SDA Bocconi
SCHOOL OF MANAGEMENT

KNOWLEDGE PLATFORMS
AND RESEARCH LABS

RESEARCH REPORT 2023

THE FUTURE MUST ALWAYS BE IMAGINED AND SOUGHT

The research activity and its continuous dissemination are the destiny and duty of a School of Management. It may seem like a strong statement but this phrase expresses in the most appropriate way the sense of the challenges and times we are experiencing and that allows us to guide to the future with the strength and passion that distinguishes SDA Bocconi.

Higher-education, applied research and the growth of people are closely linked and forward-looking. There is no growth in people's lives if the gaze is not turned to the future and when the gaze is no longer able to grasp the future, growth stops, it no longer affects and it no longer has an impact on the surrounding society. Growth is not a solitary act but a path, which becomes more exciting if done with good travel companions. In this sense, growth, training, applied research, relationships and sharing are closely linked. We must therefore have the desire and ambition to talk about the future every day. This is the ambition of every School of Management, this is definitely the hallmark of our School of Management, SDA Bocconi School of Management.

To understand what it means to speak and plan the future every day, we need to reflect on the two simple words - so simple to seem obvious - that are found immediately after SDA Bocconi, that is "School" and "Management".

The concept of "School" is a concept of community and continuous construction. In a world where research, knowledge and education are seen as an act of consumption, which materializes - and is likely to run out - in the very short moment of a download, the concept of "School" is exactly the opposite in that it is not confused with the learning tool - physical or digital, synchronous or asynchronous - but is clearly above the available tools and offers a meditated synthesis, at the service of the community, and built with the support of diverse interlocutors who interact with each other, from faculty, staff, students, alumni, companies and institutions that meet every day on our campus. The quality and intensity of relations become the quality of the School and the energy to continue on its way.

The concept of "Management" is at its root a concept of responsibility. Management means guiding men and women, resources and organizations. It's an act of responsibility by definition. It is devoid of sectorial affiliation, as it crosses institutions and organizations with profoundly different characteristics: from listed companies to private ones, from small to large, from public to non-profit sector. If responsibility is the deepest nature of management, its attitude today must be that of transversality. Knowledge and therefore management can no longer be placed in predefined areas, in vertical silos that define their own rules and aspire to perfection, which becomes self-referentiality and closure. The marketing silos, the finance silos, the technology silos and so on. Vertical perfection becomes complacency and then only leads to dryness and inability to think about the future every day.

The task of a School of Management is to ensure the highest level of vertical understanding, knowing well that "teaching" or "doing" management actually means destroying vertical silos with the force of creativity, with the courage to always get out of your comfort zone, with the will to always advance those vertical knowledge that are then questioned. But it also means identifying and welcoming new vertical silos, new disciplinary areas that were not even imaginable: from artificial intelligence, to cybersecurity, to the space economy and to what is to come, that today we cannot imagine but that we are certain that it will come. SDA Bocconi in management has always seen the transversality that passes from companies, to public administrations and financial intermediaries. This transversality today is leading the SDA to have a broader spectrum ranging from geopolitcs themes to data sciences and AI, because businesses, institutions and financial intermediaries demand this to understand the world and face their challenges.

The knowledge platforms that the School has created go exactly in this direction and are the inexhaustible force that continuously links the drive for innovation, the drive for vertical understanding within the disciplinary field, the push to transversality that is the necessary condition in order to understand the complexity of the scenarios that every business decision-maker must observe. But above all, without research the ability to affect with the activity of higher-education dries up and becomes a ritual. The nature of being a School is to continually strengthen the bridge between the needs of companies and institutions and the ability to always look to the future.

The challenges of the School become the collective challenges, the knowledge that is produced through research is a collective and community act, which then brings initiative, enthusiasm and benefit to individuals but remains a strongly collective act. This is why our School has the task of helping individuals and organizations to think about the future every day. Not to deny the present but to live it more intensely and with greater responsibility. This is the responsibility of the manager and is the hallmark of the leaders, who are formed in our classrooms. It is the perfect link between the School and its community, between the programs that we develop every day with passion and the participants, between the content of our training and the task of the manager. This is why the School does not offer a solution but builds the possible solutions through the extraordinary experience of many colleagues who direct our programs and live every day with those who have or have the ambition to have the responsibility of guiding men and women, resources and organizations.

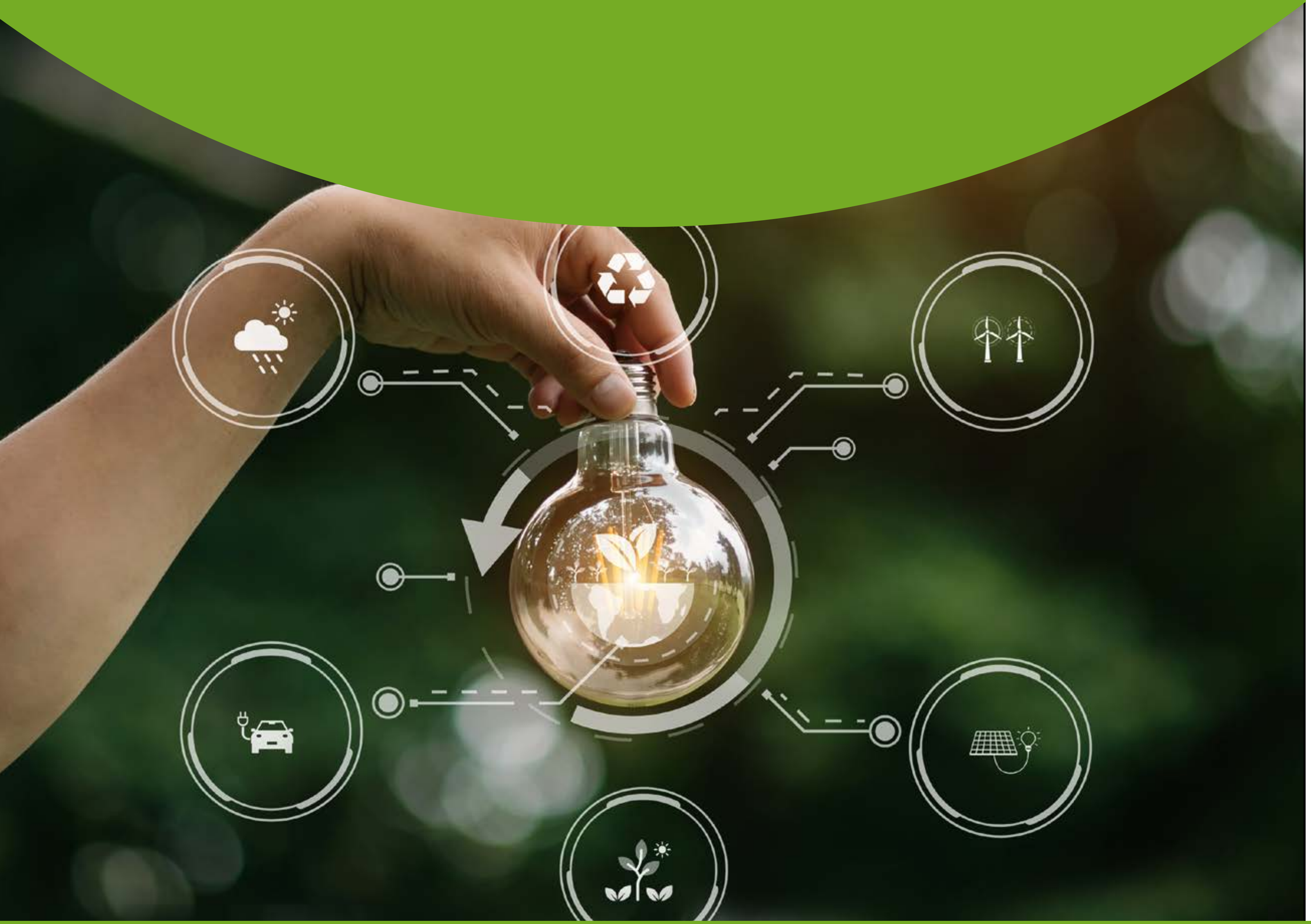
The space to build the future is vast, and the School is always there whenever there is courage and a desire to design innovative solutions. That's where we have to start if we want to give answers to the people and organizations that choose the SDA. History therefore continues and always evolves, with determination and impact.

STEFANO CASELLI
Dean SDA Bocconi School of Management

Milan, 30 October 2023

eSG - EXCELLENCE IN SUSTAINABILITY & GOVERNANCE

The excellence in Sustainability and Governance - eSG Knowledge Platform and the Labs that are part of it focus on global challenges related to environmental, social, and governance issues that lead businesses, international organizations, public institutions, and governments to rethink their future.



The Labs of the eSG Platform propose innovative and pragmatic solutions through research activities, analysis of current and emerging trends, and by fostering the creation and dissemination of knowledge and skills in sustainability and governance, thanks also to the monitors on specific themes or sectors.

Thanks to the study of integrated and cross-cutting sustainability within businesses, the Labs that make up the eSG platform aim to provide evidence and insights to businesses facing the challenges of sustainable transformation and its impact on ecosystems, as well as governance, strategies, products, processes, and business decisions. Topics such as corporate governance, sustainability of SMEs, developments in sectors such as food, fashion, furniture, finance, automotive, etc., are just a few of the subjects analyzed by this platform, its Labs, and its Monitors.

The platform produces scientific knowledge through quantitative and qualitative research methodologies, with the aim of supporting organizations in maintaining and renewing their market positioning by integrating social, environmental, energy, and governance challenges into their strategies and practices. Additionally, the platform contributes to the creation of organizational capacities and leadership with the goal of promoting organizational change and technological innovation required by the United Nations' Agenda 2030 and the European Green New Deal. Last but not least, the platform, through its Labs and Monitors, participates in academic debates through publications, articles, reports, and peer-reviewed books.

Francesco Perrini
Scientific Director of the eSG - Excellence in Sustainability & Governance Knowledge Platform
Associate Dean for Sustainability, responsible for Diversity, Equity and Inclusion (DEI) and Innovation and Corporate Entrepreneurship (ICE). Full Professor of Management at the "Management & Technology" Department at Bocconi University.

Sustainability Lab

The Sustainability Lab is based on three main activities:

1. supporting businesses in adapting to a changing environment (market, regulatory system, stakeholder expectations);
2. providing economic operators with relevant information with the goal of providing useful tools for guiding current and future strategies;
3. identifying and recommending lasting and sustainable growth processes at a time when supporting the enterprise system means promoting the entire country system.

1. Mission

The **Sustainability Lab** is a multidisciplinary think tank that inherits the knowledge assets of CReSV (The Sustainability and Value Research Center of Bocconi University, former SPACE, Centro Europeo per gli Studi sulla Protezione Aziendale e Ambientale, since 1993), and aims to develop and disseminate relevant and innovative research to support enterprises and financial institutions, policy makers and non-profit organizations in their path towards sustainability.

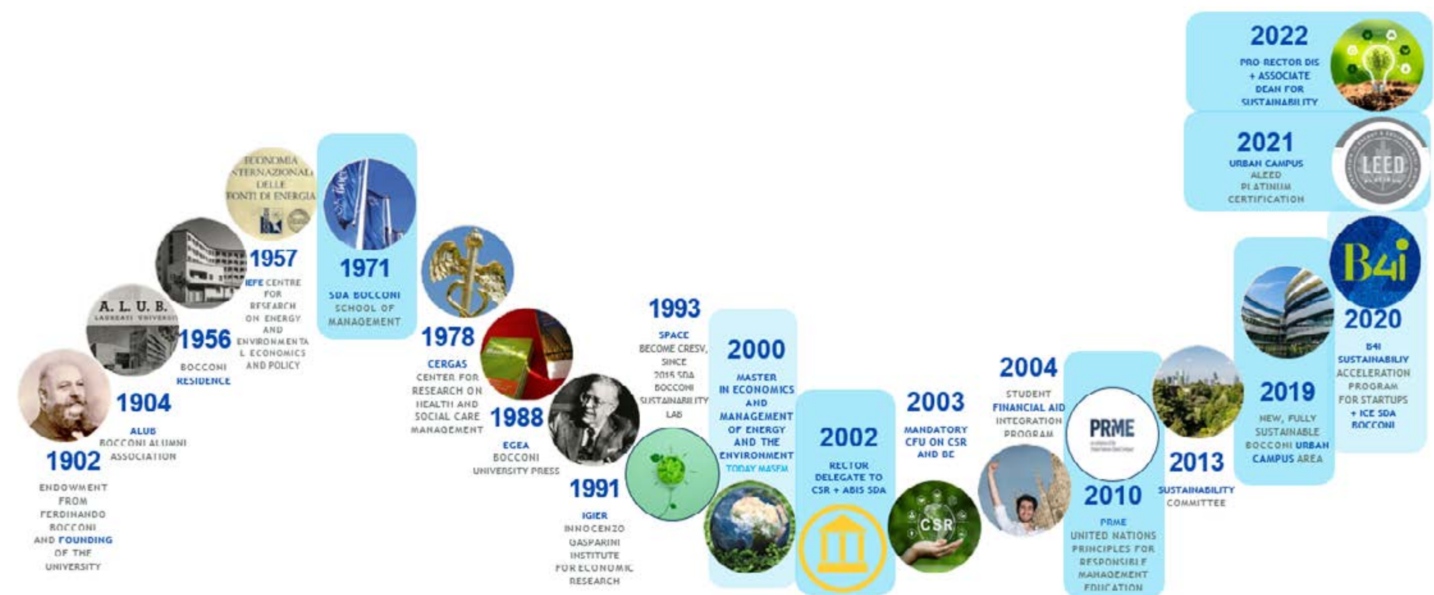
Sustainability as a strategy to stimulate sustainable and lasting economic growth. The Sustainability Lab considers the needs of stakeholders and companies, and acts as a point of reference for innovative solutions aimed at market operators, institutions and civil society for creating long term sustainable values.

At a time when the globalization process and current social and environmental changes are forcing businesses to radically rethink their future. Benefiting from in depth scientific research activities, the Sustainability Lab offers pragmatic and concrete guidelines to organizations and investors. Lab takes part in academic debates through paper peer-reviewed publications, articles, reports and books.

1.1
Core activities

The **Sustainability Lab** is based on the following main activities:

1 Supporting businesses in adapting to a changing environment;
2 Providing economic operators with relevant information with the goal of providing useful tools for guiding current and future strategies;
3 Identifying and recommending lasting and sustainable growth processes;
4 Offering custom programs dedicated to sustainability, ESG and energy management.



2. Among our clients

SDA Bocconi Sustainability Lab has worked with several clients and organizations belonging to different sectors, stimulating their sustainable and lasting growth, supporting them in adapting to a changing environment and in integrating sustainability in their business strategy.

Some clients

3. Research activities

The Sustainability Lab's activities are performed by professors, researchers and experts of SDA Bocconi. The main research areas are:

Corporate Sustainability & Natural Capital
Sustainable strategies and business models, stakeholder engagement and reporting instruments aligned with the main national and international frameworks.

Sustainable Blue Economy
Dynamics of blue economy, with a focus on strategic, organizational and technological solutions developed by enterprises; also, research concerns collaboration among diverse stakeholders.

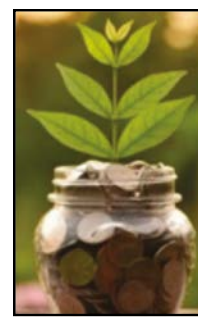
Sustainable Finance & ESG
Financial services that integrate ESG criteria (environmental, social and governance) in the investment decisions and business sustainable solutions.

Just Energy Transition
Energy markets, infrastructures and new technologies; also, the development of strategies and innovative business models that respond to an ever-changing environment.

Social Entrepreneurship & Philanthropy
Ability of enterprises to respond to resource allocation, manage stakeholders and develop measurement tools to spread the social and economic value created.

4. Training Programs

SDA Bocconi School of Management offers specific post-experience and executive education modules and custom programs dedicated to sustainability in the following areas:



SUSTAINABLE FINANCE & ESG
- Sustainable/ESG investment strategies
- ESG, measurement and value creation
- Socially Responsible Investing and Impact investing
- Green Bonds and SDG Bonds

CORPORATE SUSTAINABILITY
- Corporate sustainability strategies
- Stakeholder engagement and materiality
- Companies as forces for good, sustainability purpose, B-Corp
- Sustainable business models & Innovation

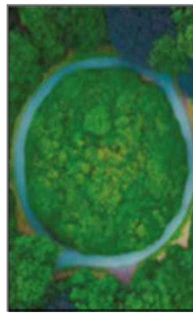
SUSTAINABILITY CHALLANGES
- Anthropocene and planetary boundaries
- Social-ecological system and complex adaptive system
- United Nations 2030 Agenda and SDGs
- Climate change policies and economics

SUSTAINABLE BLUE ECONOMY
- World Oceans as social-ecological system
- Blue economy dynamics and trends
- Strategic technological and organizational solutions for ocean sustainability
- Multi-stakeholder partnerships

ENERGY MARKETS & TECHNOLOGIES
- Energy market design and regulation
- Power system economics
- Market failures and economic externalities
- Financial mechanisms for renewables

ENERGY TRANSITION
- Key drivers in the energy transition
- Energy policy
- New technologies and services
- Energy strategy & innovation
- The geopolitics of the energy transition

SUSTAINABLE SUPPLY CHAIN
- Management approaches to sustainable supply chain
- Self regulations, standards & certifications
- Transparency and traceability
- Supply chain resilience and risks



CIRCULARITY
- Circular business models and innovation
- Cradle to cradle approach
- Lifecycle assessment
- Design for circularity
- Circular metrics and indications

NON FINANCIAL REPORTING
- Sustainable Governance
- Sustainable accounting and measurement
- Non Financial Reporting standards (voluntary framework: GRI, UN Global Compact)

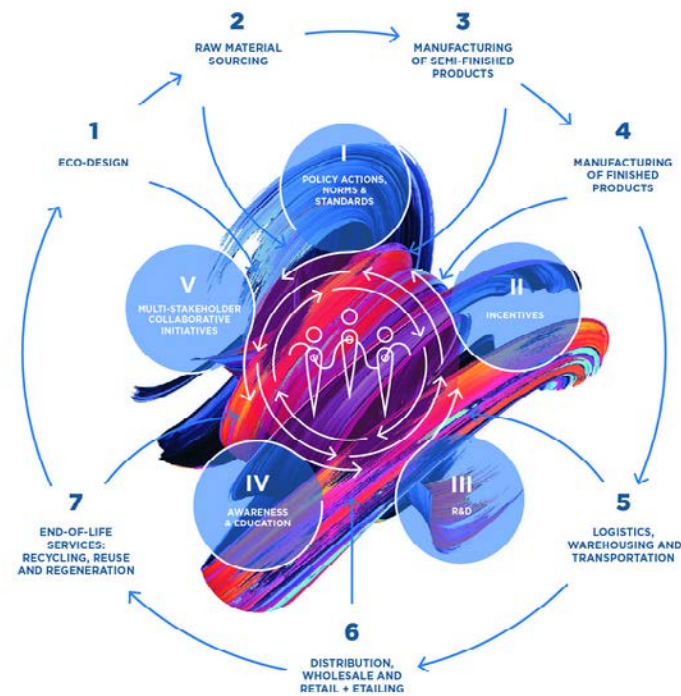
SOCIAL ENTREPRENEURSHIP & PHILANTHROPY
- Social innovation and entrepreneurship
- Philanthropy management
- Business ethics
- Social entrepreneurial venture

5. Research projects – some examples

5.1 One Ocean: Business for Ocean Sustainability

SDA Bocconi Sustainability Lab supports One Ocean Foundation, established in 2018 by the YCCS (Yacht Club Costa Smeralda), in developing research and “ocean literacy” initiatives related to the health of the ocean and marine ecosystems. Among the main initiatives jointly developed with YCCS and One Ocean Foundation:

- Assessment study of the environmental profile of the YCCS - May-September 2017
- Scientific coordination of the international conference “One Ocean Forum” - Milan 3-4 October 2017
- Drafting of the Charta Smeralda, the ethical code launched by YCCS for marine conservation
- Support to the establishment of One Ocean Foundation, by YCCS – 2018
- First edition of Business for Ocean Sustainability Report - Focus on the Mediterranean Sea in collaboration with McKinsey & Company and CSIC (Consejo Superior de Investigaciones Scientifica) – 2019
- Second edition of Business for Ocean Sustainability Report - A Global Perspective – 2020
- Presentation of Business for Ocean Sustainability Report - A Global Perspective in the UN Ocean Day event held in New York on June 8th, 2020
- Sector specific edition of Business for Ocean Sustainability - Fashion industry - January 2021
- Ocean Disclosure Initiative - presented on 21 September at Palazzo Mezzanotte, headquarters of the Italian Stock Exchange



5.2 Monitor for Circular Fashion

Monitor for Circular Fashion is a multi-stakeholder project involving leading companies in the fashion industry and players in its supply chain. SDA Bocconi Sustainability Lab is the project’s scientific partner, while Enel X provides its cross-industry vision to identify circularity KPIs. Monitor for Circular Fashion rallies virtuous businesses and disseminates the best practices of circular fashion, promoting technical, managerial and scientific skills with a view to contribute to the transition towards circular business models.

Main goals of the project:

- Map and analyze the sector dynamics and trends over the next few years
- Examine how these trends and the 2030 Agenda will affect business models
- Identify the circular fashion KPIs and suggest a circular path for each business model
- Identify the requirements to evaluate the scale-up of circularity projects
- Create the Italian community and ecosystem for Circular Fashion
- Create the “Circular Fashion Manifesto” to be presented to the United Nations and to National and International Institutions

Key facts:

- Observatory started in October 2020, officially launched in March 2021 powered by Enel X
- 22 Partners (update: 16.11.2023)
- Monitor for Circular Fashion publishes the Manifesto and a Full Report annually, both of which are available on the website.

5.3 Furniture Pact

The Furniture Pact, whose launch was scheduled at the Salone del Mobile 2022, is a manifesto that engages subscribers in the integration of sustainability and circularity in corporate management and governance models. The initiative aims to promote the engagement of companies in the wood-furniture supply chain, their stakeholders, civil society and institutions

By signing the agreement, companies undertake to adopt a series of improvement objectives linked to the ESG (Environmental, Social and Governance) dimensions including:

- Climate challenge
- Circularity and Up-cycling
- Reduction of resource consumption
- Product sustainability
- Product safety
- Social aspects (e.g. gender equality, social inclusion, human rights)
- Impact on communities

5.4 Dynamo initiative on social entrepreneurship & philanthropy

Corporate Giving in Italy is the first research dedicated to corporate philanthropy in Italy carried out by Dynamo Academy in collaboration with SDA Bocconi Sustainability Lab , CECP (Chief Executives for Corporate Purpose American Committee for the Promotion of Corporate Philanthropy) and Università degli Studi di Milano, in partnership with Moody’s.

The survey, in addition to providing immediate national and international benchmarks in terms of social sustainability, has strengthened its role as a corporate tool for the construction of internal metrics for the preparation of non-financial reporting / sustainability reports. Among the topics analyzed within the research are: the donations, the areas of intervention and the relationship with the supported organizations, corporate volunteering, the breadth and methodology for evaluating projects.

At the base of this research remains the desire to stimulate the debate in our country on the need for companies to move towards broader objectives, making corporate philanthropy a laboratory for sharing models and practices of engagement of territories and social innovation. 103 companies participated in the survey, 25 of which through analysis of public reporting documents (Non-Financial Statements), which represent an aggregate turnover of more than 224 billion euros (equal to over 13% of Italian GDP) and 600,000 employees.

5.5 Sustainability Management Barometer

This report, promoted by the Sustainability Lab of SDA Bocconi School of Management, aims to analyze the state of environmental and social sustainability in Italy, proposing a mapping of the initiatives that our industrial system is implementing.

The final objective is to understand the level of integration of environmental and social concerns into business processes, including the main areas of excellence and the most significant critical issues. Moreover, the study proposes a synthetic comparison with an international competitor such as Germany, with the objective of understanding how Italian companies are positioned compared to German firm on the specific issues under examination.

5.6 Non-financial Disclosure Monitor

In 2018, we launched the first national Monitor on Non-Financial Reporting, with the aim of observing:

- The reporting methods and the main contents of Non-financial reporting
- The identification and classification of the main non-financial risks
- The identification of the criteria for the materiality matrix adopted by the companies
- The impact of previous non-financial disclosure initiatives
- The impact of previous sustainability, social responsibility and shared corporate value strategies
- The impact of ownership structures (family, state-owned, ESG investors) and ownership concentration
- The impact of corporate governance structures: composition of the BoD, role of the board in drafting the document, presence of a sustainability committee
- The impact of diversity: gender, age, origin, background, role
- The impact of human capital on performance and non-financial disclosure, the presence of directors with specific sustainability / ESG skills
- The relationship between the dimensions examined in the Non-Financial Reporting and the other strategic choices of the companies

6. Initiatives

SDA Bocconi Sustainability Lab has organized several initiatives and events with the aim of disseminating the activity of the Lab, presenting their research projects, discussing hot topics in sustainability and attracting potential new clients.

One Ocean Summit - 2021

On 21 September, at Palazzo Mezzanotte, headquarters of the Italian Stock Exchange, SDA Bocconi presented the result of a multi-year research on the Blue Economy, the Ocean Disclosure Initiative, a project sponsored by One Ocean Foundation and developed in collaboration with McKinsey and Company and CSIC.

Cutting edge scientific partners.