

A Work Project presented as part of the requirements for the Award of a Masters  
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Nova School of Business and Economics

# Nova School of Business & Economics

## **Sustainability Report**

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A Project carried out on the context of the Sustainability Analysis Field Lab, with the  
supervision of:

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## **Executive Summary**

This work project consists of a sustainability report proposal for NovaSBE, consolidating its strategic goals of preparing students for sustainable development challenges of today's organizations and communication towards stakeholders. This proposal arises from the partnership with the Consultancy firm for Sustainable Development *Sair da Casca*. The first assignment given by the company consisted of building a sustainability *observatorium* that included the top 25 Portuguese companies' sustainability practices. However, during the process, the company realized such a benchmarking tool already existed so that it did not make sense to develop it. It was then that from the alignment of interests between the company and the Field Lab purpose emerged the idea of a sustainability report for the school. To conduct a Sustainability Report Proposal for NovaSBE, the previous experience of collecting data on the top 25 companies' sustainability practices allowed for a deeper knowledge on sustainability reporting. The Global Reporting Initiative sustainability reporting standards were chosen to carry this project out considering that its wider acceptance applies for NovaSBE's internationalization ambitions. Nonetheless, the standard framework was adjusted to NovaSBE's specificities in what sustainability is concerned. Overall, the results from this report's proposal show that although NovaSBE has already taken several sustainability related measures they lack on strategic orientation and coordination, so that their full potential is not being achieved. Taking into consideration the conclusions, several recommendations for future sustainability reports are presented.

**Key words:** Sustainability Reporting, GRI Standards, Stakeholders, Strategic Goals, NovaSBE

## **1. Introduction**

Sustainability is one of the biggest challenges of today's organizations and therefore Universities, as the main source of future generators of sustainable value for organizations, should prepare students for such challenge. They can do it through sustainability related courses, conferences and research, but a hands-on, real life application of the concept is still missing on these approaches. Several foreign universities have gone beyond these practices by starting to report on their sustainability as they realized that their own organizational practices should reflect the values and attitudes they want to instill in students (PRME. 2011). Nevertheless, in Portugal there are no Universities currently reporting on their sustainability.

Regarding NovaSBE, the school recognized the importance of sustainability by adhering to the United Nations Six Principles to Responsible Management Education (PRME), being the first and only Portuguese school to join it so far. Joining this initiative implies an alignment of the school's strategy and educational contents with the six principles which are Purpose, Values, Method, Research, Partnership and Dialogue. Therefore, the school has committed to train students capabilities in what creating sustainable value is concerned; to include global social responsibility values in its educational contents; to create tools that enable an effective apprehension of these aspects; encourage research within the subject; to get closer to organizations for better understanding of their challenges and provide for the creation of approaches to meet them; and to stimulate the dialogue among stakeholders (PRME. 2011). The acknowledgment of these aspects for NovaSBE is reflected in their integration in the medium-term strategic plan for the school. Moreover, being a public owned school in

the crisis context it will be faced with public resources scarcity and, consequently, higher demand for transparency regarding the management of those resources.

Bearing in mind the reasons above mentioned, a sustainability report, as a communication tool for stakeholders on the school's achievements towards their interests and concerns, would allow the consolidation and further development of the commitment's content because it incorporates all the principles; as well as for addressing the demand for transparency. Therefore, this work project focuses on developing a sustainability report proposal for NovaSBE. As it targets stakeholders and school services, its goal is to disclose NovaSBE's performance on the topics of stakeholders' interest, reflecting its sustainability status, at the same time it provides guidelines for the development of future sustainability reports and strategies. The Global Reporting Initiative 3.1 sustainability reporting standards were chosen for this proposal considering that their wider acceptance addresses NovaSBE internationalization ambitions. However, due to the school's operational specificities, these standards were adapted.

The sustainability report's proposal with all its indicators is on Booklet 2, being this current document a summary of the report's methodology, conclusions of results and recommendations for future reports.

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## **2. Literature Review**

### **Sustainability Concept**

The Industrial Revolution was the turning point for the fast moving society as we know it. The exponential growth of population and production led to the perception of the “*scale and complexity*” of our natural resources consumption and how it was endangering the integrity of the planet and living standards (WCED, 1987<sup>1</sup>) which, ultimately, was the starting point of the sustainability concept. The most widely accepted definition for sustainable development was generated in 1987 by the United Nations WCED Commission and it states that “*Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*” As key players within society, organizations have accrued responsibilities in what concerns pursuing this goal (GRI, 2000-2011), which is based on three pillars, namely: economic, environmental and social, embodying the triple bottom line approach (Elkington, 1997). Universities, as the major catalysts for change, are a privileged element to spread the word on sustainability, thus it should become a priority in University’s Curriculum regarding future leaders’ development (Pidlisnyuk, 2010). The implementation of the United Nations Decade of Education for Sustainable Development Initiative (2005 -2014) has supported and encouraged Universities on their efforts to incorporate sustainability within their mission and practices (Graham, 2004). Other major players in what concerns education for sustainability are, internationally, the World Business Council for Sustainable Development (WBCSD) and, nationally, the BCSD Portugal.

### **Sustainability Reporting**

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<sup>1</sup> <http://www.un-documents.net/wced-ocf.htm>

Sustainability reporting consists of quantifying and communicating the obtained results to stakeholders in what concerns the organization's sustainability performance (GRI 3.1 Guidelines 2000-2011). According to Cunha et al. (2011), the most widely used reporting standards are: Social Accountability 8000, ISO 9000 and 14001, ECO-Management and Audit Scheme, Accountability 1000 series and, above all, due to their flexibility, the Global Reporting Initiative reporting guidelines. The GRI standard framework results from practical considerations faced by organizations from several economic sectors, which explains its flexibility as it has been considered widely applicable for reporting any organization's sustainability performance (GRI, 2011). However, the GRI standards were not aiming to assess universities' specificities (Cole, 2003), which means they have to be adjusted (Lozano, 2010).

### **Approaches to Incorporate Sustainability in Universities**

The main approach is from Van Weenen (Lozano, 2010) who considers four levels of university engagement: 1) institutional practice adjustments; 2) teaching and research contents; 3) university management; 4) external stakeholders' engagement. Other authors (Buckland et al., 2001) focus on creating change from within by recognizing that each institution has unique features.

### **University Sustainability Reporting**

As every university has its own specificities, there is no standard approach. A sustainability report, though, is a voluntary initiative that aims at: 1) measuring the organization's performance in economic, environmental and social terms; 2) disclaiming the efforts taken to stakeholders (Lozano, 2010), and therefore these topics should be present in any approach. Several guidelines were developed specially for universities such as STARS, The National Wildlife Federation's State of the Campus

Environment or the Sustainability Assessment Questionnaire, but they lack on the comparability, auditability and accuracy provided by the GRI guidelines.

There are, at least, 322 universities reporting on their sustainability (The College Sustainability Report Card, 2011<sup>2</sup>) within the U.S.A and Canada, and several others within Europe, from which approximately 10 submitted their reports to the GRI (2010). In Portugal there was only one University sustainability report attempt from the Oporto Engineering Faculty in 2006 which was not accomplished, making our project really pioneering in Portugal.

### **3. Sustainability Report's Proposal Methodology**

For this report's proposal, the GRI 3.1 Guidelines and Framework were applied considering that their wider acceptance allows for comparability, auditability and easier understanding of the report's content. Moreover, the same wider acceptance fits NovaSBE's internationalization goals.

#### **Report Content Definition**

The GRI 3.1 Guidelines point out the following principles for the report's content definition: Completeness, Materiality, Stakeholder Inclusiveness and Sustainability Context. The Completeness of the content refers to the scope, boundaries and reporting period. The definition of these aspects was the first step of the project and took place at a meeting with one of the Associate Deans who takes part on the decision-making process. We agreed to consider only core activities for 2010<sup>3</sup>, such as undergraduate, master and PhD studies, as well as research, and to exclude the extensions - Nova's Executive Education, Angola Business School and Consulting

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<sup>2</sup> <http://www.greenreportcard.org/>

<sup>3</sup> For some indicators academic years 2008/2009, 2009/2010 and 2010/2011 were considered due to the specificities of the school's operations periods.



Services. All these activities are analyzed through a triple bottom line approach to which an education focused chapter should be added. These decisions embody the School's expectations towards this report as a first attempt regarding sustainability analysis to be as simple as possible. Materiality consists on the relevancy of the topics for reporting purposes. It results from crossing both internal and external aspects such as the organization's mission and strategy, as well as stakeholders concerns. NovaSBE's stakeholders were identified following dependency, responsibility and influence criteria (AA1000 SES. 2011). The selection of the identified stakeholders to be considered for the analysis was based on the boundaries and Associate Dean's expectations, thus, reducing the list to Students and Employees. To assess their concerns, open-question interviews were conducted to 12 undergraduate and master students and 12 teaching and non-teaching employees in order to obtain complete, meaningful answers on their perspectives about NovaSBE in a sustainability theme context. The results from this assessment (refer to Appendix 1 for detailed information on key topics identified) crossed with the relevant topics for NovaSBE according to its mission and strategy, reveal the material topics (refer to Appendix 2 for detailed results) that should be covered by the scope of the report. Also, the crossing of these two perspectives provides information on to what extent the organization's strategy is aligned with stakeholders' concerns, which is an aspect that affects the School's sustainability. The Stakeholder Inclusiveness principle relates to the fact that, ultimately, the report is a communication tool towards stakeholders and, therefore, besides the content, their concerns and interests regarding the report conceiving process should also be accounted for. Hence, this subject was also approached in the interviews so that they ended up by contributing for the scope, boundaries and structure of the report. Finally, when reporting the

School's performance it should be contextualized in what sustainability is concerned<sup>4</sup>, otherwise the report would fail to respond the underlying question of how the School contributes to the development or decline of economic, environmental and social conditions (GRI.2000-2011).

### **Structure**

As mentioned before, the structure used is GRI 3.1 Standard Framework which allows a triple bottom line approach to sustainability. As a result, it has three standard chapters on economic, environmental and social performance. Each one has a set of core and optional indicators. Considering the School's decision of keeping the report simple, only core indicators were covered. In order to adapt the standard frame to the School's specificities, the material topics previously identified were added, as NovaSBE's performance on those topics affects its sustainability. An extra chapter on Educational Performance was created in order to include these added topics in order to clearly separate what it is standard and what it is specific. Taking into consideration the fact that the report's proposal target are the school's services, the structure is a very scholastic one following strictly GRI's guidelines so that the rules and content on which to report are clear for future sustainability reports considerations.

## **4. Results from Framework appliance**

Regarding the report's content, all of the information used was publicly disclosed data or records kindly provided by the School's services. The report starts with an introductory section in which NovaSBE and the report parameters mentioned in the methodology are presented. Regarding NovaSBE's presentation, its strategy and

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<sup>4</sup> What does NovaSBE do regarding each sustainability pillar? How and why does it address it or not?

organizational profile allow for the understanding of NovaSBE's orientation to what concerns sustainability, providing the context for its performance on subsequent sections of the report. The main conclusions that can be drawn from NovaSBE's strategy with implications for its sustainability are its goal of preparing students for marketplace challenges<sup>5</sup>; serving the wider community through the knowledge it generates<sup>5</sup>; academic recognition through the ability to attract Faculty and students, and service quality<sup>5</sup>; internationalization ambitions<sup>5</sup>; the value proposition for educational content, which reflects a sustainable development focus (Machado, J. Ferreira. 2009); and, ultimately, commitment to the United Nations Six Principles for Responsible Management Education<sup>6</sup>. As for the organizational profile, aspects such as the primary services provided<sup>7</sup>, the public nature of ownership, as well as the operational structure and scale justify most of the school's performance on the economic, environmental and social pillars. This presentation section also includes Governance disclosures which play a critical role in what concerns a publicly owned school's sustainability report considering the demand for transparency on how public resources are managed. NovaSBE's governance structure shows a balanced and democratic distribution of powers, with responsibilities clearly identified (NovaSBE. 2011 b) (UNL. 2009 b) as well as the strategic decision making process (NovaSBE. 2009).

Following this contextualization and organizational overview part, and consistent with the GRI standard framework, we present the performance disclosures on the three sustainability pillars.

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<sup>5</sup> [http://www.novasbe.unl.pt/php/templates/article\\_simple.php?id=8](http://www.novasbe.unl.pt/php/templates/article_simple.php?id=8)

<sup>6</sup> <http://oldwww.fe.unl.pt/index.php?page=529&view=news:View&id=45>

<sup>7</sup> higher education, research and consulting on management and economics

## **Economic Performance**

The economic pillar of sustainability refers to the economic impact of the organization on its stakeholders, so that it goes beyond what is commonly reported in financial accounts. Thus, economic indicators from this section (refer to Appendix 3 for detailed information description of the economic indicators) reflect the flows of capital within the different stakeholders and its major economic impacts on society (GRI. 2000-2011). These indicators are divided into three categories: economic performance, market presence and indirect economic impact. In what economic performance is concerned, indicators show that the main sources of revenues are tuitions and Government transfers, being the latter predominant (NovaSBE. 2011 b). Employees' remuneration is the major source of costs (NovaSBE. 2011 b). The fact that overall costs overcome the total revenues, in addition to the high dependency from Government Transfers, affects negatively the School's economic sustainability because, considering the economic impact on society, it implies the consumption of public resources. Moreover with the crisis situation the trend is for those to be even more limited, which ultimately might reflect the increase in tuition fees, and thus affecting students. The indirect economic value generated, channeled by students, faculty and research, should be also accounted for. Although it is impossible to measure it accurately, the presence of Faculty members in public offices and research produced signal the existence of a significant contribution for society in what knowledge production is concerned, which adds up for the school's sustainability. Market presence refers to local community economic impacts. The main supplies for NovaSBE are its workforce, with recruitment following the internationalization orientation (Machado, J. Ferreira. 2009). As it is aligned with the mission, this lack on local recruitment cannot be considered unsustainable. Nevertheless, executive roles are mainly taken by Portuguese employees

(UNL. 2009 b), which balances the negative impact for the local community of an international recruitment strategy.

### **Environmental Performance**

According to the GRI guidelines, this sustainability pillar accounts for the organization's impact on natural systems regarding materials, energy and water consumption, biodiversity, emissions and effluents. Bearing in mind NovaSBE's core business and scale, its operations' impact on the natural systems cannot be considered significant. Aware of that, NovaSBE has not made it a priority so that environmental issues are not addressed by the school through specific policies or goals. This conclusion comes across as most of this pillar's indicators (refer to Appendix 4 for detailed description of the environment performance indicators) were not answered due to lack of measurement or by not being applicable. It was however possible to analyze materials, energy and water consumption between 2009 and 2010 from which resulted that energy consumption has increased more than proportionately to the number of students enrolled, whereas materials and water consumption have decreased even though the number of students increased. There is no way of finding the reasons that explain this fact or even if these consumption levels are acceptable or not, as it would imply past years' trends analysis or benchmarking similar schools' results but such data is not disclosed. Nevertheless, NovaSBE has taken a few symbolic measures regarding the environment. Thus, results on NovaSBE's environmental sustainability are inconclusive because on the one hand it does not have an environmental impact that jeopardizes natural systems, justifying impact mitigation initiatives but on the other hand, as a school, it has the responsibility of creating awareness for such issues which, according to stakeholders' opinion, are important (refer to Appendix 2 for further

description on stakeholders and school's interests and importance assigned) and have not been sufficiently addressed by the school.

### **Social Performance**

Social aspects of sustainability cover the organization's impact on the social systems it operates in (GRI. 2000-2011). Consequently, indicators of this performance (refer to Appendix 5 for detailed description of social indicators) draw upon Labor Practices, Human Rights, Society and Product Responsibility. Labor Practices regarding recruitment and workforce composition replicate the new demands from the school's value proposition for 2009/2013 (Machado, J. Ferreira. 2009), as well as its mission and vision, signaling the sustainability of the school in what these practices are concerned. As for Human Rights, no specific data was found or provided although this subject's consideration is implicit in several procedures such as academic scholarship attribution (non-discrimination rights), for instance. Considering the low risk and impact of Human Rights violation of the School's core activities, this lack of disclosure does not have a very negative impact in terms of sustainability performance. Society section refers to NovaSBE's impact on local community. On this topic the school has several scattered initiatives implementing local community engagement. The school faces these initiatives as a way of developing its students' soft skills<sup>8</sup>. If we consider the high importance NovaSBE assigns to soft skills development and the medium importance it gives to local community engagement there is an unsustainable discrepancy. Furthermore, being an important subject for stakeholders, the low awareness and scale of community engagement activities in 2010 plus the absence of an integrated orientation among them, do not apply for sustainability. Nonetheless, this is partly

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<sup>8</sup> <http://oldwww.fe.unl.pt/index.php?page=1452>

compensated by the fact that NovaSBE has low risk of impacting the community negatively. Besides these initiatives, the school has made several contributions to the community at a national level throughout its research studies and presence of Faculty members in public offices. Finally, regarding product responsibility, as a business school, NovaSBE's activities are not likely to impact negatively students' health and safety so that this cannot be considered a critical topic for NovaSBE's sustainability. Though this does not mean that NovaSBE neglects or can neglect these aspects, as they respect basic needs. About service labeling, the school complies with the information requirements demanded by law<sup>9</sup>, which adds up to its sustainability in this aspect.

### **Educational Performance**

In the process of adapting GRI's standard framework to the School's sustainability specificities, this section was added integrating the key topics identified by stakeholders with the strategic topics identified by the school (refer to Appendix 2). Therefore, it develops around Ability to Attract Students, Alumni Network, Education for Sustainability, Employability, Internationalization and Soft Skills Development. The ability to attract students affects the school's sustainability because it will determine revenues considering that tuitions and Government transfers are the main sources of income and that the number of students is one of the criteria to calculate the amount of Government transfers to be received<sup>10</sup>. To assess it, the evolution of the number of candidates per vacancy and the minimum grade of entry were the indicators used, showing a positive trend of increasing demand for the school's services. As for the alumni, this is a topic mainly of the school's interest, as the relationship with former students is an excellent way of promoting it. This topic was analyzed through the events

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<sup>9</sup> Law n°62/2007 – Higher Education Institutions Regulation, article 162<sup>nd</sup> : <http://www.uac.pt/pdf/tjies.pdf>

<sup>10</sup> Law n°45/2005 art.4<sup>th</sup> - Basis for Higher Education Financing: [http://www.sas.ul.pt/downloads/Lei\\_37.pdf](http://www.sas.ul.pt/downloads/Lei_37.pdf)

and other channels used to come closer to those former students. It resulted that there is still much to do, considering the scarce number of events and meetings conducted throughout the year, as well as the small number of alumni involved. In what education for sustainability is concerned, besides being identified as very important by stakeholders, it is also one of the aspects contemplated in the strategic plan's value proposition and PRME the school has committed to. For the assessment of NovaSBE's performance on this topic, the variety of elective courses related to sustainability and the number of students enrolled, as well as the number of publications produced within the subject were the indicators. From academic year 2008/2009 to 2010/2011, both the number of students enrolled and the variety of elective courses sustainability related increased considerably. Moreover, the number of publications produced by NovaSBE members in 2010 accounted for 33% of the total of the hit publications (NovaSBE. 2011 c) of the school. Regarding employability, as part of NovaSBE's mission, it is crucial as its ability to produce students desirable to recruiters will, ultimately, increase its ability to attract more students. Results from the school's Career Management Office (CMO) show that there was a percentage decrease in students employed within six months of graduating, with exception of students employed abroad, which experienced an increase (NovaSBE. 2011 c). The latter shows that the school's international placement goals are being carried. Overall, efforts towards students' employability reveal sustainable trends for NovaSBE. As for the internationalization topic it considers the school's performance regarding students and faculty international mobility. In fact, the number of students sent abroad and received from abroad has increased from academic year 2009/2010 to 2010/2011, as well as the number of foreign universities with which NovaSBE partners (NovaSBE. 2011 c). Faculty recruitment policies and workforce composition reflect the



internationalization goals (NovaSBE. 2011 c). This reinforces the accomplishment of the school's mission and value proposition but, however, it was not identified as one of the stakeholders most important topics, so there is here a discrepancy that might jeopardize NovaSBE's sustainability. Finally, regarding Soft Skills these are increasingly appreciated and sought by recruiters so that their development increases NovaSBE students' desirability for those. To assess the school's performance on soft skills development the diversity of activities that promotes them, as well as the evolution of the number of enrolled students were considered. Conclusions show a clear positive trend in both activities' variety and number of students from academic year 2009/2010 to 2010/2011. Overall, this Educational Performance section is the one showing the most positive results in terms of sustainability if we consider the positive trends and efforts to address each of the issues identified. However, before this report's proposal, data on these topics had not been analyzed<sup>11</sup> or collected being disperse except for information on internationalization and employability. This section shows particularly how the school addresses its PRME commitments as it provides sustainable development capabilities training for students through the inclusion of global social responsibility values within curricula and stimulating research. In addition, the CMO develops programs aiming at a closer relationship between the school and organizations, so that the latter's challenges become clearer for the school to address. This alignment with the PRME is proof of educational performance sustainability achievements.

## **5. Conclusions**

Appendix 6 provides an overall idea on the standard topics covered that, when compared with the GRI application level criteria (refer to Appendix 7 for detailed

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<sup>11</sup> From a sustainability point of view

information on GRI application level criteria), leads to the conclusion that NovaSBE's level of compliance of this report proposal with the GRI standards is C+<sup>12</sup>. The level of application provides the readers information on the extend of the GRI standard framework covered in the report (GRI. 2000-2011). Level C+ reflects the fact that NovaSBE is a first-timer in what sustainability reporting is concerned, providing a starting-point and incentives for further improvements, the plus resulting from the fact that it was conceived and revised by external entities<sup>13</sup>. To contextualize this result, we can pick an example from the list of the 2010 sustainability top 25 Portuguese companies<sup>14</sup>: the first classification was taken by EDP which achieved an A+ application level, whereas Mota-Engil, the 19<sup>th</sup> from the list, achieved a C level of application, for example. Reporting on sustainability is not an easy task especially for an organization that has not got an integrated sustainability strategy such as NovaSBE. In fact, despite the school's clear intentions towards sustainability, measures taken are dispersed and not coordinated. However, the work of compiling the required information pays off in terms of resource efficiency by allowing the prioritization of aspects to address and activities' closer monitoring, which improves time of reaction. It would also add to a better relationship with stakeholders considering the transparency purposes of a sustainability report. For NovaSBE it has even more advantages if we consider the pedagogical side of it<sup>15</sup> and the fact that it is an innovative project that fits the school's needs for communication and transparency<sup>16</sup>. This report's proposal besides being a guideline for the school's services to produce other sustainability

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<sup>12</sup> Scale from C to A+, C being the lowest score and A+ the highest

<sup>13</sup> The author and the *Sair da Casca* consultant

<sup>14</sup> *Sair da Casca* Engagement Rating

<sup>15</sup> Students in contact with one of today's biggest challenges for organizations – reporting on sustainability

<sup>16</sup> Being a public school in a crisis period

reports, provides a sustainability diagnosis showing the school's strengths<sup>17</sup> and weaknesses<sup>18</sup>. Nevertheless, this report's proposal fails to provide a full sustainability diagnosis as it only covers part of the school's units, operations and stakeholders. Moreover, the limited access to information also jeopardized the length of the diagnosis.

## **6. Recommendations**

The following recommendations draw upon both sustainability reporting and strategic issues that arose from the framework application to NovaSBE. Therefore, they rely only on the information used for this report, not being exhaustive recommendations.

### **Process**

Regarding the reporting standard choice, the GRI has proven to be a very complex tool with so many requirements to comply with that it can easily discourage first time reporting organizations to use it. NovaSBE is free to choose other standards, but considering its internationalization ambitions the GRI are the only standard globally recognized. Still about the process, measuring and monitoring impacts allows a more efficient management approach. Thus, for future sustainability reporting considerations these should be the foundation. Also, in order to obtain a 360° perspective on the school's sustainability, every stakeholder should be included and engaged in the process of creating the report. Only an integrated vision from all entities affecting and affected by NovaSBE will allow the understanding of the full range of topics to address. For instance, this report's proposal provides a partial vision of the school's sustainability because it only considers some of the stakeholders and operations. Moreover, for

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<sup>17</sup> operations with low to inexistent negative impacts; strong alignment of operations with strategy; positive trend regarding the development of ways towards sustainability

<sup>18</sup> discrepancy between stakeholders' and school's interests; dispersed data; lack of monitoring and control of some activities

integration and coordination purposes of the activities required, responsibilities will have to be assigned considering that so far the fact that authority is missing resulted in scattered initiatives lacking in strategic orientation. The centralization of these activities' coordination would allow the school to take full advantage of their potential.

### **Structure and Presentation**

Bearing in mind its target, the report's proposal followed a very scholastic approach, showing step by step every requirement of the GRI framework and guidelines. However, when targeting stakeholders, it should have a more reader-friendly presentation using as much images and graphics as possible to simplify data comprehension, avoiding the long indicator's descriptions and focusing on the content. As a communication tool, the future reports should be published in a systematic basis<sup>19</sup> and submitted to the GRI recognition, for the ultimate external assurance (GRI. 2000-2011). One sustainable way of publishing the reports would be creating an interactive webpage allowing a more easy and segmented reading, as well as paper savings.

### **Content**

One argument against reporting that arose during stakeholders' consultation was that it would mean disclosing strategic data. However, this report's proposal was almost entirely based on publicly disclosed information which means that the only difference is that it brings all the scattered information together in one single document, easing the access to the information. Additionally, regarding the content, in order to be sustainable, the school's strategy should be aligned with stakeholders' interests and concerns. Therefore, frequent assessment of those is required so that the school can identify risks on time to address them and communicate its efforts on those topics. Furthermore, the

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<sup>19</sup> E.g. annually, bi-annually

more complete the report is in what concerns boundaries, the better the conclusions on its effective/overall sustainability. Regarding Economic Performance, if the high dependency on Government transfers threatens the school's economic sustainability it should diversify its funding sources. Increasing the number of vacancies is not a sustainable solution because, although more students would mean an increase in Government transfers<sup>10</sup> and tuition fees, that would also imply more operational costs and, in addition, the school faces space limitations as it is confined to the Campolide building's dimensions. Consequently, the diversification of funding sources would apply to the operations/units not covered by this report such as Nova Forum, Angola Business School and Consulting Services. Raising masters' tuition fees may also be a solution but, considering NovaSBE is a public school, in order to be sustainable it would be limited by private schools and competitors' tuitions price. About the Environmental Performance, from stakeholder consultation resulted that stakeholders assign greater importance to environmental issues than the school. In fact, the reasons behind most of the few measures taken by the school regarding the environment have to do with economic savings rather than environmental concerns or creating awareness for the subject because they are not even communicated. As a school (low environmental impact and education duty) that has even committed to the PRME, NovaSBE should revise its approach to the environment towards a more awareness creation goal, being economic savings that result from it an extra. Looking specifically at Labour Practices content, NovaSBE claims in its mission that it aims at preparing its students for the marketplace. Throughout the report we have seen several measures that address this aspect but, however, in what concerns the main educational channel of the school – teachers, only the internationalization and level of academic background are

highlighted. Considering this, information on labour experience and organizational/corporate connections should be also included in this section, providing facts on measures taken to carry out the mission. For being sustainable, NovaSBE also has to engage employees, creating incentives and conditions for them to include sustainability within their tasks. So far, although the several measures concerning sustainability mentioned, the structure of career incentives still does not contemplate sustainability related aspects, so that the way NovaSBE has been implementing sustainability cannot be considered sustainable itself. To what Community Engagement is concerned, NovaSBE's sustainability depends on the students' soft skills development that it provides and also on the social awareness created. Although the school has developed programs to pursue these aspects, the lack of results' monitoring compromises its sustainability by undermining their full potential. Therefore, closer monitoring and results disclosure are crucial for the school's social sustainability. About Product Responsibility, albeit health and safety of the students is not a critical topic for NovaSBE's sustainability, there are measures taken to ensure the basics needs are covered. Even these measures should be communicated as it shows the school's concern for its stakeholders' health and safety allowing the school to strengthen the relationship with stakeholders which, ultimately, will increase its sustainability. Even though some topics may be implicit in the school's operations and procedures like Human Rights, communicating specific measures and terms addressing them would show awareness and consideration for the subject. Finally, regarding educational performance, although the PRME commitments have been addressed, that does not mean that the school should stop there. There is still much to develop for each of the principles mainly on the method, providing for more real life learning tools, and on the dialogue, as the school

itself recognizes (Machado, J.Ferreira.2009). In due course, a sustainability report would be a solution for both.

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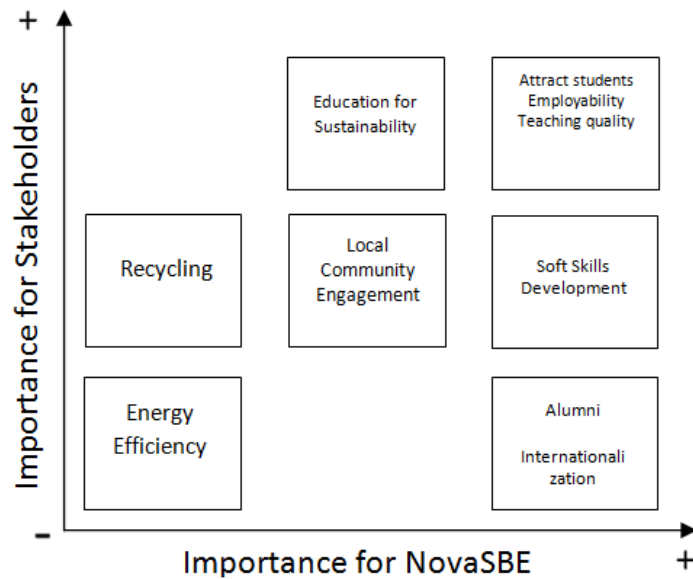
## 8. Appendices

### Appendix 1 - Key topics identified by stakeholders

Category	Relevant Topics
Economic	Ability to attract Students; Employability of Students; International Partnerships; Position in Rankings; Alumni Network; Ability to attract recognized professionals
Social	Projects regarding the improvement of host community; Access to education (tuition fees/scholarships)
Environmental	Waste Recycling; Efficient use of energy
Educational	Education for sustainability (courses, conferences, projects); Soft Skills Development tools



**Appendix 2 – NovaSBE’s Materiality Profile**



**Appendix 3 - Economic Indicators (GRI. 2000-2011)**

Core Indicators	Description	Category
EC1	Direct Economic value generated and distributed	Economic Performance
EC2	Financial implications due to climate change	
EC3	Coverage of benefit plan obligations	
EC4	Financial assistance from Government	
EC6	Policies with regard to local suppliers	Market Presence
EC7	Local Hiring	Market Presence
EC8	Investment for public benefit	Indirect Impact

**Appendix 4 - Environmental Indicators (GRI. 2000-2011)**

Core Indicators	Description	Category
EN1	Materials used	Materials
EN2	Recycled input materials %	
EN3	Direct energy consumption	Energy
EN4	Indirect energy consumption	
EN8	Total water withdrawal	Water
EN11	Location and protected areas/high biodiversity areas	Biodiversity
EN12	Significant impacts of activities on biodiversity	
EN16	Greenhouse gas emissions	Emissions, Effluents and Waste
EN17	Other relevant indirect greenhouse gas emissions	
EN19	Emissions of ozone depleting substances	
EN20	NO and SO emissions	
EN21	Total water discharge	
EN22	Total weight of waste	
EN23	Total significant spills	

EN26	Initiatives to mitigate environmental impacts	Products and Services
EN27	Packaging materials reclaimed by category	
EN28	Fines for non-compliance with environmental laws	Compliance

#### Appendix 5 - Social Indicators (GRI. 2000-2011)

Core Indicators	Description	Category
LA1	Total Workforce	Labor Practices and Decent Work
LA2	Total number of new employees hires and turnover	
LA15	Parental Leaves: return to work and retention	
LA4	Employees covered by collective agreements %	
LA5	Min. period notice for operational changes	
LA7	Injuries, occupational diseases, absenteeism	
LA8	Health and safety education and prevention	
LA10	Average hours of training per employee	
LA13	Composition of governance bodies	
LA14	Ratio of basic salary of women to men	
HR1	% Contracts that include human rights clauses	Human Rights
HR2	Business partners human rights screened	
HR3	Human rights training	
HR4	N° of discrimination incidents	
HR5	Risk of freedom of association violation	
HR6	Risk of child labor incidents	
HR7	Risk of compulsory labor	
HR10	Operations subject to human rights review	
HR11	N° of grievances human rights related	
SO1	Local community engagement	
SO9	Risk of negative impact in local community	
SO10	Mitigation of negative impact in local community	
SO2	% business units analyzed for corruption risk	
SO3	Anti-corruption training	
SO4	Response to corruption incidents	
SO5	Public policy positions and participation	
SO8	Non-compliance fines	
PR1	Health and safety service assessment	Product Responsibility
PR3	Service information required by procedures	
PR6	Marketing communications adherence programs	
PR9	Non-compliance fines	

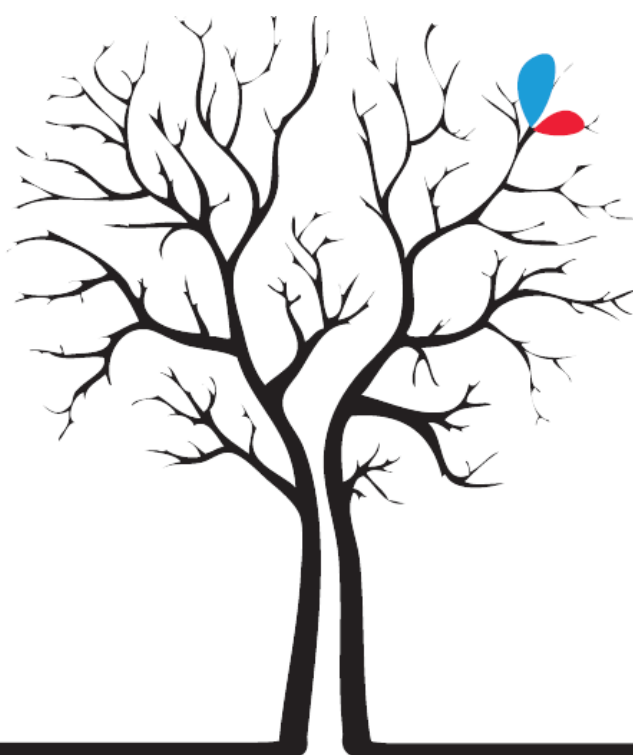
## Appendix 6 - GRI Content covered

GRI Standard Disclosures	GRI Indicators
Strategy and Analysis	1.1 and 1.2
Organizational Profile	2.1 to 2.10
Report Parameters	3.1 to 3.13
Governance, Commitment and Engagement	4.1 to 4.3, 4.6 to 4.9; 4.11 to 4.13; 4.14 to 4.17
Core Performance Indicators	GRI Indicators
Economic Performance	EC1, EC2, EC3, EC4, EC6, EC7, EC8
Environmental Performance	EN1, EN3, EN8, EN26
Social Performance	LA1, LA2, LA13, SO1, PR1, PR3

## Appendix 7 - GRI Application level criteria (GRI. 2000-2011)

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures	<b>Profile Disclosures</b> Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	<b>Disclosures on Management Approach</b> Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	<b>Performance Indicators &amp; Sector Supplement Performance Indicators</b> Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

Nova School of Business and Economics



# Proposal for the Design of NovaSBE 2010 Sustainability Report

Paula Peste Santana #608

6<sup>th</sup> January 2012





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## Introduction

### Purpose

As the title suggests, the hereby document is a proposal for Nova School of Business and Economics (NovaSBE) Sustainability Report. Its main goal is to provide NovaSBE's with a sustainability diagnosis and disclose its performance to stakeholders. Therefore, its targets are NovaSBE's stakeholders, for communication purposes, and internal services, showing the processes to be followed for future sustainability reports.

### Motivations

Many reasons could be enumerated to justify a sustainability analysis of NovaSBE and, therefore, sustain this document preparation, namely:

**Sustainability Analysis Trend** - the perception that resources are limited has led organizations to concern about their ability to continue operations successfully in the future. Considering that, there has been a growing trend among organizations regarding sustainability analysis and NovaSBE is a School that provides an education that prepares students for the corporate world, offering practical learning experiences. Thus it should address this trend, not only throughout its educational programs, but also by acting as an example preparing its students for such challenges.

**Resources Scarcity and Demand for Transparency Trend** – with the crisis event the limited Government's budget for Schools, the main source of NovaSBE financing, has been severely decreasing, which points to an even more serious rationalization and control of the existing resources. For that, a sustainability report would fit as it would allow for a more accurate understanding of the School's resources and its stakeholders expectations by measuring all the available resources (“You cannot manage what you do not measure”) and disclosing about them.

**School's Engagement with the Principles for Responsible Management Education (PRME)** – NovaSBE joined the United Nations PRME back in 2008 being the first Portuguese school to do that. The organizations that join this initiative commit to an alignment of their mission, strategy and main competences to what concerns education and research with the 6 UN PRME. The engagement model contemplates three phases, one of which is reporting to stakeholders. Hence, in order to pursue what it has committed to, NovaSBE should embrace this initiative of reporting on its sustainability.

**School's Strategic medium-term plan** (“A Five Years Plan” message from the Dean Professor José Ferreira Machado approved by the School Council in 2009-05-27) – NovaSBE, recognizing its poor performance in what communicating with its stakeholders is concerned, has set a communication plan for the period 2009-2013. A sustainability report, as the communication tool it is, fits this goal allowing NovaSBE to disclose its strengths, but also its weaknesses and ways it uses to address them in order to provide the best for its stakeholders.



## Methodology

This document was written using the Global Reporting Initiative (GRI) 3.1 Framework and Guidelines, as the use of such a widely accepted framework allows for better understanding and comparability of its content and structure. In addition, that wider acceptance applies for NovaSBE’s internationalization goals.



**Figure 1** - GRI 3.1 Process for creating a Sustainability Report. Source: GRI 3.1 Technical Protocol

The figure above synthesizes the general process recommended by the GRI 3.1 Guidelines. When applying this process to this document the result was:

**Defining Report Content:** the first step taken was to identify and consult the relevant stakeholders on their interests and expectations regarding NovaSBE and Sustainability. To do so, the boundaries of the “report” were first defined in a meeting with a member of the School’s Direction. Then, according to those limits, the relevant stakeholders were identified. Open interviews to 12 students, 6 Professors and 6 non-teaching employees were conducted. The information provided by this step allowed for the definition of the relevant topics and indicators to be reported (materiality). The following step consisted of NovaSBE’s contextualization in what sustainability is concerned (what does NovaSBE does with regards to each of the sustainability pillars? How and why does it address it or does not?), otherwise the report would fail to respond to the underlying question of how does the School contribute to the development or decline of economic, environmental and social conditions.





**Defining Report Quality:** both negative and positive aspects are reflected in this document allowing an assessment of the overall performance of NovaSBE (balance). Bearing in mind the fact that there is not a previous document with such nature, comparability is not currently applicable but should be for the analysis to come. About accuracy, the author was as detailed as possible in the information provided, considering her limited access to that same information. Timeliness is not also applicable in this case considering the nature of a first attempt, but should also be considered for future reports. In what clarity is concerned, the author adopted an approach that allows content clarity for two targets: stakeholders, as the communication target, and School's services, making the process of creating a sustainability report comprehensible. The content's reliability is based on the fact of its source being the School itself.

**Defining Report Boundaries:** this was one of the first steps taken, being the limits defined accordingly to one Associate Dean and the Dean's expectations and intentions towards the document. Therefore, the decision was that, as a first attempt, "simple is beautiful", so that its spectrum included only, for time being, the core activities of the school – undergraduate, master and PhD studies plus research.

**Standard Disclosures:** as the title suggests, the GRI has a standard framework that could be used by different types of organizations from all sectors of activity. This may threaten the quality of the conclusions on the overall performance of the reporting organization if we consider that there can be crucial performance specificities of that organization that are not covered by the GRI standards. As a result of that, the GRI framework is flexible enough to allow the introduction of topics and indicators beyond its standards in order to include all the key aspects of the organization's activities. The standard disclosures include the following sections: economic performance, environmental performance and social performance (Labor practices and Decent work, Human Rights, Society and Product Responsibility). It was decided with the member of the School's Direction that an Education performance section should be added as it is of utmost importance for NovaSBE.

## Sources

The content of this document was collected by the NovaSBE student Paula Santana, using NovaSBE's publicly disclosed information, as well as data kindly provided by the School's Services and Stakeholders. Information concerning the structure of the document was taken from GRI 3.1 Guidelines and Framework. Additional sources account for the UN PRME website. Therefore, the content of this report's proposal relies on quotations from information originally produced by NovaSBE, Nova's Lisbon University, The Global Reporting Initiative and The United Nations. Quotations' sources are identified in the beginning of each section. The chapters Introduction, Key Impacts, opportunities and risks, Stakeholders Engagement, Performance Evaluations, Conclusions and Recommendations do not rely on quotations, being independently written by the author of this report's proposal.



Both content and structure were revised and enlightened by a “Sair da Casca” consultant and Professor Luísa Agante. Strategic decisions such as the ones regarding the scope or content of the document were based on stakeholders and on the Pre-Experience Associate Dean decisions and opinions.

### Structure

This document follows exactly the GRI 3.1 framework list of topics to be covered, with the respective content description. Due to the guideline nature of this document the following sections were added to the standard framework: Introduction, Conclusions and Recommendations. This is a very scholastic report approach, being the most common a stakeholder-interests-oriented one (information is organized in a more easy-to-read way and according to stakeholders preferences/interests). The scholastic approach fits the document’s purpose better as it provides detailed guidelines, leaving up to the School how the content will then be presented.

### GRI Content Index



GRI Standard Disclosures	GRI Indicators
Strategy and Analysis	1.1 and 1.2
Organizational Profile	2.1 to 2.10
Report Parameters	3.1 to 3.13
Governance, Commitment and Engagement	4.1 to 4.3, 4.6 to 4.9 4.11 to 4.13 4.14 to 4.17
Core Performance Indicators	GRI Indicators
Economic Performance	EC1, EC2, EC3, EC4, EC6, EC7, EC8
Environmental Performance	EN1, EN3, EN8, EN26
Social Performance	LA1, LA2, LA13, SO1, PR1, PR3

**Table 1 – GRI Content Covered**

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures	<b>Profile Disclosures</b> Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	
	<b>Disclosures on Management Approach</b> Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	<b>Performance Indicators &amp; Sector Supplement Performance Indicators</b> Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***		Respond on each core and Sector Supplement** indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	



**Figure 2** – GRI Application Level Criteria. Source: GRI 3.1 Application Levels

## Level of Application of the GRI framework



The level of application provides the readers of the report information on the extent of the GRI standard framework covered. The different levels go from C to A grade, C reflecting a beginner's level, B an intermediate one and A an advanced level. A "plus" can be added for each level in case the report is submitted to external assurance.

This report's proposal responds to all profile disclosure items but, however, is shorter on management approach disclosures and only reports fully on 16 performance indicators (at least one from each of the social, economic and environmental topics). Adding the fact that it was conceived and revised by external entities (the author and the Sair da Casca consultant), we can conclude that NovaSBE obtained C+ level of the GRI application. This level reflects the fact that NovaSBE is a first timer in what sustainability reporting is concerned, providing a starting-point and incentives for further improvements (refer to Recommendations section). To contextualize this level result, we can pick an example from the list of the 2010 sustainability top 25 Portuguese companies (source of this list: Sair da Casca Engagement Rating): the first classification was taken by EDP which achieve an A+ application level, whereas Mota-Engil, the 19<sup>th</sup>, achieved a C level of application, for example.

### 1. Strategy and Analysis



#### Mission

Source: NovaSBE's website<sup>1</sup>

NovaSBE provides an excellent level of higher education and research.

NovaSBE aims to:

- Produce graduates and postgraduates equipped for the marketplace. The high-quality and innovative courses are geared to providing the knowledge and skills required, and are regularly reviewed to aim at best practice. Teaching is rigorous, and benefits from the stimulus of a wide range of electives, international recruitment and exchange programs. The intellectual environment will attract and stimulate both Faculty and students.
- Serve the wider community and advance knowledge. NovaSBE influences economic policy and improves business practice, through the provision of executive

<sup>1</sup> The reference NovaSBE's website or current website refer to the following address:  
<http://www.novasbe.unl.pt/>



education, and consultancy services. It conducts pure and applied research, which is scholarly relevant, and rated internationally.

- Profit from its strengths. As a combined school of Economics, Finance and Management, NovaSBE benefits from the synergy between these disciplines. The research underpins the quality of our teaching. Through embracing international perspectives and harnessing local experience, it creates a positive environment for education and research.
- Bring prestige to Portugal, students, Faculty, alumni and staff through international recognition. The School pursues international accreditation to enhance its standing, attract Faculty, students and stakeholders, validate our standards, promote change and stimulate our quest for continuous improvement.

## Vision

Source: NovaSBE's website

The vision states how the School would like to see itself as an organization in a near future.

“Our vision is to be among the best in Europe”



### 1.1 Statement from the Dean

Source: “A Five Years Plan”, message from the Dean approved by the School Council in 2009-05-27

The School's vision is “To be among the best school in Europe”. The creation of an international reputation and of internationally competitive programs requires academic and scientific excellence – without which no credible standing is possible – and “product differentiation” – without which is harder to stand out.

Academic recognition is boosted by accreditation and rankings, but it is ultimately sustained by the international prestige of the students and faculty; its ultimate measure is the School's ability to compete for students and faculty. To compete, the School needs also to sharpen its value proposition by supplying distinctive (“exportable”) expertise. This differentiating feature will result from creating reputable centers of knowledge building up on already existing capabilities. But they will also decisively come from leveraging on assets that are unique to a Business and Economics school in Portugal namely, the historical links with Portuguese speaking countries in Africa and South America.

The latter differentiating vector may appear in contradiction with our ambition of prominence among European schools. We do not think so. Rather we see them as complementary. The only way that NOVA can prove its value to countries like Angola



and Brazil is by being among the best schools in Europe. On the other hand, developing a distinctive expertise in business and economic subjects relevant to those countries and to its multilateral links with, say, Europe, India and China, will create a distinctive knowledge banner that may help projecting NOVA among European schools. Furthermore, a stronger presence in those parts of the world may be interesting from the financial view point, thus contributing to ease resources constraints and to promote overall academic excellence.

The proposed medium-term strategic goals are organized in three areas:

- Academic recognition
- Value Proposition
- Stakeholders

The strategic vectors below do not cover all academic programs or all areas of involvement. They focus on programs or areas of strategic importance (rather than tactical), where significant changes must occur in order to foster the School's ability to compete.

### **Academic Recognition**

Academic recognition is a broad concept with a wide range of dimensions. The School has always favored a research based international dimension. Although the ultimate gauge of recognition is the ability to attract internationally mobile students, we have always believed that the quality of the research production and the existence of formal accreditations are critical inputs.

From the point of view of improving NOVA's international profile, the Bologna Masters' represent a tremendous opportunity since there the playing field is not yet dominated by the most powerful academic institutions. Consequently, our efforts will be to a great extend directed to these programs.

The focus on Masters' does not mean that we will overlook the undergraduate and doctoral programs. We believe that we are national leaders in undergraduate studies in Economics and Management. These constitute an essential part of the informal recognition of our brand and a natural recruiting ground for Masters' students. The School must, therefore, continue to be regarded as offering the top undergraduate programs in Portugal (measured by, say, the quality of incoming students). NOVA offers PhD programs in Economics, Finance and Management. The first two are the oldest in Portugal and a critical part of our image as a full service school. We also believe that these programs are important in attracting young research oriented faculty to the School. It is our intention to keep the Doctoral programs at their current levels that is, graduating an average of 5 students per year.

### **Value Proposition**

We believe that academic quality is a necessary condition to compete in today's world but it is not sufficient. Every school strives to be good in research and teaching; most schools strive to get accredited (and lots will). To succeed, schools must be able to



differentiate themselves. For some schools differentiation based on outstanding scientific quality across the board is feasible. Others must look for specific niches of expertise from where to stand out. NOVA is in the second category.

The targets in this area are as follows:

- Create knowledge centers around academic expertise areas following, for instance, the model of the already existing CGG-Center for Globalization & Governance. These centers will be tools to coordinate research and teaching initiatives and to communicate existing expertise to outside constituencies. In addition to CGG three additional centers seem natural looking at existing resources (the designations are merely indicative):
  - Finance
  - Creative Organization Studies
  - People, Markets and Policy, comprising areas such as,
    - Health Economics
    - Markets' Regulation
    - Empirical Business Strategy
    - Sustainability and Development

Project NOVA as the pivot in the relationship between the European Academies of Economics and Management and the Portuguese speaking world in the South Atlantic (namely Angola and Brazil). The ambition should be to attract people from all over the world for whom specialized local knowledge of those markets is at a premium and, also, to target Portuguese companies in those markets. In the medium-term, we envision three types of specific actions:

- Immediate implementation of executive education initiatives in Angola;
- The creation of a “vehicle” (for instance a local company with NOVA FORUM participation) that may provide a consistent basis for Executive Education programs in the Angolan market. Reasonable targets of success for this venture are: 1. To have a local organization in Angola representing the School; 2. To offer one management course for executives (General Management Course-type) on a regular yearly basis as of 2010; 3. To see the relevance to Angola's long-term development of NOVA's presence recognized by the national authorities.
- Finally, devise a strategy that, using our presence in the Executive Education market in Angola as lever, may project the intended pivotal role. Such a strategy will be drafted during 2009. It should be ambitious and comprehensive: it should go beyond executive education and include all the relevant aspects of the School's academic life, Economics as well as Management and research as well as teaching. Namely, it should contemplate:
  - Redirection of the Master in Economics towards a stronger focus on sustainable development policies blended with some





specific experience with the Portuguese speaking African countries (workshops, field trips, work projects, and so on);

- Consolidation of a research expertise on Sustainable Development;
- Stronger focus of the Masters in Management and MIM on cross cultural management emphasizing Africa and Brazil;
- The (longer term) possibility of offering academic programs under the brand NOVA in Angola (say, in cooperation with a local University).

### Stakeholders

- The School is a poor communicator of its initiatives and strengths both to internal and external stakeholders as well as to the society in general. To improve on this front we plan, namely: to launch a quarterly news letter series, to create a intranet platform where different subjects can be widely discussed (already used to discuss the naming of the School), to hire a media agency to increase the School's presence (both institutional and through individual faculty) in the national media, and to continue direct communication initiatives such as the bi-monthly meetings of the Dean with administrative staff.
- The School needs a serious alumni network with national and international chapters. Some steps have already been taken but much rests still to be done. At the end of the mandate, the score on this count will be a clear "unsuccessful" if such a network is not in place.
- Programs of good academic quality are, of course, fundamental but do not suffice to attract students and create a positive feedback from alumni to prospective students. The School needs to provide its students a better overall learning experience at NOVA in terms of friendliness of service as well as simplicity and responsiveness of processes. Students must leave the School as long time friends. Progress in this area will be measured through customer satisfaction questionnaires using the platform INOVQUAL.

The medium term goals outlined above are reachable within the School's actual resources constraints. And, it is believed, they constitute steps in the right direction. From this one should not infer that, relative to its ultimate ambition of being a serious European competitor, the School does not face a severe lack of scale and resources. The scale of our operations is roughly 10 million Euros per year. For a significant leap forward this amount must be increased by a multiple.

### Sustainability

Sources: NovaSBE's old website<sup>2</sup> and PRME's website<sup>3</sup>

<sup>2</sup> <http://oldwww.fe.unl.pt/>

<sup>3</sup> <http://www.unprme.org/index.php>



With regards to NovaSBE's adherence to the PRME, Professor José Ferreira Machado stated that "the initiative reveals itself as another step forward in what concerns the recognition of social responsibility and sustainability as part of the School's educational and research activities".

## **PRME** Principles for Responsible Management Education

NovaSBE joined the United Nations Principles for Responsible Management Education back in 2008 being the first Portuguese school to do that. The organizations that join this initiative commit to an alignment of their mission, strategy and main competences to what concerns education and research with the 6 UN Principles:

**Principle 1 – Purpose:** We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

**Principle 2 - Values:** We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

**Principle 3 - Method:** We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

**Principle 4 - Research:** We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

**Principle 5 - Partnership:** We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

**Principle 6 - Dialogue:** We will facilitate and support dialog and debate among educators, students, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Ultimately, these principles reflect NovaSBE's comprehension of how its organizational practices should serve as an example of the values and attitudes conveyed to its students.





1.2 Key impacts, risks and opportunities

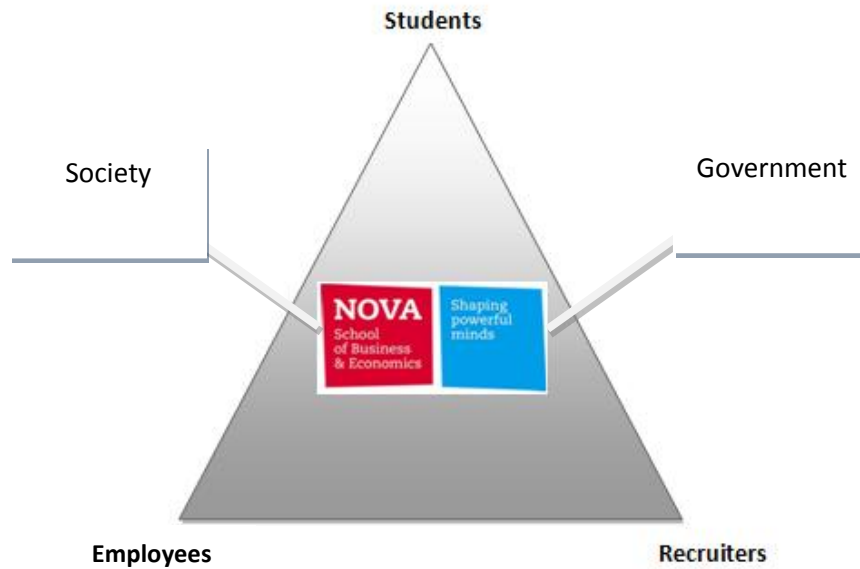


Figure 3 – NovaSBE’s Impacts and Impact on NovaSBE

**Students** are both impacted and responsible for impacting NovaSBE. They are impacted as they receive the education that will get them employed (mission of the faculty) and they impact NovaSBE through their preferences when deciding in which University to study, and through their performance both as students and, then, in their jobs, as professionals, because it will set NovaSBE’s reputation in terms of education which, ultimately, will weight on other students decision on where to study.

**Recruiters** are impacted by NovaSBE regarding the skills students bring to their jobs, adding value to the recruiter or not. On the other hand, recruiters also have impact on NovaSBE considering their expectations on those skills they are looking for in students.

**Employees** impact NovaSBE’s performance as they are the responsible for the education it “sells” and, are impacted by Nova considering that their commitment depends on whether conditions are created for it.

The **Government** is NovaSBE main source of financing, as it depends on Institutions with high standards of education such as it.

**Society** is impacted by NovaSBE in the sense that it produces knowledge that ultimately will enhance Society. However, the way society evolves and its trends, affect NovaSBE in what concerns education design and priorities.



**Figure 4** – NovaSBE’s SWOT Analysis. Source: Results from stakeholder consultation; “A Five Years Plan” message from the Dean approved by the School Council in 2009-05-27; NovaSBE’s mission and vision

<sup>1</sup>Source: Eurostat

## 2. Organizational Profile



Sources: NovaSBE’s Activities Report 2010; Nova’s Lisbon University website<sup>4</sup>; NovaSBE’s old and current website

**2.1 Name of the Organization:** Faculdade de Economia da Universidade Nova de Lisboa

**2.2. Primary Brand:** Nova School of Business & Economics

**Primary Services:** Educational Services, Research, Seminars and Consulting Services to the Community.

**Primary Educational Services:** Undergraduate Studies in Economics and in Management; Master Studies in Economics, Management and Finance; CEMS Masters in International Management; Research Master in Economics and in Finance; PhD in

<sup>4</sup> <http://www.unl.pt/>



Economics, Management and Finance; European Doctorate in Economics Erasmus Mundus (EDEEM); The Lisbon MBA; Executive Education.

**Primary Research Services:** Scientific Projects in Economics and in Management: Publications.

**Primary Seminar Services (INOVA series):** Seminars in Economics, Management and Finance

**Services to the Community (Consulting):** GANEC – Economic Analysis Office; CEGE – Business Administration Study Center; NIF – Exchange and Educational Center; CG&G – Globalization and Governance Center

### **NovaSBE brief description**

NovaSBE is one of the five faculties of Nova's Lisbon University, dedicated to scientific education and research in Economics, Management and Finance. Founded in 1978 it is, since then, an innovative project in Portugal as it follows the North American University's model.

### **Market Positioning**

NovaSBE is currently identified as the national leader in what concerns education and research in Economics and Management. Evidence of this positioning are the National Classifications obtained for the undergraduate studies - highest classification by the Fundação das Universidades Portuguesas (Foundation of Portuguese Universities), who highlighted the strict entry conditions and the quality of the School's faculty. Further evidence is provided by International Accreditations from three institutions of reference such as EQUIS, AMBA and AACSB, making NovaSBE part of the limited group of schools in the whole world to be assigned a Triple Crown title. These accreditations clearly attest the school's programs quality, recognizing the compliance of demanding international criteria regarding education, internationalization and the business world context. Moreover, NovaSBE was also selected as the Portuguese CEMS representative, a selective club that gathers the best European Schools (one per country) and top multinational companies. The position of two of the masters programs in the Financial Times worldwide ranking – the Masters in International Management and the Masters in Management – also strengthens NovaSBE's quality image and reputation.

### **Internationalization Strategy**

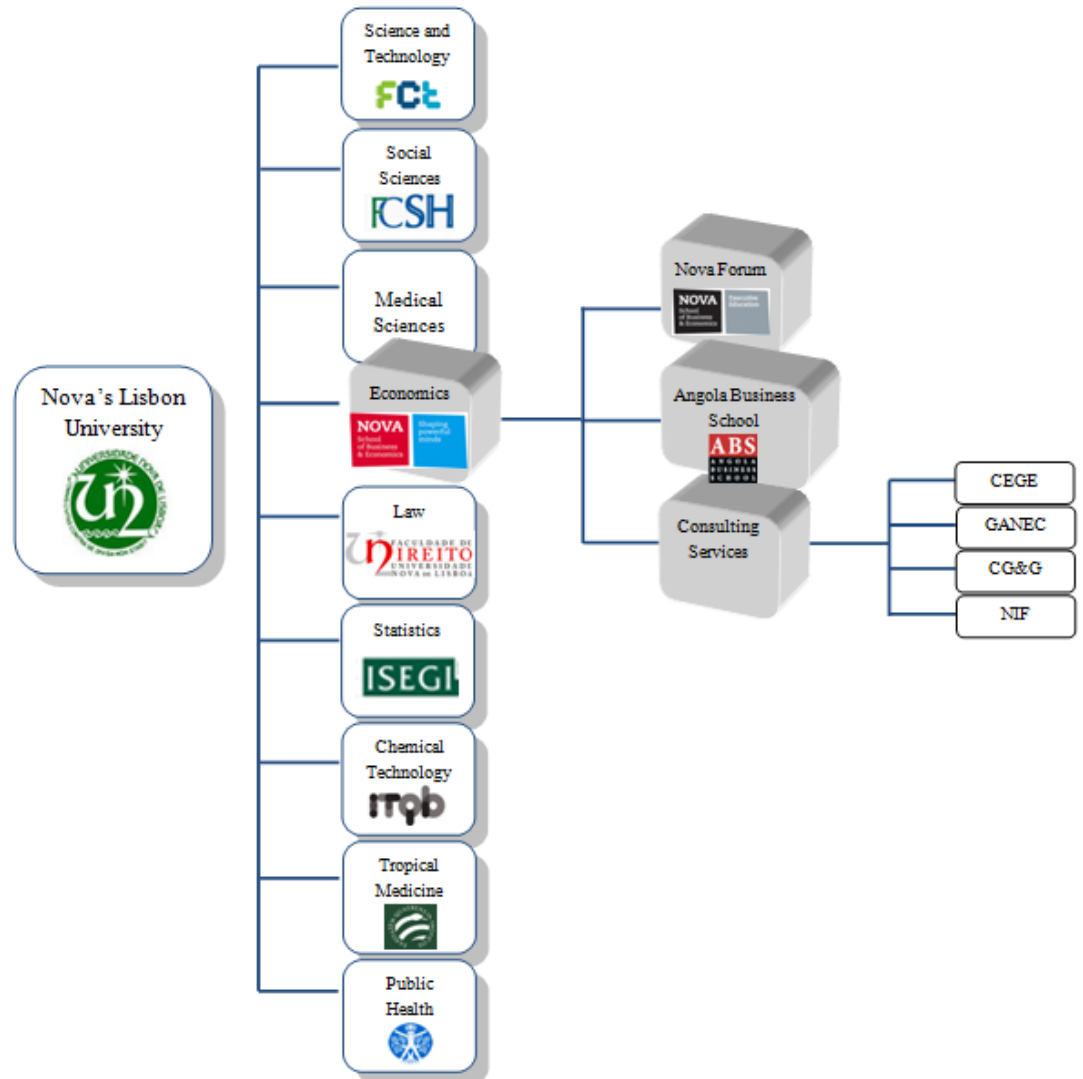
NovaSBE's international orientation is reflected in its faculty recruited in foreign markets; in the exchange agreements with foreign universities; and in the use of the English language for teaching most of the undergraduate courses and all the Masters, MBA and PhD courses.

### **Service description – Key words**

Solid training; International education and environment; Practical Experience; Academic excellence – rigor at the heart of NovaSBE; Support; Unique social and human experience – engage with your peers.



### 2.3. Operational Structure



**Figure 5** – Nova’s Lisbon University units. Sources: Nova’s Lisbon University website; NovaSBE’s website

Executive education is run by a legally private institution – Nova Forum. This institute has seven corporate partners and is managed by a board presided by the Chairperson of TAP - Air Portugal. NOVA has ultimate strategic control over Nova Forum but, nevertheless, its Management is accountable before the partners.

As for ABS, it results from a partnership with NovaSBE which contributes with know-how and expertise regarding the programs offered and the scientific accuracy of its teachers and researchers.

### 2.4. Location of NovaSBE’s Headquarters: Campus de Campolide – Lisbon, Portugal.

### 2.5. International Operations



**International Business:**

- Angola Business School

**International Relations:**

- Exchange agreements with 128 schools in 41 different countries;
- Double-Degree agreements with Brazil, Holland, Germany and Poland;
- The Lisbon MBA joint with Católica and MIT;

**2.6. Nature of ownership and legal form:** Public University, custody of the Ministry of Education and Science, endowed with statutory, scientific, pedagogical, administrative and financial autonomy.

**2.7. Markets served (geographical breakdown, sectors served, types of customers)**

Though the majority of Nova students are Portuguese, it attracts students from all around the world, accounting for more than 20% of foreign students from more than 30 nationalities.

**2.8. Nova's scale**

**Total Revenues = 9.777.821€**

**Students (2009/2010 – 2010/2011)**

- 2 790 undergraduate students
- 1129 masters students
- 69 research masters
- 507 students sent to foreign universities (Undergraduate and Masters)
- 592 foreign students received in NovaSBE (Undergraduate and Masters)
- 72 PhD students
- 27% of PhD students are foreigners
- 130 MBA students
- 264 participants in the Nova Forum 2010
- 250 participants in the ABS 2010

**Research (2010)**

- 1 012 676,86€ of total investment in research
- 82 published articles in international newspapers
- 12 of those articles are in the FT40 and 7 are in the top of Mingers & Harzing ranking

**Seminars (2010)**

- 56 seminars INOVA series

**Employees = 216**



**2.9. Significant changes during the reporting period:** There haven't been significant changes to the university's structure and/or operations.

**2.10. Awards received during the reporting period:** CEMS-MIM achieved #2 in the Financial Times Global Master in Management ranking, and the Master in Management obtained #57 classification in the same ranking; Distinction in the annual CEMS meeting in Rotterdam with 3 top awards: CEMS school of the year, CEMS best elective course and CEMS Erasmus travel award; 4 Palms in the Eduniversal ranking; EQUIS accreditation renovation.

### 3. Report Parameters



Sources: meeting with Pre-Experience Studies Dean Professor Daniel Traça; Stakeholders' Interviews

#### 3.1 Report Profile

**3.1. Reporting Period for information provided:** by default Fiscal year 2010 but, for some data, academic years 2009/2010 to 2010/2011 were considered due to the school's activities nature and periods.

**3.2. Date of the most recent report:** Non Existent

**3.3. Reporting Cycle:** Annual Basis

**3.4. Contact for information regarding the report or its contents:** to be defined by the school

#### 3.2 Report Scope and Boundary

**3.5. Process for defining report content:** meeting with member of the School's Direction, with "Sair da Casca" Consultant, discussion with several stakeholders and consultation of the GRI guidelines. From these resulted that from the standard indicators, only core indicators would be used, considering that this is the first sustainability report and the additional indicators target reporting organizations in a more advanced stage of sustainability reporting.

**3.6. Boundary of the Report:** For reporting effects only NovaSBE will be considered, excluding the branches/extensions identified in 2.3. Operational Structure. This scope decision is connected with the report's purpose as a first attempt on analyzing the School's sustainability, so that it makes sense to start only by considering the core activities: undergraduate and master Studies. Therefore, and once again bearing in mind the simplicity intended for this report, only primary/internal stakeholders are considered: students and employees (Professors and Staff).

**3.7. Specific limitations of reports boundaries:** This report is limited by the school's information available.



- 3.8. Basis for reporting on subsidiaries:** Extensions of NovaSBE will not be considered for reporting effects.
- 3.9. Data measurements techniques and bases of calculations:** Information was collected from school's offices, individuals directly involved with the aspect to be measured and from publicly disclosed data (NovaSBE's website and Statutes; Nova University of Lisbon website).
- 3.10. Explanation of the effect of any re-statements of information provided in earlier reports:** There were no previous reports.
- 3.11. Changes in scope from previous reports:** There were no previous reports.
- 3.12. GRI Content Index:** refer to page 4 of this report
- 3.13. Assurance – Policy and current practice with regard to seeking external assurance for the report:** This report was compiled by a NovaSBE student with the help of a “Sair da Casca” consultant, so that although it hasn't been formally audited, it received inputs by a completely external entity with expertise in the subject.



## 4. Governance, Commitments and Engagement

### Governance

Sources: Nova's Lisbon University Activities Report 2009; NovaSBE's Handbook 2011-2012; NovaSBE's Income Statement 2010; NovaSBE's statutes 2009; NovaSBE's website

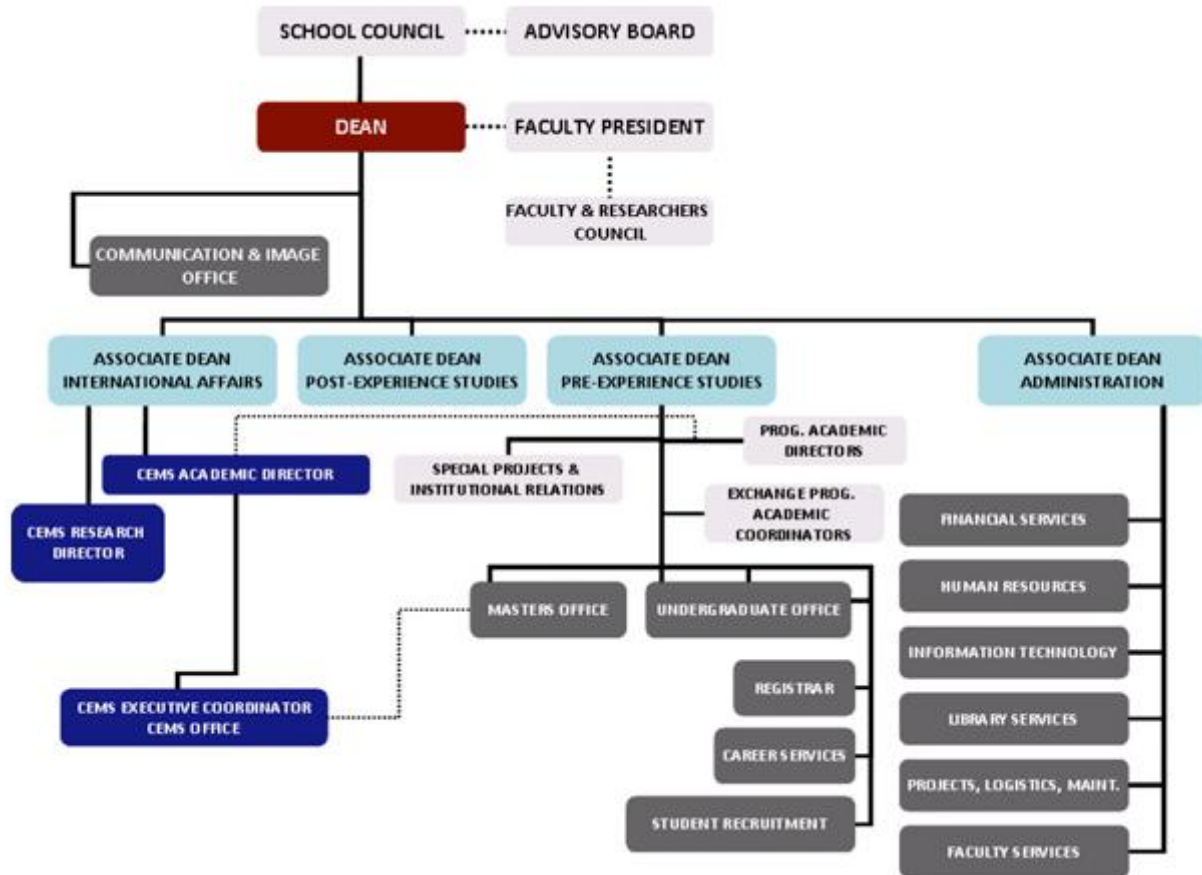
#### 4.1. Governance Structure

The School's chief executive officer is the Dean. The Dean shares powers of Faculty and research management with the Faculty Council and the Faculty President. The organizational structure comprises two operational areas: the area of Pre-experience Studies – headed by an Associate Dean, responsible for the

School's two main products, Undergraduate (U/G) and Masters – and the Area of Administrative Affairs – also headed by an Associate Dean and comprising all shared services. The Associate Dean for Preexperience Studies is also the President of the Pedagogical Council, in charge of ensuring the Pedagogical excellence of the school's programs and responding to students' issues.

The organigram of the School's services and the sharing of responsibilities is as follows:





**Figure 6** – NovaSBE’s organizational structure. Source: NovaSBE’s website

**School Council (SC) President - Dr. Nuno de Carvalho Fernandes Thomaz**

SC Composition: 8 Professors elected by the Faculty body, 3 external members appointed by the Rector upon approval of the General Council, one of who presides the SC and 1 student representative.

The external members are well regarded business people: one heads the Iberian office of McKinsey, another is CEO of the largest health services group in Portugal and the third, who presides, has been a Board member of several companies both in Portugal and in Brazil.

SC competencies: selects (and may destitute) the Dean, approves the School’s strategic guidelines, multi-year activity plans and annual budgets, assesses and approves annual activity reports and the consolidated income and expenditure account and approves quarterly management reports.

**Dean – Prof. Dr. José António Ferreira Machado**

Functions: External representation; definition of the School’s strategy (subject to approval from the SC); management of the School’s physical, financial and human (non-faculty) resources; fund-raising; alumni and Corporate relations; definition of the communication and marketing policies; quality and satisfaction assessment; scientific direction of Executive Education.





### **Faculty President – Prof. Dr. Pedro Pita Barros**

Functions: Chairs the Faculty Council - a council of 25 faculty representatives with powers over academic initiatives; responsible for faculty management including: Recruitment; Development; Allocation; coordinates School research activities as President of INOVA, the School's research centre; coordinates research oriented academic programs (Research Masters and PhDs).

### **Associate Dean: International Affairs – Prof. Dr. João Amaro de Matos**

Functions: Planning the School's internationalization strategy and coordination of its implementation; coordination of all processes pertaining to accreditations and rankings; chief responsible for CEMS at NOVA (presides the CEMS office); coordination of Faculty recruitment.

### **Associate Dean: Post-Experience Studies – Prof. Dr. Miguel Pina e Cunha**

Functions: Academic Direction of The Lisbon MBA; board member of NOVA FORUM (Executive Education) with responsibilities for: Program development; Executive Director induction and coaching; New faculty induction to Executive Education activities; executive Education is run by an independent legally private institution, NOVA FORUM, with its own Board.

### **Associate Dean: Pre-Experience Studies – Prof. Dr. Daniel Traça**

Functions: Responsible for all students (first and second cycles) processes from recruitment to placement. In this role the AD is assisted by 4 Program Academic Directors (U/G studies, Masters in Economics, Masters in Finance and Masters in Management; strategic planning of first and second cycles including: Design, Development and Marketing; presides the Pedagogical Council (faculty/students meeting body); responsible for program management: Admissions and Placement; Program Offices, Registrars and Students Exchanges (assisted by the Academic Coordinator of Exchange Programs)

### **Associate Dean: Administration – Dra Fernanda Gama Vieira**

Functions: Coordinates administrative services, and physical, human and financial infrastructures needed for the School's operations; areas include: Acquisitions, Inventory, Maintenance, Finance, IT, Operations, Human Resources and Libraries; Articulate with Administrators from other University Units and the Rector's office.

**4.2. Chair of the highest governance body is also an executive officer?** The highest governance body is the School Council and the Chief Executive Officer, Prof. Dr. José Ferreira Machado is not a member of the latter.

**4.3. Number and gender of members of the highest governance body that are independent:**



Composition	Title	Members
External Entities	President	Dr. Nuno de Carvalho Fernandes Thomaz
		Eng. Raul Galamba de Oliveira
		Eng <sup>a</sup> . Isabel Vaz
School Council Professors and Researchers	Vice-President	Prof. Dr. José Neves Adelino
		Prof. Dr. Diogo Homem de Lucena
		Prof. Dr. Mário Gomes Páscoa
		Prof. Dr. Pedro Araújo Gomes
		Prof <sup>a</sup> . Dra. Rita Maria de Campos e Cunha
		Prof <sup>a</sup> . M <sup>a</sup> Antonieta da Cunha e Sá
		Prof. Dr. José Jacinto Aragão Mata
		Prof. Luís Moreira de Campos e Cunha
Student		Cristina Pereira de Oliveira

**Table 2** – NovaSBE’s School Council composition. Source: Nova’s Lisbon University Activities Report 2009

**4.4. Mechanisms for stakeholders and employees to provide recommendations to the highest governance body:** According to NovaSBE’s statutes, article 4<sup>th</sup>, n<sup>o</sup> 13<sup>th</sup>, any individual can be invited to the Council’s meetings by the President, but with no right to vote.

**4.5. Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organizations performance (including social and environmental performance):** Not specified

**4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided**

NovaSBE’s statutes determine in their article 24<sup>th</sup> on function’s overlapping:

1 – It is not allowed the accumulation of the following functions: a) member of the School Council; b) Dean; c) President of the Scientific Council; d) President of the Pedagogical Council.

2 – The Dean cannot hold any function in a government body or management functions in another institution of Higher Education (both Public or Private).

**4.7. Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity:** NovaSBE’s School Council composition, qualifications and expertise of the members rules are included in NovaSBE’ Statutes which state:

Article 4<sup>th</sup>  
Composition and election



- 1- The School Council is composed by: a) 8 teachers or researchers; b) 3 external entities to the University; c) 1 student.
- 2- The student is elected by the School Council itself; teachers and researchers are elected by: a) teachers and researchers of career; b) remaining teachers and researchers with full time contract no shorter than a year, holders of a PhD degree.
- 3- At least 5 of the teachers or researchers should be professors or research coordinators.

#### **4.8. Internally developed statements of mission and values, codes and principles relevant for economic, environmental, and social performance and the status of their implementation**

**Mission:** The NOVA School of Business and Economics provides a world-class level of higher education and research. We aim to:

Produce graduates and postgraduates equipped for the global marketplace. Our high-quality and innovative courses are geared to providing the knowledge and skills required, and are regularly reviewed to reflect best practice. Our teaching is rigorous, and benefits from the stimulus of a wide range of electives, international recruitment and exchange programs. Our intellectual environment will attract and stimulate the best faculty and students.

Serve the wider community and advance knowledge. We influence economic policy and improve business practice, through the provision of executive education, and consultancy services. We conduct pure and applied research, which is scholarly, relevant, and rated internationally.

Profit from our strengths. As a combined School of Economics and Management, we benefit from the synergy between the two disciplines. Our cutting-edge research underpins the excellence of our teaching. Through embracing international perspectives and harnessing local experience, we create unique environment for education and research.

Bring prestige to Portugal, our students, faculty, alumni and staff through international recognition. We pursue international accreditation to enhance our standing, attract faculty, students and stakeholders, validate our standards, promote change and stimulate our quest for continuous improvement.

**Vision:** “Our vision is to be among the best in Europe.”

To what concerns codes and principles, the existent ones are relevant for the social performance of the School, namely the Honor Code and the Classroom Rules.

#### **4.9. Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental, and social**



**performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles:** Accordingly with NovaSBE's statutes, the Scientific and Pedagogical Councils are in charge of making regular inquiries regarding the pedagogical performance of the school; of evaluating the school's pedagogical performance throughout the student's perspective of it; and of deliberating on complaints regarding pedagogical failures and proposing solutions.

**4.10. Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance:** Not specified

### Governance Performance Evaluation

Governance disclosures play a critical role in what concerns a publicly owned school's sustainability report considering the demand for transparency on how public resources are managed. NovaSBE's governance structure shows a balanced and democratic distribution of powers, with responsibilities clearly identified as well as the strategic decisions making process.

### Commitment to External Initiatives

Sources: NovaSBE's old and current websites; NovaSBE's Statutes 2009; PRME's website

**4.11. Explanation on how the precautionary principle is addressed by the School:** The regular pedagogical performance and satisfaction inquiries targeting students and employees are the tools used by the school to anticipate possible risks.

**4.12. Externally developed economic, environmental, and social charters, principles or other initiatives to which the School subscribes:** NovaSBE joined the United Nations Principles for Responsible Management Education (PRME) back in 2008 being the first Portuguese school to do that. The organizations that join this initiative commit to an alignment of their mission, strategy and main competences to what concerns education and research with the 6 UN Principles described in the Statement from the Dean section.

**4.13. Memberships in Associations:** CEMS Network; Global Business School Network; AHEAD (*Associação Humanitária para a Educação e Apoio ao Desenvolvimento*).

### Commitment to External Initiatives Performance Evaluation



This section highlights a key aspect concerning NovaSBE’s sustainability stand point: the commitment to the UN Principles for Responsible Management Education. This commitment implies a mission and strategy alignment with those principles which should, ultimately, be reflected on a Sustainability Report. Moreover, it reflects the recognition of the sustainability theme importance for the school.

## Stakeholder Engagement

Sources: AA1000 SES 2011; Stakeholders’ interviews; “A Five Years Plan” message from the Dean approved by the School Council in 2009-05-27

**4.14. List of stakeholders engaged by NovaSBE and 4.15. Basis for identification and selection of the stakeholders with whom to engage:** Aware of the importance of its stakeholders opinion and actions on Nova’s performance, it is of utmost importance to always keep open communication, promoting the exchange of relevant information for management decisions adequate to the latter expectations. Therefore, these were the criteria used to identify the stakeholders with potential to impact Nova’s activity:



**Figure 7** – Stakeholders’ Engagement scheme. Source: AA1000 SES 2011

From these criteria results the following list of stakeholders:

Stakeholders
Students
Teaching Staff
Non-Teaching Staff
Recruiters
Alumni
Government
Suppliers
Host Community
Educational Partner
Grant Agencies

**Table 3** – NovaSBE’s list of relevant stakeholders

Accordingly to the scope of this report, the relevant stakeholders were highlighted in table 3.

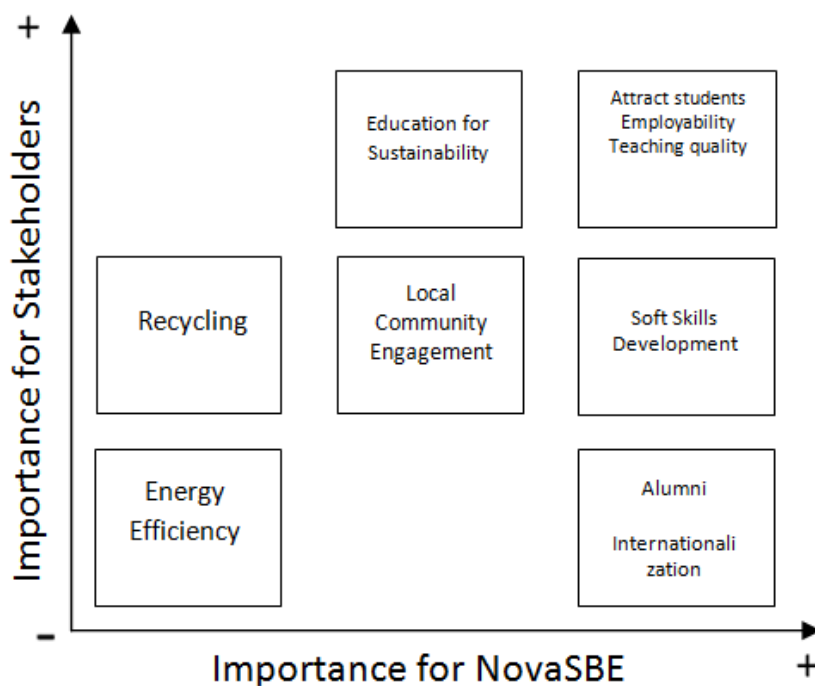


**4.16. Approaches to stakeholder engagement:** For this report’s purpose interviews were conducted in order to collect the opinions of the three main groups of stakeholders identified (Students, Teachers and Staff). Open questions allowed stakeholders to express freely on the subject of sustainability and the application of that subject to NovaSBE.

**4.17. Key topics and concerns that have been raised through stakeholder engagement:** After careful consultation, the results regarding these three stakeholders’ opinions on topics likely to impact Nova were the following:

Category	Relevant Topics
<b>Economic</b>	Ability to attract Students; Employability of Students; International Partnerships; Position in Rankings; Alumni Network; Ability to attract recognized professionals
<b>Social</b>	Projects regarding the improvement of host community; Access to education (tuition fees/scholarships)
<b>Environmental</b>	Waste Recycling; Efficient use of energy
<b>Educational</b>	Education for sustainability (courses, conferences, projects); Soft Skills Development tools

**Table 4** – Relevant Topics identified by NovaSBE’s stakeholders



**Figure 8** – NovaSBE’s Sustainability Materiality Profile

Importance for NovaSBE was assumed from the Strategic Plan 2009-2013, Mission and Vision

**Stakeholder Engagement Evaluation**



Although the School conducts frequently surveys to stakeholders on its performance and satisfaction, for this document's subject it was necessary to conduct a distinct consultation that included the sustainability topic. The stakeholders interviewed participated actively, showing interest and concerns about the subject of sustainability, providing useful insights. The main conclusions taken from the analysis rely on the fact that NovaSBE's strategic priorities do not always coincide with the ones from stakeholders, as we can tell from the materiality profile graphic. This discrepancy can have severe consequences on the School's ability to successfully continue operations in the future - the same to say it can affect the School's sustainability.

## 5. Management Approach and Performance Indicators



### 5.1 Economic Performance

Sources: "A Five Years Plan" message from the Dean approved by the School Council in 2009-05-27; GRI 3.1 sustainability reporting guidelines; NovaSBE's Activities Report 2010; NovaSBE's website; Law n°37/2003 - *Bases do Financiamento do Ensino Superior*.

The economic aspect of sustainability considers the economical impact of the organization on its stakeholders, which goes beyond the information commonly reported on financial accounts. Therefore, and according to the GRI 3.1 Guidelines, the economic indicators show the flow of capital within the different stakeholders and the economical impacts of the organization within society.

#### Disclosure on Management Approach – Economic Goals

##### Income

- Reacting to the expected increase in master studies demand, tuitions' price will be raised;
- Undergraduate tuition fees are expected to rise 2,5% per year, keeping up with inflation.

##### Expenditures

- School's value proposition for the period between 2009 and 2013, places new demands on specific topics, implying the investment in a internationally focused recruitment of academic staff;
- Hire more non-academic staff to support overall learning experience;
- Marketing investments for a more aggressive students' recruitment (international and different background students);
- Salaries are expected to increase 2,5% to keep up with inflation;





- Research incentives, increasing research grants 5% a year;

## Economic Performance Indicators

### EC1 - Direct Economic Value generated and distributed

	2009		2010	
Revenues €		%		%
<b>Undergraduate Tuition</b>	1.444.615	15,86%	1.600.569	16,37%
<b>Masters Tuition</b>	1.635.200	17,95%	1.725.800	17,65%
<b>PhDs Tuition</b>	90.000	0,99%	99.000	1,01%
<b>Transfers from Government</b>	4.715.928	51,77%	4.861.785	49,72%
<b>MBA</b>	392.000	4,30%	444.000	4,54%
<b>Executive Education</b>	260.000	2,85%	350.000	3,58%
<b>Services</b>	50.000	0,55%	50.000	0,51%
<b>Other</b>	521.667	5,73%	646.667	6,61%
<b>Total Revenues</b>	9.109.410		9.777.821	
Expenses €		%		%
<b>Employee Compensation</b>	7.582.000	74%	7.930.000	72%
<b>Operational Expenses</b>	2.719.000	26%	3.169.000	28%
<b>Donations (merit scholarship)</b>	9.250		12.250	
<b>Total Expenses</b>	10.301.000		11.099.000	

**Table 5** – NovaSBE’s Revenues and Expenditures for years 2009 and 2010 in €.

Sources: NovaSBE’s website; NovaSBE’s Activities’ Report 2010.

Notes on table 5: Donations – the topic Donations was interpreted in the light of the organization’s core business and activities and considered Merit Scholarships rather than what is commonly accepted as a donation.

### EC2 – Financial Implications and other risks and opportunities for NovaSBE due to climate change

The main threat of NovaSBE’s economic sustainability is its high dependence on Government transfers as a funding source considering the volatility of this source on an economic crisis situation such as the one Portugal is going through. However, as a public school, there is not much it can do about it other than trying to find other funding sources to minimize that dependency. In fact, from data on EC1, we can conclude that there has been an effort towards that diversification of funding sources (percentage of Government transfers’ contribution decreased). The other main source of funding for the school are tuition fees. Concerning that source, opening more vacancies for obtaining more tuition fees does not make much sense as more students would imply more operational costs. Nonetheless, more students would mean an increase in Government transfers but the school’s has been facing physical limitations (space





limitations arising from the building where it is located) so that it would not be a sustainable solution. Another possible solution would be, then, increasing tuition fees. As a public school, however, undergraduate tuition fees are regulated by the Ministry so that the school cannot go beyond the maximum price stipulated. For masters tuitions the school has more freedom to decide but, in case of an increase, it will not be sustainable if the price ends up being higher than the one of private schools and/or competitors.

**EC3 – Coverage of NovaSBE benefit plan obligations:** Not Specified

**EC4 – Significant financial assistance received from Government**

As you can see from the table 5 in EC1, the Government transfers represent 49,72% of the school's total revenues, making it, by far, the major source of financing.

## **Market Presence Indicators**

**EC6 – Policies and Practices with regard to local suppliers**

Presently, the school is in the process of moving from the “import model” of the past (“providing local students with the best methods and practices the world had to offer”) to an “export model”, where the key challenge is to compete in the market of “tradable” (internationally mobile national and international) students. Therefore, and bearing in mind the strategic importance of internationalization for the School, there are still many traces from the previous “import model” left such as privileging the recruitment of staff from several nationalities, rather than locals.

**EC7 – Procedures for local hiring and proportion of senior management hired from local community**

Despite what was mentioned in EC6 about recruitment policies, management roles are mainly taken by Portuguese employees as we can conclude from points 4.1 and 4.3. on governance structure.

## **Indirect Economic Impact Indicators**

**EC8 – Development and Impact of Infrastructure Investments and services provided primarily for public benefit through commercial, in-kind or pro-bono engagement.**

The overall indirect economic impact of an education organization such as NovaSBE is very difficult to measure as it includes the impact of knowledge spillovers channeled through former students, faculty and research to companies and other organizations. Nevertheless, NovaSBE's major contributions at a national level can be identified as the appointment to public office of several Faculty members and research studies (see Social Performance - Public Policy SO5).



## Overall Economic Performance Evaluation

Regarding Economic Performance the table from EC1, the following conclusions can be draw:

Transfers from Government: From 2009 to 2010 it is possible to observe an increase in Governments transfers, which might look like a contradiction considering what has been said in the Introduction and in the Key Impacts, Risks and Opportunities about the threat of budget cuts from the Government. In fact, this increase was due not only to an increase in the Government's budget dedicated to Higher Education in 2010<sup>5</sup>, but also due to the increase in the number of students enrolled which is among the criteria for Government Transfers attribution criteria (Law n°45/2005 art.4<sup>th</sup> that stipulates the Basis for Higher Education Financing) (for the evolution of the number of students enrolled refer to Educational Performance – Ability to attract students). Nevertheless, trends for the following years do not account for such an increase in resources coming from the Government for reasons mentioned before, and the fact that the School still depends a lot on that source may threat its sustainability.

Diversified sources of financing: from 2009 to 2010 we can tell there was a change relatively to financing sources as percentages for 2010 appear more diluted. Despite the increase in the number of students enrolled, the masters tuition contribution did not increase in its full potential if we consider that tuition price was lowered due to the crisis in an attempt to do not discourage students to pursue their studies based on cost criteria. This was an exception for the academic year 2010-2011, so that for the next academic year they will be raised, reflecting a higher contribution. Moreover, from the table we can conclude that there was an increase in the other sources contributions. Although they were not considered for this report's analysis, they are still part of the school and, therefore, this increase is a positive sustainability sign.

Net Income: Costs remain above revenues from one year to the other, which from a sustainability point of view, is not healthy for the organization. However, the school's contemplates in its strategic plan for 2009-2013 counteracts for the revenues decrease which include cuts on the communication and marketing budget by 30k euros per year, on expenditures in goods and services by 70k euros per year, on the maintenance budget by 20k euros per year and adjustments to the recruitment program (cutting 5 of the projected new staff).

About the Market Presence, despite the strong presence in Portugal, being one of the Top Management Schools in the country, the School has clearly adopted an internationalization strategy to differentiate itself from competitors. This is reflected in the market presence indicators but does not signal unsustainability, quite the contrary, as it is accordingly to the school's mission and vision.

<sup>5</sup> <http://www.tvciencia.pt/tvcnot/pagnot/tvcnot03.asp?codpub=22&codnot=20>



To what indirect economic impact is concern, NovaSBE's knowledge spillovers are countless being the ones pointed only a reference of its reach. For instance, all former students, now placed, are also contributing for economic development with what they learned in NovaSBE by applying it in the organizations where they work. Consequently, although difficult to measure accurately, we can consider that NovaSBE's indirect economic impact applies for its sustainability.

## 5.2 Environmental Performance

Sources: EPAL; EUROSTAT; GRI 3.1 sustainability reporting guidelines; NovaSBE's Financial Services; Stakeholders' interviews

According to the GRI 3 guidelines, the environmental aspect of sustainability accounts for NovaSBE's impact on living and non-living natural systems, so that environmental indicators cover the organization's performance regarding inputs (material, energy, water) and outputs (emissions, waste).

### Disclosure on Management Approach

Bearing in mind NovaSBE's core business and scale, its impact on the natural systems cannot be considered significant. Aware of that, NovaSBE has not made it a priority so that environmental issues are not addressed by the school through specific policies or goals. There are, though, a few measures taken to what environment is concern that have merely an economic savings purpose (e.g: turning off all computers after a certain hour).

### Materials Indicators

#### EN1 – Materials used by weight or volume

	2009	2010	Δ %
<b>Materials Expenditures (€)</b>	43.069,27	37.446,3	-13%
<b>Annual Material Expenditure per Student Registered (€)</b>	22,86	18,42	

**Table 6** – NovaSBE's Material Expenditures for 2009 and 2010. Sources: NovaSBE's Financial Services

#### EN2 – Percentage of those materials that are recycled input materials: Not specified

### Energy Indicators

#### EN3 – Direct energy consumption

	2009	2010	Δ %
<b>Electricity Consumption (€)</b>	93.185,88	102.955,45	+10,5%
<b>Price per kWh (Eurostat)</b>	0,09255	0,08815	-4,75%
<b>Electricity Consumption Approx (MWh)</b>	1.010	1.170	
<b>Annual Electricity</b>	49,46	50,64	



<b>Expenditures per Student Registered (€)</b>			
<b>Gas Consumption (€)</b>	7.378,67	8.123,32	+10,1%
<b>Price per GJ (Eurostat)</b>	8,52	8,4475	-0,85%
<b>Gas Consumption Approx (GJ)</b>	866,04	961,62	
<b>Annual Gas Expenditures per Student Registered (€)</b>	3,92	3,99	

**Table 7** – NovaSBE’s Energy Expenditures for 2009 and 2010. Sources: NovaSBE’s Financial Services

EN4 – Indirect energy consumption: Not Specified

### Water Indicators

EN8 – Total water withdrawal

	2009	2010	Δ %
<b>Water Consumption (€)</b>	40.824,58	42.714,36	+2,26%
<b>Price per m<sup>3</sup> (EPAL+CM Lisbon)</b>	Not available	1,4141/month + 0,1056	
<b>Water Consumption Approx (m<sup>3</sup>)</b>	Not available	28.107	
<b>Annual Water Expenditures per Registered Student (€)</b>	21,67	21,00	

**Table 8** – NovaSBE’s water expenditures for 2009 and 2010. Sources: NovaSBE’s Financial Services

### Biodiversity, emissions and effluents Indicators

EN11 – EN23: Not applicable due to the organization’s scale and core activities with reduced impact on these aspects.

### Products and Services Indicators

EN26 – Initiatives to mitigate environmental impacts of services

As a business school, the most significant environmental impacts of the services offered include electricity, paper and printing material consumption. So far, there have been measures taken to mitigate the impacts of these consumptions such as turning off the power of all computers at midnight every day, recycling bins in the cafeteria areas and



encouraging students to bring their own paper from home to print at school by selling sheets at a discouraging price. However, measures taken in order to evaluate the impact of these actions were not specified (or existent) and although they mitigate environmental impact, the main purpose of these measures is to induce economic savings.

EN27 – Percentage of products sold and their packaging materials that are reclaimed by category: Not applicable

### **Compliance**

EN28 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations: Not applicable

**Organizational Responsibility:** Associate Dean for Administration Dra Fernanda Gama Vieira.

**Training and Awareness:** refer to EN26

**Monitoring and Follow-Up:** Non Existent

### **Overall Environmental Performance Evaluation**

By looking at the results concerning energy consumption, for both electricity and gas, the increased consumption seems to be a result of the increase in number of students (see Educational Performance – Ability to attract students), because although expenses increase from one year to the other, its price decreased. As for materials and water consumption, the same trend does not apply as expenses reduced within the period of time. Considering that there is not any similar disclosure from other schools, and there is not more information available from past years, one cannot conclude if these are acceptable/sustainable levels of consumption, though.

Although according with stakeholders the school has not addressed their environmental concerns in a satisfying way, it seems it is in the right way by doing so through symbolic measures. This applies because of the school's insignificant environmental impact and core business being education, therefore educating for environmentally sustainable behaviors. Moreover, by committing to the UN PRME, NovaSBE undertook the responsibility of educating for sustainability by being the example.



## 5.3 Social Performance

Sources: GRI 3.1 sustainability Reporting Guidelines

The social aspects of sustainability refer to the impacts NovaSBE has on the social systems it operates in, according to the GRI 3 guidelines. As a result, the social performance indicators analyze NovaSBE in dimensions such as labor practices, human rights, society and product responsibility.

### 5.3.1 Labor Practices and Decent Work

Sources: “A Five Years Plan” message from the Dean approved by the School Council in 2009-05-27; GRI 3.1 sustainability reporting guidelines; Nova’s Lisbon University Activities Report 2009; NovaSBE’s Activities Report 2010

This section’s indicators draw upon the following internationally recognized standards regarding Labor Practices: United Nations Universal Declaration of Human Rights; United Nations Convention: International Convention on Civil and Political Rights; United Nations Convention: International Convention on Economic, Social and Cultural Rights; Convention on the Elimination of all forms of Discrimination Against Women; ILO Declaration on Fundamental Principles and Rights at Work; The Vienna Declaration and Program of Action. These indicators also consider two instruments that address the social responsibilities of businesses: the ILO Tripartite Declaration Concerning Multinational Enterprises and Social Policy, and the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises.

#### **Disclosure on management approach – Labor Force Goals**

Overall, recruitment policies should be open to avoid endogamy and promote gender equality. Bearing in mind the value proposition of the School (see Dean’s statement), Human Resources Management goals are:

- Hire more non-teaching staff for the program areas;
- Without giving up on the recruitment of junior faculty with good research and teaching potential, a substantial effort should be placed on the recruitment on more senior and well established faculty;
- Induction and career development of faculty, leading more people with background in Economics to teach in Business programs;
- The sharpening of the School’s value proposition outlined in the Dean’s statement places new demands on specific topics (for instance, Cross Cultural Management) and requires that all new hires, regardless of the area, have a strong international focus.;



- Recruitment - Academic: 5 Assistant professors; 2 Associate Professors; the CEMS-MIM specific courses require 1 additional FTE senior adjunct faculty.
- Recruitment – non Academic:
  - Area of Pre-experience Programs and Students Affairs
    - Recruitment of Executive Director (2009)
    - Recruitment of 3 staffs for the pre-experience studies offices (2009, 2010) to strengthen undergraduates’ studies office, admissions and career management.
  - Area of Administrative Affairs
    - Recruitment of 2 staffs for HR (2009 and 2010): basically as replacement of people that left;
    - Recruitment of 2 staff for IT (2009 and 2010), one at the junior level and other, more experienced, with web designing and programming capabilities;
    -
  - Other areas:
    - 1 Research Coordinator recruitment

**Employment Indicators**

**LA1 – Total Workforce by employment type, contract, region and gender**

NovaSBE employees are separated in two types: teaching or academic employees and non-teaching or non-academic employees:

	2008	2009	2010
<b>Employee Type</b>			
<b>a) Teachers</b>	159	145	154
<b>b)Non-teaching staff</b>	67	60	62
<b>Total</b>	226	205	216

**Table 9** – NovaSBE’s employees per type for 2008, 2009 and 2010. Sources: NovaSBE’s Activities Report 2010; Nova’s Lisbon University Activities Report 2009

a)

Professional Category %	2008	2009	2010
<b>Professor</b>	11%	11%	11,6%
<b>Associate Teacher</b>	15%	15%	21,7%
<b>Assistant Teacher</b>	42,1%	43,45%	39,2%
<b>Auxiliary Teacher</b>	31,4%	30,3%	27,5%

**Table 10** – Professional categories of NovaSBE’s teaching employees for 2008, 2009 and 2010. Source: NovaSBE’s Activities Report 2010; Nova’s Lisbon University Activities Report 2009





b)

Professional Category %	2008	2009	2010
<b>Manager</b>	8,96%	8,33%	10%
<b>Senior Technician</b>	37,3%	40%	46%
<b>Assistant Technician</b>	37,3%	26%	26%
<b>Operational Assistant</b>	10,45%	20%	13%
<b>IT</b>	5,97%	5%	5%

**Table 11** – Professional categories of NovaSBE’s non-teaching employees for 2008, 2009 and 2010. Sources: NovaSBE’ Activities Report 2010; Nova’s Lisbon University Activities Report 2009

LA2 – Total number of new employee hires and employee turnover by age group, gender and region

In 2010, from 22 appliances received, NovaSBE recruited 4 new Teaching Employees as follows:

- Marketing – Poland nationality and American citizenship;
- Operations – Italian nationality;
- Organizational Behavior – Brazilian nationality and American citizenship;
- Organizational Behavior – Portuguese nationality.

LA15 – Return to work and retention rates after parental leave, by gender: Not specified

### Labor/Management relationship Indicators

LA4 – Percentage of employees covered by collective bargaining agreements: Not specified

LA5 – Minimum period notice regarding operational changes, including whether it is included in collective agreements: Not specified

### Occupational Health and Safety Indicators

LA7 – Rates of injury, occupational diseases, lost days and absenteeism and total number of work related fatalities, by region and by gender: Not specified

LA8 – Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members: Not specified

### Training and Education Indicators



LA10 – Average hours of training per year per employee by gender and employee category: Not specified

### Diversity and Equal opportunity Indicators

LA13 – Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity

Composition		Title	Members
<b>School Council</b>	External Entities	President	Dr. Nuno de Carvalho Fernandes Thomaz
			Eng. Raul Galamba de Oliveira
			Eng <sup>a</sup> . Isabel Vaz
	Professors and Researchers	Vice-President	Prof. Dr. José Neves Adelino
			Prof. Dr. Diogo Homem de Lucena
			Prof. Dr. Mário Gomes Páscoa
			Prof. Dr. Pedro Araújo Gomes
			Prof <sup>a</sup> . Dra. Rita Maria de Campos e Cunha
			Prof <sup>a</sup> . M <sup>a</sup> Antonieta da Cunha e Sá
			Prof. Dr. José Jacinto Aragão Mata
Student		Prof. Luís Moreira de Campos e Cunha	
<b>Direction</b>	Dean		Cristina Pereira de Oliveira
	Associate Deans Sub Dean		Prof. Dr José Ferreira Machado
			Prof. Dr. Miguel Pina e Cunha
			Prof. Dr. Daniel Palhares Traça
			Prof. Dr. João Amaro de Matos
		Dra. Fernanda Gama Vieira	
<b>Scientific Council</b>	President		Prof. Dr. Pedro Pita Barros
	5 research representatives 20 Professors and Researchers		
<b>Pedagogical Council</b>	President		Prof. Dr. Daniel Palhares Traça
	10 Professors and Researchers		
	10 Students		
<b>Teachers and Research Council</b>	Scientific Council's President		
	All Professors and researchers		
<b>Consultin</b>	President		Dr. Nuno Fernandes Thomaz



<b>g Council</b>	Dean	Prof. Dr. José Ferreira Machado
	Scientific Council	Prof. Dr. Pedro Pita Barros
	President	Comendador Horácio Roque
		Comendador João Franc. Justino
		Dr. João Maurício Salgueiro
		Eng. João Talone
		Prof. Kai Peters
	External entities	Prof. Lars Roller
	named by School	Prof. Manuel Jacinto Nunes
	Council	Dr. Miguel Cadilhe
		Dr. Raúl de Almeida Capela
		Dr. Artur Santos Silva
		Elísio Alexandre Soares Santos
		Prof. Susan Schneider
	Dr. Vítor Manuel Constâncio	

**Table 12** – NovaSBE’s governance bodies composition in 2010. Sources: Nova’s Lisbon University Activities Report 2009

Employee Age and gender<sup>6</sup>

Age group	Teaching Employees		Non-Teaching Employees	
	% Male	Total	% Male	Total
< 25	89%	9	67%	3
25 – 35	61%	57	21%	14
36 – 45	69%	45	17%	18
46 – 55	73%	30	25%	16
56 – 65	88%	17	27%	15
> 65	100%	1	0%	1

**Table 13** – NovaSBE’s employees’ age and gender distribution for 2008. Source: Nova in Numbers 2009

**Equal remuneration for men and women Indicators**

<sup>6</sup> As there is no available data for 2010, it was used 2008 data just to have a reference on the subject of NovaSBE’s employee ages and gender distribution. However, it should be taken into consideration the fact that from 2008 to 2010 there have been some changes in the workforce structure that may have slightly affected age and gender distribution.



LA14 – Ratio of basic salary and remuneration of women to men by employee category and location: Not specified

**Organizational Responsibility:** According to the organigram used to represent NovaSBE’s governance structure in 4.1, the most senior position with operational responsibility in what concerns Labor Aspects is the Associate Dean for Administration, Dra Fernanda Gama Vieira.

### Labor Practices and Decent Work Performance Evaluation

The workforce composition replicates NovaSBE’s mission and vision of excellence and leadership as it shows the investment in highly qualified employees. Moreover, the subject of internationalization is also addressed by Human Resources Policies (see Educational Performance – Internationalization). Regarding age structure, it is clear why one of NovaSBE’s goals is to recruit more senior/well established faculty, as the preponderant age group for teaching employees is from 25 to 35 years old. As for gender structure, there is a clear prevalence of male employees among teaching staff, and female among non-teaching staff. Governance bodies are predominantly constituted by male employees. This trend has nothing to do with gender discrimination practices in what Human Resources Management are concerned, but rather on demographic aspects of Portuguese culture. Overall, the existing workforce structure and recruitment goals are perfectly aligned with the school’s strategy which signals this specific topic’s sustainability.

However other aspects such as Occupational Health and Safety, Training and the School’s Human Resources policy were not provided although they do exist. Hence, if the report was to be conducted by the School, further conclusions could be drawn from this section, as more information would be available.

#### 5.3.2 Human Rights

Source: GRI 3.1 sustainability reporting guidelines

The indicators for this section draw upon the extent to which processes have been implemented regarding human rights violations, as well as upon changes in stakeholders ability to enjoy and exercise their human rights. GRI 3.1 includes the following human rights issues: non-discrimination, gender equality, freedom of association, collective bargaining, child labor, forced and compulsory labor and indigenous rights. The reference points for the subject were the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), and the International Covenant on Economic, Social and Cultural Rights (1966).



**Disclosure on Management Approach:** Not Specified

**Investment and Procurement Practices Indicators**

HR1 - Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening: Not specified

HR2 - Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken: Not specified

HR3 - Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained: Not specified

**Non-discrimination Indicators**

HR4 - Total number of incidents of discrimination and corrective actions taken: Not specified

**Freedom of Association and Collective Bargaining Indicators**

HR5 - Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights: Not specified

**Child Labor Indicators**

HR6 - Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor: Not applicable

**Prevention of Forced and Compulsory Labor Indicators**

HR7 - Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor: Not specified

**Assessment Indicators**

HR10 - Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments: Not specified

**Remediation Indicators**



HR11 - Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms: Not specified

**Organizational Responsibility:** Not specified

**Training and Awareness:** Not specified

**Monitoring, Follow-up and Remediation:** Not specified

### Human Rights Performance Evaluation

Although no specific information was provided on the implementation of Human Rights on NovaSBE's processes, it is certainly not neglected as it is a subject covered and mandatory by the Portuguese Republic highest law. Thus, it is implicit in the school's procedures.

### 5.3.3 Society

Sources: GRI 3.1 sustainability reporting guidelines; Nova's Lisbon University Activities Report 2009; NovaSBE's Handbook; NovaSBE's website

This section's indicators refer to NovaSBE's impact on local community, explaining how the risks that may take place are addressed.

**Disclosure on Management Approach:** Not Specified

#### Local Communities Indicators

SO1 - Percentage of operations with implemented local community engagement, impact assessments, and development programs

Local community engagement is the way NovaSBE uses to promote students' personal growth by providing real live experiences that allow for the development of interaction, integration, time management skills, as well as abilities to finding creative solutions by facing real life problems. These are skills appreciated and sought by recruiters. Activities implemented are:

- Volunteering Program developed in 2010 – Comunidade Nova (see Educational Performance – Activities promoted by the Students development office);
- Work Projects developed with and for companies;



- Soft skills development modules on social responsibility have projects towards local community engagement.

SO9 - Operations with significant potential or actual negative impacts on local communities: Not applicable

SO10 - Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities: Not applicable

### **Corruption Indicators**

SO2 - Percentage and total number of business units analyzed for risks related to corruption: Not specified

SO3 - Percentage of employees trained in organization's anti-corruption policies and procedures: Not specified

SO4 - Actions taken in response to incidents of corruption: Not specified

### **Public Policy Indicators**

SO5 - Public policy positions and participation in public policy development and lobbying

NovaSBE's major contributions at a national level are the appointment to public office of several Faculty members and research studies, namely:

- Faculty members presence in public offices - Portugal's current President was previously a Full Professor at the School until he retired seven years ago; and actual Faculty include two former Ministers for Finance, two former Secretaries of State in the Ministry of Finance and a former Vice Governor of the Central Bank.
- Research studies produced and published on national issues may contribute to political or other organizational decision-making.

### **Compliance Indicators**

SO8 - Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations: Not specified

### **Society Performance Evaluation**



Considering indicator SO1, NovaSBE does not have data collected on the topics pointed out (either because it does not keep record of all the projects developed within the several skill modules editions and work projects or because when that data exists it is scattered), which does not allow for the understanding of its performance on the subject.

NovaSBE's activities do not have a negative direct impact on local community as a cement production company would, for example, but addressing its community's issues is a way for the school to provide for one of its educational goals: student's soft skills development. This explains the medium level importance the school assigns to this subject because on the one hand it is not strategic as its impact does not justify it, but on the other it is strategic due to its educational purposes. Therefore, the lack of control and monitoring is not a sustainable behavior. In addition, the low awareness and scale of the only systematic community engagement program does not apply for the school's sustainability on this matter.

Nonetheless, NovaSBE does have an impact on society throughout the knowledge it produces. Having high impact in what public policy is concerned means that the organization has credibility and power to influence decision-makers. These aspects apply for that organization's sustainability. Analyzing NovaSBE's regarding public policy impact, it appears to be significant but however there is not a reference of what is actually a significant Faculty presence within public offices. Therefore, as information provided on the topic signals that credibility and power to influence/decide, it may also signal the school's sustainability for this topic, but it still is not factual. In addition, the effort NovaSBE has been putting into research (increase in the budget for research and hiring more senior faculty are two examples taken from the school's strategic plan for 2009-2013) shows it is aware of its impact on society and that it is willing to keep improving it, which reflects a sustainable behavior.

As for the corruption subject, what was said about Human Rights applies to this too because although information was not specified, the fact that the law addresses the subject and NovaSBE complies with the law, implies its coverage even if in general subjacent principles.

### 5.3.4 Product Responsibility

Sources: "A Five Years Plan" message from the Dean approved by the School Council in 2009-05-27; GRI 3.1 sustainability reporting guidelines; Nova's Lisbon University Activities Report 2009; NovaSBE's Handbook 2011-2012

The indicators of this section draw upon the aspects of NovaSBE's services that have an effect on customers (students) in what concerns health, safety, information, labeling, marketing and privacy.





## **Disclosure on Management Approach: Not Specified**

### **Customer Health and Safety Indicators**

PR1 - Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures

As a business school, NovaSBE's activities are not likely to have a negative impact on students' health and safety. Therefore, to what this subject is concerned only aspects such as sanitary conditions and building safety conditions would be relevant. As the school is located in old buildings, which might raise more safety concerns, an indicator of NovaSBE's effort is its annual maintenance expenditures of 50.000€.

### **Product and Service Labeling Indicators**

PR3 - Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements

The law that addresses higher education institutions regulation<sup>7</sup>, states in its 147<sup>th</sup> article that it is mandatory for every higher education institution to mention in its communication means the precise content of its public interest recognition and authorizations for operating study cycles and providing degree recognition. In addition, the same article demands from higher education institutions the availability of information on the following aspects: mission and goals of the institution; statutes and regulation; units; study cycles, degree that they provide and curricular structure; faculty and type of working link towards the institution; system of school evaluation; accreditation titles and results from institution's evaluation; students' rights and duties including tuition fees' value; school's social services; and students' academic results as well as the employability rate of each study cycle. NovaSBE complies with these information requirements being this report's proposal proof of it as much of these aspects are mentioned in its content and the author has used publicly disclosed data by NovaSBE for those.

### **Marketing Communications Indicators**

PR6 - Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship: Not Specified

### **Compliance Indicators**

PR9 - Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services: Not specified

<sup>7</sup> Law nº62/2007 - *Regime Jurídico das Instituições de Ensino Superior*



**Organizational Responsibility:** According to the governance structure pointed out in 4.1., the ones in charge of the service responsibility are the Associate Dean for Pre-Experience Studies Prof. Dr Daniel Traça, the Associate Dean for International Affairs Prof. Dr João Amaro de Matos, the communication and image office and, ultimately, the Dean Prof. Dr José António Ferreira Machado (considering the report's scope, these are the people accountable for the design and communication of the studies). Moreover, for any complaints exists a figure at the University level (not at the school level) that addresses them, the *Provedor do Estudante*.

### Product Responsibility Performance Evaluation

Taking into consideration the fact that by the nature of the school activities, students' (the customer) health and safety are not likely to be jeopardized<sup>8</sup>, this cannot be considered a critical topic for NovaSBE's sustainability. This does not mean that NovaSBE neglects or can neglect these aspects, as they respect basic needs. It just means that it does not require a special attention from a sustainability point of view. As for service labeling, the school complies with the information requirements demanded by law, which adds up to its sustainability in this aspect. Regarding customer privacy, it is a sensitive subject in NovaSBE's activities. As information on this subject is covered by an additional indicator, it was not disclosed above. Basically it refers in particular to student's data disclosure for recruiters. Aware of the risks, the school has addressed the subject by leaving to students the decision on whether to allow their information disclosure for recruitment purposes or not.

The School's organic structure allows for an easy identification of who takes responsibility for the Educational service provided and its communication.

## 5.4 Educational Performance

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From the stakeholder's consultation (see Stakeholder Engagement item 4.17.) resulted that there are concerns/interest regarding educational/pedagogical aspects that weren't covered by the GRI standard framework. If these topics were raised by stakeholders it means that they are important for NovaSBE from a sustainability point of view. Therefore, and because the GRI framework is flexible enough to allow it, a section concerning NovaSBE's Educational Performance was added integrating key topics identified by stakeholders as well as strategic aspects identified by the School, namely: Ability to attract students, Alumni Network, Education for sustainability, Employability, Internationalization and Soft Skills Development.

### 5.4.1 Ability to attract students

Source: NovaSBE's Activities Report 2010

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<sup>8</sup> As it would in a Chemistry School, for instance



The School's consumers are the students, so that for it to be sustainable, it should be able to attract them to choose its services. This was an aspect brought up by the majority of the stakeholders when asked about what would make a sustainable school. Moreover, it is implied in the School's mission and vision and, therefore, should be addressed. To assess the ability to attract students, one can analyze the evolution of number of students compared to the number of vacancies and minimum grade of entry as follows:

Registered Students	Economics		Management	
	2009/2010	2010/2011	2009/2010	2010/2011
<b>1<sup>st</sup> year</b>	305	237	347	250
<b>2<sup>nd</sup> year</b>	278	200	248	214
<b>3<sup>rd</sup> year</b>	103	259	99	250
<b>Total</b>	686	696	694	714
<b>Demand</b>				
<b>N<sup>o</sup> vacancies</b>	180	210	210	210
<b>N<sup>o</sup> candidates</b>	348	363	597	521
<b>N<sup>o</sup> placements</b>	212	239	260	265
<b>Minimum Grade of entry</b>	164	166	163	166,5
<b>Average Grade of entry</b>	175,9	176,7	173,3	175,3

**Table 14** – NovaSBE's Undergraduate demand and supply for academic years 2009/2010 and 2010/2011. Source: NovaSBE's Activities Report 2010

Registered Students	Management		Economics		Finance	
	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011
<b>1<sup>st</sup> year</b>	157	196	48	39	87	85
<b>2<sup>nd</sup> year</b>	33	115	6	29	42	68
<b>Work Project</b>	47	20	7	5	0	2
<b>Total</b>	237	331	61	73	129	155
<b>Demand</b>						
<b>N<sup>o</sup> of candidates</b>	220	361	59	63	89	137
<b>N<sup>o</sup> of placements</b>	173	251	48	46	77	104
<b>Minimum grade of entry</b>	11,8	12	11,47	13	12	12
<b>Average grade of entry</b>	13,83	14,24	14,03	14,42	14,04	14,27

**Table 15** - NovaSBE's masters demand and supply for academic years 2009/2010 and 2010/2011. Source: NovaSBE's Activities Report 2010

CEMS-MIM – for the 2010 CEMS-MIM edition, starting in September, there was an increase of 34% of total students registered



Registered Students	Finance		Economics	
	2009/2010	2010/2011	2009/2010	2010/2011
<b>1<sup>st</sup> year</b>	12	5	17	4
<b>Dissertation</b>	6	5	6	14
<b>Total</b>	18	10	23	18

**Table 16** - NovaSBE’s research master students enrolled for academic years 2009/2010 and 2010/2011. Source: NovaSBE’s Activities Report 2010

Registered Students	Finance		Economics		Management	
	2009/2010	2010/2011	2009/2010	2010/2011	2009/2010	2010/2011
<b>Thesis</b>	6	8	25	20	5	8
<b>Total</b>	6	8	25	20	5	8

**Table 17** - NovaSBE’s PhD students enrolled for academic years 2009/2010 and 2010/2011. Source: NovaSBE’s Activities Report 2010

### Ability to Attract Students Performance Evaluation

From the information above we can conclude that there is a significant positive trend to what attracting students is concerned:

Undergraduate Studies – There was an increase in the number of registered students from 2009/2010 to 2010/2011, as well as in number of vacancies and consequently in students placed. However, the number of candidates for Economics has decreased, while the number of Management candidates increased. The minimum and average grades of entry have both augmented from one academic year to the other.

Master Studies – the number of candidates increased, so as the number of placed students, except for Economics (which has slightly decreased). The minimum grade of entry remained stable, excluding the one of Economics students, which has increased. As for the average grade -of entry, it has increased for all subjects. CEMS-MIM number of students also increased 34%.

Research Masters – the total number of registered students has decreased for the academic year of 2010/2011.

PhD Studies – the number of registered students has slightly increased, apart from Economic students, which was lower than the previous academic year.

Overall, the two studies that involve the majority of students – undergraduate and master studies – have shown a positive trend regarding demand, which is ultimately higher than the supply even though the number of vacancies increased from one academic year to another. Ultimately, this is a positive indicator of NovaSBE’s sustainability.



### 5.4.2 Alumni Network

Sources: “A Five Years Plan” message from the Dean approved by the School Council in 2009-05-27; NovaSBE’s Activities Report 2010

The Alumni Network was pointed out as a goal in NovaSBE’s Strategic Plan 2009-2013, being its performance for 2010 unsatisfactory. This relationship with former students is key as it is a powerful way of promoting the School without having to spend massive sums on advertising by taking advantage of the almost emotional link that exists between the School and those former students. NovaSBE recognizes that the management of the Alumni Community is one of its weaknesses as for the past 30 years, the several initiatives taken to bring Alumni together weren’t continued or had a systematic impact in the School.

**Former Students Community (*Antigos Alunos – AA*) Activities in 2010:** commemorative dinner for the 25 years ago undergraduates; 10 years ago (2 events); and 5 years ago.

The School designed the following strategy to overcome this weakness:

- To centralize every aspect regarding the Alumni management in the School, leaving for the Alumni representatives a consulting role. In order to do that, beNOVA was created – the Community of former NovaSBE students. Its purpose is to create a sense of membership regarding those who attended the School. The beNOVA council comprises 10 alumni and has met 2 times in 2010;
- Use of social networks to substantiate beNOVA (only available from July 2011 on).

### Alumni Network Performance Evaluation

The School has clearly identified the Former Students Network as a strategic priority, identifying the flaws of previously implemented strategies concerning Alumni, building a new strategy to overcome those and comply with its goals. Hence, the school is on the process of finding its way towards an alumni network that fosters the school’s sustainability.

### 5.4.3 Education for Sustainability

Sources: NovaSBE’s Activities Report 2010; Master Coordination Office

According to the Dean’s statement and the PRME mentioned in point 4.12, sustainability should be present in NovaSBE’s academic activities, curricula and research. In order to assess that presence in 2010, and bearing in mind this document’s scope, the elective courses offered on sustainability related issues (Tripple Bottom Line approach to sustainability) was the criteria to assess the relationship with sustainability



issues), as well as the number of students enrolled, were analyzed. In addition, publications on sustainability matters were also accounted.

Master elective **courses sustainability related** have increased in variety from 2 in 2008/2009 to 3 in 2009/2010. The major evolution was from 2009/2010 to 2010/2011 as the variety of courses in sustainability increased to 8. This variety includes subjects such as environmental policies, social responsibility and sustainable development. The number of students enrolled increased at the same pace showing a positive trend in terms of interest in the subject.

On the subject of the undergraduate sustainability related courses there are in fact courses that address sustainability issues, namely, Ethics and Social Responsibility and Development Economics, but as they are both mandatory courses, it is not relevant to analyze the number of students enrolled.

### Research

- 1 research seminar in 2010 on the subject of International Environmental Cooperation conducted by Professor Chrysostomos Tampakis (INOVA Research Seminars).

### Publications

From the 12 publications present in the FT40 list for the year 2010, the following are sustainability related:

- R. Aggarwal, Erel, J., Ferreira, M. & Matos, P. – Does Governance Travel around the World? Evidence from Institutional Investors. *Journal of Financial Economics*.
- Miguel P. Cunha, Guimarães-Costa, N., Rego, A. & Clegg, S.R. – Leading and following (un)ethically in limen. *Journal of Business Ethics*, 97, 186-206.
- A., Rego, Leal, S., Cunha, M.P., Faria, J. & Pinho, C. – How the perceptions of five dimensions of corporate citizenship and their inter-inconsistencies predict affective commitment. *Journal of Business Ethics*, 94, 107-127.
- A., Rego, Ribeiro, N. & Cunha, M.P. – Perceptions of the organizational virtuousness and happiness as predictors of organizational citizenship behaviors. *Journal of Business Ethics*, 93(2), 215-235.

### Education for Sustainability Performance Evaluation

Results above reflect a positive trend concerning the introduction of the sustainability subject within the curricula as demanded by the PRME to which the school committed to and determined in the value proposition for the school. Besides the School's interest in providing such contents to students, this trend also shows the students interest on the subject through their increasing attendance, so that it is sustainable for the school to



keep investing on the subject. In addition, 33% of the Hit Publications for 2010 approach the sustainability theme, and although there is not data from the previous year to compare with, it is a significant presence.

#### 5.4.4 Employability

Sources: “A Five Years Plan” message from the Dean approved by the School Council in 2009-05-27; Nova Masters 2011 Brochure; NovaSBE’s Activities Report 2010; NovaSBE’s Handbook 2011-2012; NovaSBE’s old and current websites

#### Strategic Goals (2009/2013)

International placement of students (placements given access to international careers): 50% for The Lisbon MBA and 40% for Masters.

#### Performance

One of NovaSBE’s top priorities is to have successful employability results for its students. In order to help students kick starting their successful careers, the School provides them support through the Career Management Office (CMO) and Gabinete de Apoio Profissional (GAP). These services divide into two distinct areas of action: personal development and career development/support. Personal development related activities will be approached in the soft skills development section.

#### Undergraduate Studies

Mission and Goals – create and enhance conditions for extra-curricular learning in order to approach academic knowledge with real situations.

Performance – Projects developed:

- Workshops and Companies’ Presentations
- Job application support (CV, motivational letters, interviews)
- Information on Summer Internships and part-time jobs
- Business Forum

#### Master Studies

Mission and Goals – support students in their career choices and job market perception, as well as, proactively manage the School’s relationship with employers.

Performance – the CMO created the Career Development Program comprising different activities that help students to set professional and personal goals, acquire the skills to attain them and benefit from the network and brand recognition of NOVA SBE in the





marketplace. Key Fact: NovaSBE's Career Development Program was considered an International Best Practice by the AACSB Accreditation Team. Activities developed:



**Figure 9** – CMO Career Management Plan 2010. Source: NovaSBE's Handbook 2011-2012

- Career Vision Modules: adapted to the 3 Masters Programs offering different agendas regarding the specific placement opportunities;
- Mentoring Young Talent to Achieve (MYTA) Program: each student will have an experienced alumnus of NOVA SBE as a mentor. Mentors will use their own experience and know-how to give council and advice to students for a period of one year;
- Business Forum: a career fair that brings around 50 companies on campus, therefore providing students with recruitment and networking opportunities;
- On and off-campus recruitment / networking sessions: for students to be in close contact with companies, therefore increasing recruitment opportunities;
- Business Games: essential to promote contact with companies and enrich students' CV's.
- CV Book: the CMO gathers all students' CV templates and sends it to all its contacts in the different companies;
- Corporate Links: the CMO makes sure to establish good relations between the school and the marketplace;
- Access to Symplicity: Symplicity is the students' door to the marketplace; Companies have direct access to Symplicity. Only students that have their CV on Symplicity will be viewable;
- Recruitment Support and counseling: Up to 2 sessions of 45 minutes each.

Taking into consideration the fact that after the Bologna Process implementation, most students choose to do a master rather than start working, employability results respect only the ones of master students. The information available regarding master students indicates that 91% of graduates are employed after 6 months (96% was the percentage for the previous academic year), 53% of who accepted a job offer before graduation, 32% in 3 months after graduation and 6% in 3 to 6 months after graduation. 24% of students were placed abroad in 2010, while in 2009 there were only 13,5% of students placed abroad. About the CEMS MIM students' placement, 94% were placed after 3 months after graduating, from whom 69% were placed before graduating. 88% of the CEMS MIM students placed are abroad. Approximately 74% found placement through CMO's services. The average annual wage is, approximately, 22.122€ for master





students, higher than the average 16.215€ annual wage for undergraduates. For the CEMS MIM students, the average annual wage is 47.382€. The main recruiters of NovaSBE's students are from the following sectors: Consultancy/Auditing (19%), Finance (35%) and Energy/Oil (9%). Other sectors like IT / Telecommunications, Fast Moving Consumer Goods and Health Services and Pharmaceuticals are also common sectors for recruitment.

### **Employability Performance Evaluation**

From this section content we may undoubtedly conclude that there is a specific plan of action concerning students' employability which includes the goals, measures implementation, monitoring/follow-up and communication of results. Concerning the results, the decrease of the employability rate from 2009 to 2010 is mostly related with the effect of the crisis in companies which started to hire less people, rather than on the performance of the office according to one of the members of the CMO itself. However, the number of students placed abroad increased which shows that international placement of students goal is being carried out (although it stills fall short on the 40% placement goal). Hence, despite the slight negative trend in results, the way NovaSBE addresses this topic considered very important by both stakeholders and school's strategic plan, endorses its sustainability.

#### **5.4.5 Internationalization**

Sources: "A Five Years Plan" message from the Dean approved by the School Council in 2009-05-27; NovaSBE's Activities Report 2010

#### **Strategic goals 2009/2013**

- Attraction of foreign students: 50% for The Lisbon MBA; 30% for the Masters; 200 exchange students per academic year.
- Development of partnerships with international schools of reference and participation in international networks (such as CEMS, PIM, AIESM, QED and ASSET).

#### **Performance**

Internationalization is identified by the School as a key strategic priority and, although it hasn't been given the same importance by stakeholders, it was also identified as being important. Some internationalization related topics are approached in other sections such as students placed abroad (see Employability) and International exposure modules (see Soft Skills Development). In this section, though, the remaining data on internationalization regarding students and faculty will be assessed.



- Curricula – over 2/3 of undergraduate courses and the totality of the master courses are taught in English, allowing an exceptional international mobility.
- Faculty recruitment – the strong investment in foreign staff can be accessed through the following table:

Origin of employee	Gender	Teacher	Non-Teaching employee	Total
<b>European Union</b>	M	6		6
	F	5	1	6
	Total	11	1	12
<b>Portuguese Speaking Countries</b>	M	4		4
	F	2	1	3
	Total	6	1	7
<b>Other Countries</b>	M	5	1	6
	F	2		2
	Total	7	1	8
<b>Total</b>	M	15	1	16
	F	9	2	11
	Total	24	3	27

**Table 18** – NovaSBE’s number of employees per origin and gender in 2010. Source: NovaSBE’s Activities Report 2010

With regards to NovaSBE’s international recruitment, there were in 2010, 22 appliances from recent PhDs, in different areas of knowledge, from prestigious international universities. 4 of those PhDs were recruited with area of expertise and nationality as follows:

- Marketing – Poland nationality and American citizenship;
- Operations – Italian nationality;
- Organizational Behavior – Brazilian nationality and American citizenship;
- Organizational Behavior – Portuguese nationality.

In 2010, the total number of different nationalities (besides Portuguese) among the teaching staff was 17.

	2009/2010		2010/2011	
	Undergraduates	Masters	Undergraduates	Masters
<b>Students Sent</b>	218	9	226	54



<b>Students received</b>	141	103	196	152
<b>Foreign Universities</b>	116		126	

**Table 19** – NovaSBE’s students Exchange for academic years 2009/2010 and 2010/2011. Source: NovaSBE’s Activities Report 2010

The number of Universities with which NovaSBE has agreements has increased, despite the fact that some agreements with lower academic quality Universities were canceled.

In what foreign students applications to NovaSBE masters are concerned, the results were the following:

2010/2011	# candidates	Foreign Candidates	Registered Students	Foreign Registered
<b>Mst Management</b>	361	86	208	34
<b>Mst Finance</b>	137	29	80	9
<b>Mst Economics</b>	63	18	37	9
<b>Total</b>	561	133	325	52

**Table 20** – Foreign Students applying to NovaSBE masters in academic year 2010/2011. Source: NovaSBE’s Activities Report 2010

There has been a 13% growth in the number of foreign candidates compared with the total 118 candidates in 2009, and a 18% growth in the number of foreign registered considering that there were only 44 registered foreign students in 2009.

### Internationalization Performance Evaluation

When it comes to internationalization, the top strategic aspect for NovaSBE, information from goals to measurements and communication are very well developed. In fact, from the information presented, one can identify a clear increase in the number of students sent and received from 2009/2010 to 2010/2011 reflecting the positive result of the measures taken by the School in terms of external visibility (through international accreditations and partnerships, mainly). Moreover, the staff composition, as well as the new hires, reflects the international orientation of the School. This alignment provides for sustainability. Nonetheless, stakeholders have not considered internationalization as important as the school considers it, which should be taken into consideration by the school for the sake of its sustainability.

#### 5.4.6 Soft Skills Development

Sources: *Gabinete de Desenvolvimento de Alunos*; Master Coordination Office; NovaSBE’s Masters Brochure 2011; NovaSBE’s old and current websites; Club/Program’s responsables Interviews

Soft skills are increasingly sought by and appreciated by recruiting companies. Aware of this, NovaSBE has created several tools to develop its students soft skills, namely:



skill modules and business games promoted by the CMO, activities promoted by the Students Development Office (GDA), and professional/social student clubs.

- Skill Modules – provide students with the opportunity to develop their professional self. Master students are required to complete 4 modules, each lasting up to one week, within 3 areas: 1) international exposure, 2) leadership, creativity and social responsibility, and 3) Career Management. The variety of modules offered and number of students enrolled evolution reflected an increasing trend. A very significant growth for both was registered from academic year 2009/2010 to 2010/2011.

Undergraduate students, on the other hand, are required to complete the modules that enhance their analytical skills concerning the following areas:

1<sup>st</sup> Year: Written and Spoken Communication

2<sup>nd</sup> Year: Introduction to Negotiation and Teamwork

3rd Year: Business Games

To what concerns international exposure, undergraduate students are also required to successfully complete at least 2 of the following courses: 1104 – Seminar on the European Economy; 1109 – The Global Economy; 1211 – International Management; 1402 – European Law; 1415 – International Institutions.

- Business games in which NovaSBE students participated in 2010: 24 *Horas de Gestão*; Ace Manager; Citizen Act by Société Generale; EDP University Challenge; Global Management Challenge; Google Online Marketing Challenge; ISBF Deloitte; XBT Online Trading; L'óreal Brandstorm; Plug by APRITEL; Innovation award EDP Richard Branson; Primus Inter Pares; Renault Business Game “Building the Wheels of the Future”; Reveal by L'óreal; Trust by Danone.
- **Activities Promoted by the Students Development Office (GDA)**
  - **Comunidade Nova** is a local community engagement volunteering program that allows students to apply their knowledge and skills but also to discover new realities and develop new abilities. It started in the beginning of 2010 and it targeted only undergraduate students. In its first edition (beginning of 2010) it had approximately 20 students enrolled in 8 different local organizations (mostly local Parish Councils). In addition students who participated received formal training on volunteering by an accredited volunteering organization – ISU. The initiative received very positive feedback from the participating students. Here are some of the first edition testimonies:
 

“I have never known during my entire academic experience something similar to volunteering as a learning experience” – Joana Guerreiro, Management Undergraduate Student



“The 4th of May 2010, my first volunteer day, changed my way of thinking and seeing the world” – Maria Inês Ribeiro, Undergraduate student

The word spread, and so for the second edition both number of organizations with which a partnership was established for volunteering purposes and students enrolled increased slightly.

- **PAIAS** is a program that addresses social and academic integration issues of new students. The support is provided by master students or senior undergraduates, who are the tutors. In the beginning of 2010 it had approximately 100 students enrolled and 18 tutors.
- **International Volunteering Program PUMAP** – created in 2005 by a group of NovaSBE students, it is now a program that covers students from several other schools for volunteering purposes in Maputo, Mozambique.

- **Clubs**

The clubs, totally managed by students, are mobilized around a professional goal, common interest or innovative idea, building a community, a network and life that goes beyond classroom. By participating in these, students are able to develop their network of contacts as well as their soft skills.

**Professional Clubs**

Club Designation	Students Involved	
	2009	2010
Consulting Club	13	21
Consumer Goods	-	10
Nova Investment Club	Not Available	Not Available
Lisbon CEMS Club	30	76
Social Consulting Club	6	7
Women in Business	-	6

**Table 21** – NovaSBE’s students involved in Professional Clubs in 2009 and 2010. Source: NovaSBE Professional Clubs

**Social-Cultural Clubs**

Club Designation	Students Involved	
	2009	2010
Cinema Club	3	3
Food Club	Not Available	-
Sports Club	-	10
Wine-Tasting Club	3	3



**Table 22** – NovaSBE’s students involved in Social-Cultural Clubs in 2009 and 2010. Source: NovaSBE Social-Cultural Clubs

### Overall Soft Skills Development Performance Evaluation

Regarding the skills modules, there has been an increase in both diversity of the modules offered and number of students enrolled from 2008/2009 to 2010/2011, which proves to be aligned with the School’s strategy and stakeholders interests.

NovaSBE’s activities do not have a negative direct impact on local community as a cement production company would, for example, but addressing its community’s issues is a way for the school to provide for one of its educational goals: student’s soft skills development. This explains the medium level importance the school assigns to this subject because on the one hand it is not strategic as its impact does not justify it, but on the other it is strategic due to its educational purposes. Therefore, the lack of control and monitoring of activities such as Comunidade Nova is not a sustainable behavior.

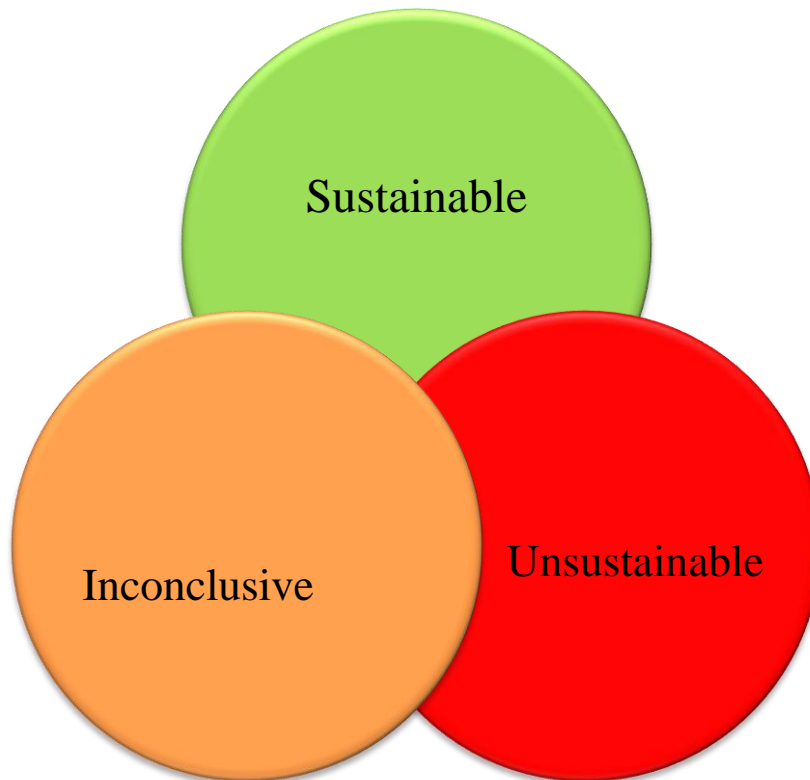
As for the clubs the initiatives have clearly increase from 2009 to 2010 as well as the number of students involved.

Overall, these results show a positive trend on topics that concern the School’s sustainability.

### Conclusions

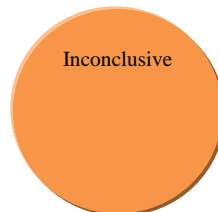
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Although the GRI standard framework does not contemplate a “Conclusions” section, the author added one to this report’s proposal considering that it also aims at providing a diagnosis of NovaSBE’s current sustainability status. Therefore, and based on the information provided by the application of the GRI standard framework (adapted to NovaSBE’s specificities), the following conclusions can be drawn:



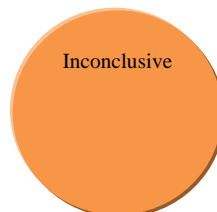
**Figure 10 – Sustainability Classification**

**Economic Sustainability**



Reasons that justify overall classification: negative net income; high dependence on Government Transfers which is a volatile source of financing that has even revealed a decreasing trend for the future; increasing ability to attract students (demand), reflecting ability to decrease dependence on the Government as a financing source; active in diversifying financing sources; positive indirect economic impact.

**Environmental Sustainability**

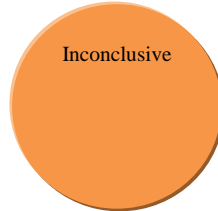


Reasons that justify overall classification: operations with low environmental impact which explains why it is not a priority for the School; it is, however, a concern of



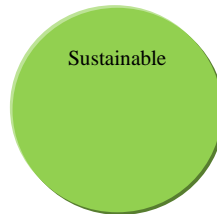
stakeholders, meaning that there is a discrepancy; lack of information from past consumptions to determine trends and assess what is the right level of consumptions; few symbolic measures taken creating awareness.

### Social Sustainability



Reasons that justify overall classification: recruitment policies aligned with School’s strategy; activities’ impact on local community not significant; however, local community engagement is strategic concerning educational focus of the school; lack of information provided does not allow this category’s further assessment.

### Educational Sustainability



**Reasons that justify overall classification:** positive trend regarding demand for the School’s educational services; active development of aspects that ultimately contribute for that same positive trend; School addresses stakeholders’ interests regarding this category.

## Recommendations

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The following recommendations concern sustainability reporting matters. Strategic suggestions for implementing sustainability within the school’s management and operations were also included. These recommendations rely only on the information available used in this report’s proposal, therefore not being exhaustive.

### Process

#### Stakeholder Engagement

Stakeholders are those who impact are impacted by the organization under analysis. The way their perspectives/opinions/concerns are addressed by that organization determines its ability to continue operations in the future, the same to say its sustainability. Therefore, the more stakeholders are engaged, the more accurate will be the information on what the organization should address and disclose in order to be sustainable, and the





more will be their commitment towards the organization. In NovaSBE's case, the stakeholder engagement topic is among the strategic plan's goals. However, these goals focus on the engagement of a specific stakeholder: the alumni. Moreover, from the stakeholder consultation carried by the author of this report's proposal resulted that there is a discrepancy between the importance given by stakeholders and the school to some topics. This lack of alignment between stakeholders' interests and the school's goals may affect the latter's ability to pursue its operations in the future. As a result, NovaSBE should devote more to understand what its stakeholders concerns are so that it can align its strategy with them. By involving stakeholders, their commitment towards the school will increase, making it easier to achieve the goals and, ultimately, achieve sustainability.

### Measurements

Some of the topics approached in this report's proposal were short on information, not providing a full understanding on the school's performance mostly because measures are implemented but not monitored/controlled. Measuring and monitoring impacts allows for a more efficient management approach, as it identifies whether it is worthy or not to keep that specific measure (e.g. is it or is it not successful among students/professors?; is it or is it not a waste of resources?; ... ). Thus, for future sustainability reporting considerations these are the basics.

### Responsibility

So far, from the several measures taken by the school sustainability related, there is not a connection or common orientation. This may be related to the fact that they emerge from different structures within the school and that there is not a strategic guideline for the subject. So, if the school wants to effectively incorporate sustainability in its management procedures, responsibilities should be assigned so that activities that concern the subject could be coordinated.

## Structure and presentation

### Reader-friendly presentation

As a communication tool targeting stakeholders, this report should have a more reader-friendly presentation, using ratios and graphics to simplify data comprehension.

### Content Organization

The order of this document's index is merely a theoretical order taken from the GRI Guidelines so that every step and information required from these guidelines was clear for the school's services so that they could replicated for future sustainability reports. When the target is the stakeholder the order to adopt should be according to their interests pointed out during consultation (the aspects that are more interesting should come first, and then the remaining).

## Sustainability Reporting Standards Choice



The GRI framework is the most widely accepted reporting standard for sustainability being therefore the most widely used, allowing for the comparability and auditability of its content. Nevertheless, it is a very complex tool, requiring time and expertise that most organizations cannot afford. Although there are simpler standards for reporting, if we consider NovaSBE's willingness and investment projections for stakeholder communication (strategic plan 2009-2013), time and expertise resources should not be a problem. Moreover, if internationalization is key for the school, such a widely accepted frame is the perfect fit.

### Publication

Finally, as a communication tool, the reports to come should be published on a systematic basis (annually, bi-annually, etc) and submitted to the GRI recognition, for the ultimate external assurance. One sustainable way of publishing the reports would be to create an interactive webpage that allowed for a more easy and segmented reading<sup>9</sup>, as well as paper savings.

## Content

### Data Sensitivity Argument

One argument against reporting that arose during stakeholders' consultation was that it would mean disclosing strategic data. However, this report's proposal was almost entirely based on publicly disclosed information. The difference that a sustainability report would provide is that it would be gathering all that scattered information in one single document.

### Discrepancy between Stakeholders and School's interests

In order to be sustainable, the school's strategy should be aligned with stakeholders' interests and concerns. Therefore, frequent assessment of those is required so that the school can identify risks on time to address them and communicate its efforts on those topics.

### Boundaries and Completeness

The more complete the report is in what concerns units/operations and stakeholder inclusiveness, the further the conclusions on its effective sustainability as each unit/operation may have different performances compensating for one another so that overall results may be different than individualized assessments.

### Economic performance content

The main threat of NovaSBE's economic sustainability is its high dependence on Government transfers as a funding source. However, as a public school, there is not much it can do about it other than trying to find other funding sources to minimize that dependency. In fact, from data included in the Economic Performance section we can

<sup>9</sup> A good example of that is Pfizer annual review:

[http://www.pfizer.com/investors/financial\\_reports/annual\\_reports/2010/index.jsp](http://www.pfizer.com/investors/financial_reports/annual_reports/2010/index.jsp)



conclude that there has been an effort towards that diversification of funding sources, which should be continued for economic sustainability sake. The other main source of funding for the school are tuition fees. Concerning that source, opening more vacancies for obtaining more tuition fees does not make much sense as more students would imply more operational costs. Nonetheless, more students would mean an increase in Government transfers but the school's has been facing physical limitations (space limitations arising from the building where it is located) so that it would not be a sustainable solution. Another possible solution would be, then, increasing tuition fees. As a public school, however, undergraduate tuition fees are regulated by the Ministry so that the school cannot go beyond the maximum price stipulated. For masters tuitions the school has more freedom to decide but, in case of an increase, it will not be sustainable if the price ends up being higher than the one of private schools and/or competitors. As a result, the diversification of funding sources suggested should apply to the operations excluded for this analysis (Nova Forum, Angola Business School and Consulting Services). Raising masters' tuition fees could also be considered if the sustainable price threshold is known.

#### Environmental performance content

This section is a clear example of a subject that is important for stakeholders but not as important for the School. In fact, the reasons behind most of the few measures taken by the school regarding the environment have to do with economic savings rather than environmental concerns or creating awareness for the subject. This explains why the effort is not recognized by stakeholders as it has not been communicated because the reasons behind its existence do not justify it. However, most recently (2011) the school has put in campus several recycling bins which reveals environmental concerns beyond what can bring economic savings. Actually, as a school (low environmental impact and core business being education), NovaSBE should approach environmental concerns in an awareness creation perspective, economic savings being an extra and not the main reason.

#### Labour Practices content

NovaSBE claims in its mission that it aims at preparing its students for the marketplace. Throughout the report we have seen several measures that address this aspect but, however, in what concerns the main educational channel of the school – teachers, only the internationalization and level of academic background are highlighted. Considering this, information on labour experience and organizational/corporate connections should be also included in this section, providing facts on measures taken to carry out the mission. One other aspect regarding labour force, if the school intends to include sustainability within its goals it should create incentives and conditions for it to be adequately applied. This means that currently, as many stakeholders identified when consulted for this report's proposal, professors do not have much to gain by promoting community engagement activities, for example. As it is not contemplated in their career plan, and so it does not contribute for their career advance, it will only take time from those activities that are actually contemplated in their career plans such as research and



teaching hours. Therefore, activities that are key for the school's sustainability should be contemplated in every employee's career plan, creating positive incentives for its implementation.

### Society

Recommendations on measurements apply here. NovaSBE's community engagement has been evolving positively, meaning that from 2009 to 2010 and 2010 to 2011 the number of activities and students involved has increased. However, a record of this kind of information is not kept so that it was obtained by asking those who worked closely in the community engagement project Comunidade Nova and students that had attended to some soft skills development modules. Knowing that there has been a positive evolution signals success, but is it enough to understand to what point is it providing for NovaSBE's goals? The same to say: is it sustainable? Consequently, it demands closer monitoring of the results for both community and students involved so that risks and flaws can be identified and corrected, improving the experience and, therefore, becoming more sustainable. Moreover, once again as a school, NovaSBE should create awareness to what community is concerned so it should be reporting its efforts, task for which measurements and monitoring are essential.

### Product Responsibility

Even though health and safety of the students is not a critical topic for NovaSBE's sustainability, there are measures taken to ensure the basics on the subject are covered. These measures should be communicated (even if they are not extraordinary) as it shows the school's concern for its stakeholders health and safety. This allows the school to strengthen the relationship with stakeholders which, ultimately, will increase its sustainability.

### Human Rights

Even though some topics may be implicit in the school's operations and procedures like the Human Rights, communicating specific measures and terms addressing them would show awareness and consideration for the subject.