to the implementation of ERS on the programme level and looks

for evidence as to how the student learning experience has been affected by and in turn, supports ERS.

Since 2011, EFMD has run EDAF – EFMD Deans Across Frontiers – which is a development and mentoring system for business schools, assisting senior management teams from schools around the world, particularly at the early stages of their development journey. It has had a profound impact on many business schools, including those in emerging economies and the Global South, who, thanks to participating in the EDAF system, enhanced their strategic, leadership, and administrative capacities to uplift managerial skills and development opportunities in the communities they serve.

Responsible management, including ethical behaviour, social responsibility, and sustainability, is one of the underpinning criteria in the EFMD quality improvement systems. The EFMD-accredited and -certified institutions are assessed against its embeddedness in their policies and operations, teaching and research.

C. EFMD Impact Services

The Business School Impact System (BSIS), run as a joint venture between EFMD & FNEGE, identifies the tangible and intangible value that a business school brings to its local environment. At the heart of the BSIS measurement process is a framework of around 120 indicators covering seven dimensions: Financial, Educational, Business Development, Intellectual, Regional, Societal and Image Impact.

Part six of the BSIS assessment criteria guide fully focuses on Societal Impact, including corporate social responsibility (CSR), sustainable development, environmental management, and fostering diversity.

Part six of the document stipulates that: ‘Because Business Schools are directly responsible for educating future managers, they have a strong incentive to take a clear stance on moral issues. Most now seek to raise their students’ awareness of the importance of ethical behaviour, corporate responsibility and respect for sustainable development. In this way, they can serve as role models within their home environment and beyond. The School will specify the place of CSR in its vision, in teaching, in its research, and in its own decisions and functioning.’

Measuring the extent to which business schools act "as good citizens" and integrate these societal issues into their curricula and internal management practices is one of the underpinning values of the system.

D. EFMD International Projects

EFMD has been actively engaged in the design and submission of international projects implemented by universities and business schools from all over the world. The projects aim at capacitating the partner institutions to become the driving force for sustained social and environmental impact in their fields and regions.

IMPALA: Impact of Latin American Universities

Between 2018 and 2022, EFMD managed IMPALA, which measures the impact that universities have on their local environment and supports them in integrating this aspect into their quality control assurance systems. "Impact" is understood as the mid and long-term changes brought by the results of activity on a local environment, such as intellectual, social, economic and environmental results. IMPALA created the "Impact Assessment Framework" to help universities measure their contribution to local development and society ("third mission") as a means of reinforcing responsible decision-making. IMPALA was funded by the EU and implemented with 13 universities and ministries from Colombia, Panama and Cuba.

EQUAL4EUROPE

Since 2018, EFMD has collaborated with 6 European research institutions for the development of an EU-funded project to address the gender inequality and underrepresentation of women in academic research. The project proposed the development of gender equality plans for research-performing institutions and monitored the results of their implementation. EFMD was responsible for disseminating the results in its network and proposing ways to reinforce the issue in the quality accreditation process.

SQUARE

Strengthening the Quality and Relevance of the 3rd mission in Georgian universities – SQUARE is a 3-year EU-funded project, launched in 2021, designed to expand the cultural, social and economic contribution of the

university on the society with methodologies and guidelines. The project also aims at strengthening the current quality assurance systems in Georgia with the integration of the evaluation of the 3rd mission activities in the national standards. EFMD collaborates with the ministry and the accreditation agency for the development of 3rd mission quality provisions at the national level. EFMD also shares its experience in impact evaluation and quality monitoring.

E. EFMD Awards & Competitions

Outstanding Doctoral Research Awards

Outstanding Doctoral Research Awards (ODRA) is a joint doctoral research award co-run by Emerald Group Publishing Ltd, publisher of the largest collection of international business and management journals and EFMD.

Due to the pandemic, we witnessed a considerable amount of change and challenge, with the impact being felt in all parts of the world and all areas of society. For both EFMD and Emerald, it had never felt more important that we play a role in tackling global issues. In 2021, we, therefore, focused our efforts to support the United Nations Sustainable Development Goals and decided to evolve the award programme to broaden the scope, be mission-led, and align with these goals. The new ODRA recognises doctoral research covering any of the following areas that contribute to a more responsible world:

- Food poverty and security
- Sustainable supply chains
- CSR and greenwashing
- Reducing inequality
- Responsible and ethical marketing
- Business continuity and disaster recovery
- Innovation and digital economy
- Social responsibility
- Responsible economics

Going Beyond Awards

Since 2022, EFMD has collaborated with the Global Business School Network, which enables business schools to profoundly impact sustainable development

worldwide through education, research, and community engagement, on the 'Going Beyond' awards.

The award scheme is designed to highlight and share programmes and initiatives that strengthen society, demonstrate community impact and embody the spirit of inclusive and sustainable development.

The winning programmes are showcased during an annual 'Going Beyond' Conference.

EFMD Case Writing Competition

The EFMD Case Writing Competition, in collaboration with the Case Centre, encompasses several categories which cover responsible management and sustainability principles.

- **Corporate Social Responsibility**, sponsored by Ivey Publishing: this category seeks cases addressing innovative ways companies are managing the demands for socially and environmentally responsible business practices. Cases can come from any disciplinary perspective, such as operations, strategy or finance.
- **Responsible Business**: this category mainly includes cases that address corporate governance, financial reporting and auditing, integrated reporting, anti-corruption, business ethics, social marketing, gender equality, corporate sustainability, and responsible business education and practices.
- **Responsible Leadership**: this category seeks cases which address the challenges leaders face engaging diverse stakeholders in the creation of economic and social value.
- **Women in Business**: a new category that welcomes cases that feature women lead protagonists in the business environment, especially those that elucidate the systems, challenges and issues faced by women in business.

EFMD Excellence in Practice Awards

The EFMD Excellence in Practice (EiP) Awards recognise outstanding and impactful client-supplier partnerships in the domains of Leadership, Professional,

Talent and Organisational Development. During the course of the reporting period, several cases in the area of corporate social responsibility were awarded.

F. Publications

EFMD has released the following publications that touch upon responsible management and business in the period from January 2021 to December 2022.

"Business school leadership and crisis exit planning" edited by Eric Cornuel.

The publication includes contributions from 22 global deans and leading scholars in management education. Amid the disruption caused by the COVID-19 pandemic, schools can take stock of their responses to this immense challenge, share their good practices and initiatives, and contribute to the formalisation of their achievements. The first part of the book 'Striving for Higher Purpose' contains forward-looking contributions around the collective purpose, ethics and responsible leadership and research. Those ideas are put into a global perspective in the second part of the book 'Going Beyond Business' where thought leaders tackle the issues of climate responsibility and management for sustainability. The book was published in 2022 by Cambridge University Press.

Sustainable Business Book Series

EFMD works with the Center for Industrial Productivity and Sustainability (www.cipsfoundation.com) and the Product-Life Institute, Europe's oldest sustainability-based think tank and consultancy (www.product-life.org), to provide business communities with proven, training-based books, manuals, and videos to help managers engineer a more sustainable future for their companies.

A key component of our education portfolio is The Sustainable Business, an award-winning introduction to sustainability that is distributed as a free download in numerous languages.

Global Focus Magazine

The Global Focus magazine, published online, featured 36 contributions related to responsible management, ethics, sustainability, inclusive economy, human rights or mitigation of climate change in the period from January 2021 to December 2022.

EFMD Blog & Social Media Outreach

Between January 2021 and December 2022, the EFMD blog featured more than 100 posts linked to ethics, responsibility and sustainability, which were also then shared via EFMD's social media outreach.

G. Conferences

Moreover, during the course of 1 January 2021 – 31 December 2022, EFMD held or contributed to numerous events that included over 20 sessions dedicated to responsible management education, sustainability, environmental protection, gender equality and good governance. Those events gathered senior leaders in business education and corporate learning from around the world, amplifying the impact of those important conversations and shared goals within their home institutions and among their stakeholders.