

*A Better World  
Through Better Business*

 **NYU | STERN**

Center for  
Sustainable Business

# 2017 Annual Report

Dear Friend of the Center for Sustainable Business:

We're pleased to share our 2017 annual report with you, and to take the opportunity to provide you with a recap and update on our success from the last year.

Our planet continues to face a myriad of complex challenges, from climate change, to water scarcity and social inequality. Businesses have a unique role to play in addressing these problems through their ability to mobilize capital and develop innovative products and services. We know that many are working to turn these challenges into opportunities, and that the next generation of business leaders are energized to join organizations focused on integrating sustainability into their business strategies.

NYU Stern's Center for Sustainable Business (CSB) aims to help current and future business leaders develop the knowledge and skills to embed sustainability at the core of business strategy, creating value for key stakeholders and society. Since the CSB opened its doors almost two years ago, we have achieved much on our path towards building value for society, including:

- Published [How to Quantify Sustainability's Impact on Your Bottom Line](#) in HBR, outlining the CSB's sustainable business case.
- Co-wrote the [Catalyzing Green Infrastructure on Private Property](#) report with NRDC, and an [accompanying op-ed](#) in the New York Daily News.
- Issued case studies on [Parnassus Investments](#), [Kashi](#) and released a report on [Sustainability Assessment Tools](#).
- Held thought leadership events, including talks with the CEOs of Chipotle, Kering North America, Con Edison, M&T Bank and Parnassus Investments, and stimulating conversations on topics such as ESG investing and the future of the electric grid and energy transformation.
- Hired two [new research directors](#) to lead a robust set of projects on the business case for sustainability.
- The CSB's undergraduate class [Sustainability for Competitive Advantage](#) was oversubscribed for the Fall '17 semester, and we expect similar turnout for the Spring EMBA and MBA classes.
- Developed new courses to support the Sustainable Business undergraduate concentration, focusing on marketing and sustainable finance.
- Hosted a Virtual Career Fair for NYU MBA students for internships and full-time roles in sustainability; and provided internships with the CSB and external stakeholders, and a summer fellowship program in collaboration with the Center for Business and Human Rights.

I hope you enjoy this annual report, and I look forward to continuing our shared work in 2018.

Best,



Tensie Whelan

---

CSB was founded on the principle that sustainable business is good business; delivering better financial results, while protecting the planet/people. CSB's mission is to educate current business leaders and *all* Stern students on the financial case for sustainability.

# Introduction

The CSB envisions *A Better World, through Better Business*. This summer, CSB undertook a strategic planning process and updated our goals and strategies allowing us to deliver on our mission to ensure current and future business leaders develop the knowledge and skills to embed sustainability in core business strategy so they can reduce risk; create competitive advantage; develop innovative services, products, and processes; while building value for society and protecting the planet.

## OUR GOALS

- 1 Ensure Stern students are well prepared to contribute value to business and society through sustainable management and practice
- 2 Position CSB as a thought leader in building the business case for embedded sustainability
- 3 Create a best-in-class academic center that attracts employee, student, alum, faculty, and donor support

We are pleased to share progress updates and successes across our six strategy areas in the following pages.



Education



Research



Career Development



Awareness & Engagement



Outreach & Thought Leadership



Organizational Capacity

---

CSB provides the knowledge and skills necessary to embed sustainability into core business strategy to deliver innovation, greater employee recruitment and engagement, stronger customer loyalty, and improved operational efficiency, while lowering risk. We do this through curricular offerings, cutting edge research, partnerships with thought leaders and corporations, and career support.

# Education

*Incorporate sustainability into the MBA and undergrad degrees, co-curricular platforms, experiential learning and executive courses at Stern*



## IN THE CLASSROOM

The CSB continues its work to integrate sustainable business concepts throughout the existing curriculum at Stern, and to launch new courses. Notable accomplishments include:

- Re-launched MBA specialization in Sustainable Business and Innovation and continued to develop Undergraduate co-concentration in sustainable business
- Grew enrollment in Fall Sustainability for Competitive Advantage course by 50% and ran a fully subscribed MBA Sustainability for Competitive Advantage course in Spring 2017
- Developed new course offerings such as Market Solutions for Clean Energy (MBA) and Sustainable Marketing (Undergraduate) and began development of new courses on ESG portfolio management and sustainable finance
- Supported the integration of sustainability into the Freshman Cohort Leadership Program; all incoming Stern freshman participated in a semester long course focused on solving a pressing food sustainability challenge
- Supported a case walk through with Unilever, giving students hands-on exposure to pressing sustainability challenges facing the company
- Partnered with executives at companies to launch bespoke education programs on sustainability management and began development of new online executive education offering and a general executive education class

---

### VOICES FROM THE CLASSROOM

“Even today, it seems like the majority of business people and business students think that sustainability is just done to feel good and doesn’t add value to operations. I have seen that this isn’t the case in my career, but it was great to learn how to quantify the impact of material sustainability efforts so that they can be measured and clearly communicated. I am confident that I have a robust set of tools that would allow me to do that for any company in any industry.”

**NANCY VAN WAY**, MBA '17  
(Quoted in *Poets and Quants*)



*Panelists speaking at the Powering the Future: Energy Transformation in the US event*

## IN THE FIELD

The CSB is committed to giving Stern students exposure to experiential learning projects. By engaging directly with companies on real-life sustainability challenges they are able to better understand the complexities of operating in a systems-oriented world. For example, MBA students enrolled in the course Sustainability for Competitive Advantage worked with Rabobank to help them identify strategies for integrating sustainability into their business development process.

Additionally, the CSB guided three Stern Signature Projects:



*Employee engagement*



*Small holder finance Indonesian palm oil*



*Renewable energy technology*



*Students at Tensie Whelan's MBA Sustainability for Competitive Advantage course*

## VOICES FROM THE CLASSROOM

*In spring 2017, students travelled to Indonesia to research smallholder finance strategies for the palm oil sector*

“Our trip was pivotal to really understanding the full scope of the project and the problem at hand. It was an invaluable experience to meet so many of the key players to understand their priorities and the risks at stake. We’re working on an issue that has been a challenge for everyone involved, and this experience honed our appreciation for the holistic partnerships required to develop solutions to these types of problems.”

**CHARLES WALKER, MBA '17**  
SSP Student

**NYU | STERN**  
Center for Sustainable Business

**Avery Dennison: Innovative Marketing of Sustainability Attracts More Loyal Customers**

**Randi Kronthal-Sacco**  
Senior Research Scholar,  
NYU Stern Center for Sustainable Business

April 2017

**NYU | STERN**  
Center for Sustainable Business

**CATALYZING GREEN INFRASTRUCTURE ON PRIVATE PROPERTY:**  
Recommendations for a Green, Equitable, and Sustainable New York City

**NYU | STERN** | **NREDC**  
Center for Sustainable Business | NATURAL RESOURCES DEFENSE FUND

AUGUST 2017 | Alisa Villaverde, NREDC | John Lochev, NREDC | Marianna Koval, NYU Stern CSB

**NYU | STERN**  
Center for Sustainable Business

**Kashi: Growing the Supply Chain for Organic Food**

**Chet Van Wert**  
Senior Research Scholar,  
NYU Stern Center for Sustainable Business

April 2017

**NYU | STERN**  
Center for Sustainable Business

**Financing Mechanisms to Support Sustainable Practices**

**Tom Manning**  
Senior Research Scholar,  
NYU Stern Center for Sustainable Business

September 2016

**NYU | STERN**  
Center for Sustainable Business

**Sustainability Assessment Tools**

**Elyse Douglas**  
Senior Research Scholar

**Tom Manning**  
Senior Research Scholar

January 2017

**Harvard Business Review**  
SUSTAINABILITY

**How to Quantify Sustainability's Impact on Your Bottom Line**

by Tensie Whelan, Bruno Zappa, Rodrigo Zeidan, and Greg Fishbein  
SEPTEMBER 13, 2017 | UPDATED: OCTOBER 13, 2017

Humanity has an urgent need to fight climate change, and businesses can play a key role in doing so. But we recognize that, in many businesses, resources are often allocated according to short-term, bottom-line pressures. We thus wanted to figure out a way to help executives quantify the financial benefits of reducing their firm's greenhouse gas (GHG) emissions.

**JOURNAL OF ENVIRONMENTAL INVESTING 8, NO. 1 (2017)**

Copyrights by Nancy Colwell D'Camille

**NYU | STERN**  
Center for Sustainable Business

**The Sustainability Business Case for the 21st Century Corporation**

**Carly Fink**  
Research Scholar

**Tensie Whelan**  
Director

October 2016

**NYU | STERN**  
Center for Sustainable Business

**Green Bonds: What's New, What's Next and Why Does it Matter?**

**Tom Manning**  
Senior Research Scholar,  
NYU Stern Center for Sustainable Business

September 2016



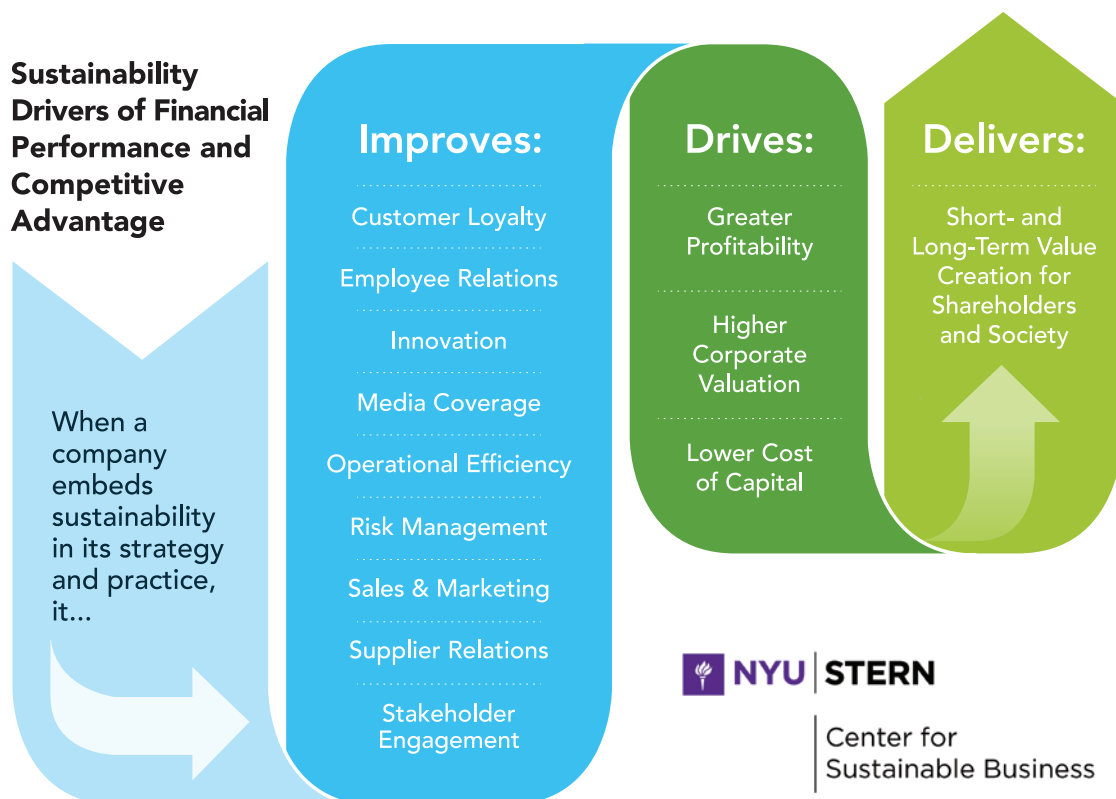
# Research

*Develop and disseminate original research, targeted at improving the business case for sustainability*



## MONETIZATION METHODOLOGY

We believe the frontier for business is embedding sustainability in corporate strategy and tracking financial metrics related to sustainability benefits. Our forward-facing vision is: sustainability-related issues are no longer siloed as special projects or limited to efficiency-related sustainability efforts. The monetary value of embedded sustainability is tracked comprehensively. The full range of costs and benefits, including intangibles, are quantified and monetized. When sustainability is fully monetized in business terms, uncertainty diminishes, and it will transform, shape, and drive business and societal success.





*Tensie Whelan speaking  
with Stern students*

## PUBLISHED RESEARCH

In 2017, the CSB released its first research report applying its methodology for financial metrics to better track sustainability. This project focused on articulating and identifying the business case for a deforestation free supply chain. We partnered with McDonald's, Carrefour, and ranchers and slaughterhouses in Brazil as well as with AT Kearney who led the analysis. A summary of the research was published in HBR.

The CSB released its report with Natural Resources Defense Council (NRDC), on green infrastructure recommendations for New York City. The report was well received and an accompanying op-ed ran in the *New York Daily News*.

## CASE STUDIES: SUSTAINABILITY IN ACTION

In 2017, the CSB published new corporate case studies with Kashi on its transitional organics initiative, West Elm on HR practices to align purpose with employee recruitment, and Parnassus Investments on the firm's ESG investing success.

## ONGOING RESEARCH

In 2017, CSB launched several other research initiatives that will continue into 2018. These include:

- **Automotive ESG Project:** The CSB continues to advance its project on financial metrics and sustainability. We are utilizing the methodology piloted with the beef in Brazil project with the automotive industry.
- **Quarterly Call Engagement:** The CSB is working with CECP and ICCRi on a project related to integrating ESG into quarterly calls with shareholders. The goal of the project is to incorporate long-term planning and material / sustainability risks and opportunities into quarterly reporting in order to improve financial performance.
- **Innovation Project:** The CSB is partnering with Globescan to survey corporate sustainability leads on the connection between sustainability and innovation, with the goal of publishing an academic journal article.

---

### RESEARCH QUOTE

“Our research partnership with NYU Stern CSB allowed us to better understand the financial impacts of our Commitment on Forests. With this information, it has allowed us to engage with our suppliers, departments across the organization, and external stakeholders.”

#### RACHAEL SHERMAN

Global Director Sustainability  
McDonald's

---

“My internship strengthened my professional interest in working in the impact investing field and helped me better understand how practitioners carry out their sustainable and impact investing theses. Moreover, it helped me understand the skills I need to work in this field of social impact, and I plan to work on those skillsets in subsequent internships at professional services fields like investment banking and management consulting.”

**ZIANG WANG**, *Stern UG '18*

# Career Development

*Help students pursue careers that embed sustainability in the business*



The CSB provides career development support to students, helping students interested in pursuing careers in sustainability as well as helping students understand how sustainability is applicable to any industry and position. Notable accomplishments in 2017 included:

- Participation in the first-ever virtual career fair for careers in sustainability helping MBA students and employers connect through a virtual platform.
- Engagement with the Stern Center for Business and Human Rights to source corporate sustainability internships for MBAs at West Elm, SAP Ariba and New Balance.
- Developed a sustainability career boot camp which will launch in spring 2018. This boot camp will give undergraduates exposure to the necessary skills, tools and frameworks to pursue careers in the field.

The CSB assisted students with finding internal and external internships, with companies such as Rabobank, West Elm and Inherent Group, and posted numerous opportunities with external companies as well as internal opportunities with the CSB.



*Students networking after a Fall career panel event*

---

## 200+

The number of stern alumni working in the sustainability field in areas as diverse as impact investing, ESG finance, and energy management

---

Stern MBA students took third place in the Aspen Business and Society Case Competition. The students competed against 1,000 other students and five finalist teams.

## PHOTOS FROM 2017 PROGRAMMING



*Students in the MBA course Sustainability for Competitive Advantage*



*Hosting UN Secretary General, António Guterres, at NYU Stern*



*Tensie Whelan moderating a conversation with Chipotle CEO, Steve Ells*



*Jane Goodall speaking at NYU Stern*



*Panelists from the sustainability on Wall Street discussion*

# Outreach & Thought Leadership



*Convene thought leaders and establish relevant partnerships to advance CSB's mission*

In 2017, the CSB hosted a number of events and deepdive workshops, ranging from career panels, to conversations with leading CEOs. These events included:

- **ESG Investing Workshop**
- **Sustainability Strategy Development Workshop**
- **How Sustainability Drives Success at Con Edison**  
*A C-Suite conversation with John McAvoy MBA '87*
- **Career Panel: Sustainability on Wall Street**
- **Powering the Future: Energy Transformation in the US**
- **Climate Action: Mobilizing the World**  
*A Conversation with UN Secretary General António Guterres*
- **Faster, Higher, Farther: The Volkswagen Scandal**  
*A book talk by New York Times Reporter Jack Ewing*
- **Crafting Tomorrow's Luxury**  
*A C-Suite talk by Laurent Claquin, Head of Kering Americas*
- **Community Minded Banking**  
*A C-Suite Conversation with Robert G. Wilmers CEO, M&T Bank*
- **Tomorrow & Beyond:**  
*An Evening with Dr. Jane Goodall*
- **The Path Forward: Chipotle's Vision for its Future Food Ecosystem**  
*A C-Suite Conversation with Steve Ells*



*UN Secretary General António Guterres speaking at Stern in conversation with Tensie Whelan*

# Build CSB Awareness & Engagement



The CSB strives to increase awareness and engagement with internal and external stakeholders. Within Stern, the CSB relies on channels such as its Faculty Advisory Council to build community and partnership with faculty. The CSB launched a research grant program to help support faculty research on topics pertaining to sustainability. The CSB actively supports several student groups on campus and is working to partner with more student clubs to help integrate sustainability programming into the entire slate of events and activities on campus.

Within NYU, Tensie Whelan serves on the NYU Provost Sustainability Working Group and the CSB hired a team of interns to help map courses across NYU focused on sustainability. We are deepening relationships with the NYU Office of Sustainability, as well as with other programs and departments such as Environmental studies and the Leslie eLab.

Externally, the CSB staff continues to promote thought leadership through a variety of channels including publications, webinars, conferences and in print media.

---

## 25+

CSB Staff participated in over 25 external speaking engagements providing insights and commentary on our work.

## 20+

CSB was featured in over 20 media publications and stories throughout 2017.

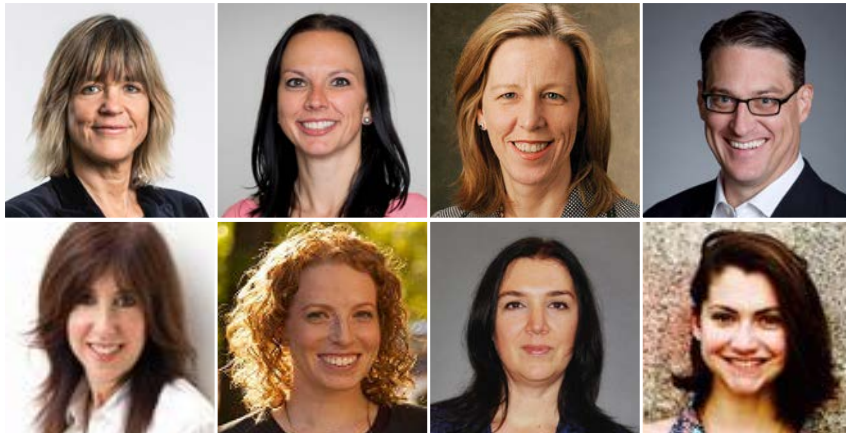


*Con Edison CEO, John McAvoy, MBA '87 speaking to a packed room*

# Develop Organizational Capacity of CSB



In 2017, the CSB added two new full-time team members. Kevin Eckerle joined as Director of Corporate Engagement and Research, and Tracy Van Holt joined as Director Academic Research. The CSB also added members to its Advisory Board, Paula Loop of PwC and Alzbeta Klein of IFC, and added more members to its Advisors network. The CSB is thankful and grateful to these advisory bodies who help to shape and support our work.



The CSB is additionally grateful to our network of funders who have helped to continue to support and fuel our mission. For a full list of 2017 donors, please see p.17.

---

## CSB STAFF

*(photos left to right, top to bottom)*

**Tensie Whelan**  
*Director*

**Esther DeVito**  
*Associate Director of  
Development for Business  
and Society Program*

**Elyse Douglas**  
*Senior Research Scholar*

**Kevin Eckerle**  
*Director of Corporate Research  
and Engagement*

**Randi Kronthal-Sacco**  
*Senior Research Scholar*

**Sophie Rifkin**  
*Senior Associate Director*

**Tracy Van Holt**  
*Director of Academic Research*

**Holly Williamson**  
*Administrative Aide*



---

## ADVISORY BOARD MEMBERS



**Raphael Bemporad**  
*Founding partner, BBMG*



**Alzbeta Klein**  
*Director and Global Head of Climate Business, IFC*



**David Chubak**  
*Global Head of Productivity, Citi*



**Paula Loop**  
*Leader of Governance Insights Center, PwC*



**Guillaume Le Cunff**  
*President, Nespresso USA*



**John D. Williams (Chair)**  
*President and Chief Executive Officer, Domtar*

---

## ADVISORS



**Lee Ballin**  
*Head of Sustainable Business Programs, Bloomberg*



**Ozgem Orenktekin**  
*Founder and President, KO2 Consulting*



**John Cusack,**  
*Founder and President, Gifford Park Associates (GPA)*



**Kyung-Ah Park**  
*Managing Director and the Head of Environmental Markets, Goldman Sachs*



**Jorge Fontanez,**  
*Founder, Marca Studio*



**Lawrence Pratt**  
*Senior Lecturer, INCAE Business School in Alajuela, Costa Rica*



**Jonathan Halperin**  
*Founder and President, Designing Sustainability*



**Zac Russell**  
*Founder, Russallo*

## ADVISORS *Continued*



**Markus Kalina**  
*Managing Director, Atalo Capital*



**Tommy Stadlen**  
*Technology Entrepreneur*



**Thomas Kamei**  
*Investor, Morgan Stanley  
Investment Management*



**Beth Steinberg**  
*Managing Director,  
Wesley Capital*



**Graham Macmillan**  
*Senior Program Officer for Impact  
Investing, Ford Foundation*



**Jim Tolisano**  
*Adjunct Professor of  
Environmental and  
Interdisciplinary Studies,  
New York University*

---

## FACULTY ADVISORY COUNCIL



**Luis Cabral**  
*Professor, NYU Stern  
School of Business*



**Anjolein Schmeits**  
*Clinical Professor of Finance,  
NYU Stern School of Business*



**Minah Jung**  
*Assistant Professor of Marketing,  
NYU Stern School of Business*



**Alex Tuzhilin**  
*Professor of Information Systems  
and the Leonard N. Stern Professor  
of Business, NYU Stern School of  
Business*



**Rob Salomon**  
*Associate Professor of International  
Management and Faculty Scholar,  
NYU Stern School of Business*



**Paul Zarowin**  
*Professor of Accounting,  
NYU Stern School of Business*

---

## SENIOR RESEARCH SCHOLARS

**Alessandro Carlucci**

Chairman of Business for Social Responsibility (BSR),  
Chairman of Arrezo & Co., and Executive in  
Residence at Columbia University

**Elyse Douglas**

Member of the Board of Directors, Assurant, Inc.

**Marianna Koval**

Nonprofit and Government  
Leader and Consultant

**Randi Kronthal-Sacco**

Former Chief Marketing Officer, Rodan + Fields®

**Tom Manning**

Principal, Harbor Road

**Chet Van Wert**

Sustainable Business Partners

**Rodrigo Zeidan**

Associate Professor of Practice of Business and  
Finance, New York University Shanghai; Visiting  
Professor at Fundação Dom Cabral and Copenhagen  
Business School; Associate Editor of the Journal of  
Sustainable Finance & Investment



*Speakers from the Crafting Tomorrow's Luxury panel*

# ACKNOWLEDGMENTS

The Center for Sustainable Business is proud to recognize those who support our work. In the true spirit of a business school, we at the CSB are responsible for funding our own work and making sure we are sustainable. A special thank you to the Citi Foundation for awarding the Center a leadership gift that helped pave the way for our successes outlined in this report. With support from Citi, as well as other groundbreaking supporters, such as Richmond Mayo-Smith III, the Center has positioned sustainability as a part of Stern's core as a leading business school.

## **\$100,000+**

Citi Foundation  
Ford Foundation  
Inherent Foundation  
Investindustrial

## **\$50,000+**

Domtar  
Diana McCargo and Peter Swift

## **\$20,000+**

IRRCi  
The Nature Conservancy  
Richmond Mayo-Smith III, MBA '86  
PwC

## **\$10,000+**

ConEdison  
Rabobank  
The Council of Fashion Designers  
of America, Inc. (CFDA) Foundation  
Jerome Dodson

## **\$5,000+**

Joan Rall

## **\$1,000+**

Elyse and Parker Douglas, MBA '83 & MBA '78  
Thomas Kamei  
Peter Klebanow, MBA '87  
Randi Kronthal-Sacco, MBA '83

*Contributions received January-December, 2017*



*Chipotle CEO Steve Ells in conversation with Tensie Whelan*

**Center for Sustainable Business**  
NYU Stern School of Business  
44 West Fourth Street, Suite 8-190  
New York, New York 10012

 @NYUSternCSB  
[www.stern.nyu.edu/sustainability](http://www.stern.nyu.edu/sustainability)