

2020 - 2021 ANNUAL REPORT



A letter from Our Director



In hopefully our only "pandemic year" of operation in our history, I am very proud to say the Center for the Business of Sustainability thrived. We engaged more companies, more faculty, more students, and more alumni than ever before in the pursuit of a renewed vision of business as a platform for positive social and environmental change.

We are fortunate to operate in a college and university that champions sustainability, diversity, and ethical leadership. And we are grateful to our many donors and sponsors without whom we couldn't be transforming business for good.

I hope you **enjoy our 2021 Annual Report** and I encourage you to share it with your network, let us know what you think, and reach out to partner with us as we accelerate the integration of sustainability in business.

Finally, I was recently appointed by University President Eric Barron to a task force focused on revisiting Penn State's greenhouse gas emissions target of 80% below 1990 levels by 2050. It's a pleasure to represent Smeal and I will keep you posted! Our charge is to have a plan for major emissions reductions to him by December.

Erik Foley Director

P.S. Speaking of climate change, I encourage you to learn about the impressive work Penn State has already done—including the largest solar project in PA. https://sustainability.psu.edu/campus-efforts/operations/renewable-energy/

Center Vision

Sustainability is integral to all business practice and education

Mission

To accelerate the integration of sustainability in business through

- inspiring and educating future leaders
- advancing and disseminating research and best practice
- engaging and equipping businesses

Values



Sustainability is built on fundamentals

sustainable
business
strategies and
practices must
be built on
strong business
fundamentals
applied in a
fundamentally
different way



Sustainability is achieved through diversity

diversity greatly enhances an organization's ability to understand and manage their sustainability risks and opportunities



Sustainability must be in the ingredients, not just the icing

sustainability is most effective when built in from the beginning not just as the "icing" applied at the end



Sustainability is about results not just methods

we focus on business outcomes and social impact, not on trendy means and methods



Sustainability is a team sport

enduring
solutions are
inherently crossfunctional,
crossdisciplinary and
require multistakeholder
approaches



Great education and research requires an inclusive and nonpartisan environment

The center serves as a neutral convener of thought and advanced practices.

2030 Goals

3/30

3 social ventures launched and established; 30 supported and increasing social impact

30

impact research
projects
advancing
practice, policies
and scholarship

300

company
partners
integrating
sustainability
into culture,
operations, and
products

300

student-industry
sustainability
projects
completed and
providing
business and
social impact

300,000

business
students per
year in the U.S.
participating in
business
education for
sustainability

Table of Contents







Educational Programs



Student and Alumni Engagement



Industry Engagement



Social Enterprise



Center Operations



Feature Story: Gatto Global Social Impact Fund at Smeal

Penn State Smeal College of Business alumnus Lou Gatto, and his wife Kathy Gatto, have committed \$1.1 million dollars to create the Gatto Global Social Impact Fund as part of their estate plan. The fund will provide financing, resources, and mentorship for socially minded student entrepreneurs. This is thanks to the excellent work of Smeal Development and Alumni Relations.



Source: Penn State Today

IMPACT RESEARCH

This past year, our researchers made clear that our contribution to sustainability knowledge is a substantial and durable component of the Center as our society faced the challenges of the pandemic as well as political and social unrest.

Our faculty affiliates successfully carried out six virtual seminars featuring representatives from Management, Marketing, Supply Chain and Finance departments in Smeal as well as outside faculty from Penn State's College of Labor and Employment Relations and Spain's IESE Business School. Project funding in 2020-21 continued progress and our commitment to support cutting edge sustainability work.

-Dan Cahoy, Research Director



2021 Research Projects

The Center awarded
\$20,160 in support of
three research proposals

"Walking the talk: The effects of CEO Political Ideology, CSR Actions, and CSR Rhetoric on Firm Performance"

Tessa Recendes, Assistant Professor of Management and Organization



"Estimating and Increasing the Demand for a Corporate Ridesharing Initiative in Brazil"

Aydin Alptekinoglu, Associate Professor of Supply Chain Management, Sergey Naumov, Assistant Professor of Supply Chain Management



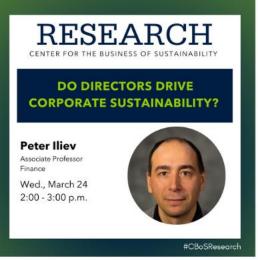
Muhan Zhang, PhD Student, Mark DesJardine, Assistant Professor of Management Forrest Briscoe, Professor of Management













Research Seminars

The Center's
Sustainability
Research Series
showcased
Smeal research
faculty with
active research
projects in the
business of
sustainability.















Record



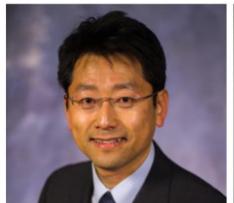






Faculty Affiliates

The Center Faculty Affiliate program allows faculty in Smeal and across Penn State to formally associate with the center, forming a community of scholars focused on how business and markets can work for social justice and environmental conservation.



Jiro YoshidaAssociate Professor of
Business



Veronica H. Villena
Assistant Professor of
Supply Chain & Information
Systems



Karen P. WinterichProfessor, Gerald I. Susman
Professor in Sustainability



Suresh Muthulingam Associate Professor of Supply Chain Management

Faculty Affiliates



Charlene Zietsma
Associate Professor, John
and Becky Surma Dean's
Research Fellow



Suvrat DhanorkarAssistant Professor of
Supply Chain Management



Evelyn A. ThomchickAssociate Professor of
Supply Chain Management



Yue Zhang
Assistant Professor of
Supply Chain Management



Mark DesJardine
Assistant Professor of
Management



Peter G. IlievAssociate Professor of Finance



Terry P. Harrison
Professor, Earl P. Strong
Executive Education
Professor in Business



Meg G. Meloy
Professor of Marketing,
Calvin E. and Pamala T.
Zimmerman Fellow



Lisa BoltonProfessor of Marketing,
Frank and Mary Jean Smeal
Research Fellow



Justin GoldstonAssistant Teaching Professor, Project and Supply Chain Management,
Penn State Wilkes-Barre

Minnesota Paradox and Corporate Social Responsibility in the Twin Cities

In the wake of the killing of George Floyd in Minneapolis, we began a research project examining the relationship between corporate social responsibility and local issues of environmental damage and economic and racial inequality.

Minneapolis-St. Paul has a large concentration of Fortune 500 companies, is regularly cited as one of the "best places to live" (US News) and yet is one of the worst places to live for black people. This is the essence of the "Minnesota Paradox" a term coined by Dr. Samuel Myers. A team of students led by Center Director Erik Foley is exploring this paradox and its relationship with the sustainability and social responsibility programs of these large companies.



Erik Foley
Director, Center for the
Business of Sustainability



Center Scholar
Alexandria Lauser
Finance 2021
Strategy Analyst, Deloitte



Lead Research Assistant
Orlando Acevedo, MBA 2020
Program Operations Manager,
TechnoServe



Center Scholar Anabel Baez-Sanchez Marketing 2021



Center Scholar
Justin (Jouhoon) Song
SCIS 2021
Materials Mgt Analyst
Honeywell Aerospace USA



Center Scholar Skylar Hoover CIENT 2021 Schreyer Honors College

EDUCATIONAL PROGRAMS

Undergraduate Enrollments in Sustainability-Focused Courses

BA342 is required for all undergraduates and provides an overview of ethics, diversity and sustainability for all Smeal undergraduates. BA441 and MKTG442 are an elective two-course sequence for students in any major who want to go deeper into sustainability. The numbers below reflect total enrollments since these courses began in 2012.

BA 342 Socially Responsible, Sustainable & Ethical Business Practices

15,472

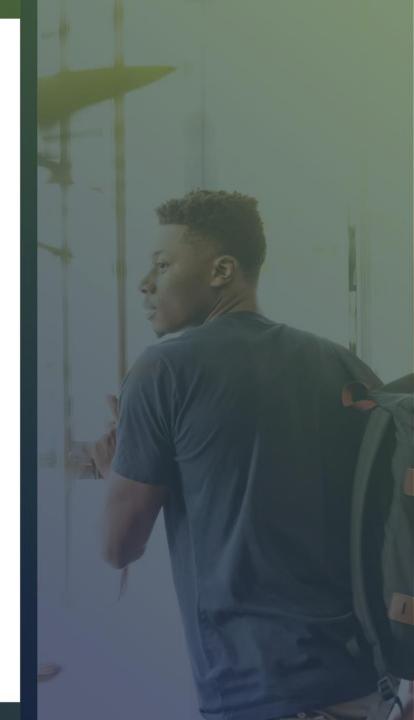
Sustainability Two-Piece

BA 441 Strategies for Enterprise Sustainability

360

MKTG 442 Sustainable Behavior of Consumers, Firms, and Societies

463



Other Sustainability Courses: Beyond the Two-Piece in Sustainability

Sustainability is how business responds to global social and environmental challenges from food security to human rights to climate change. This year 120 students enrolled in Dr. Maurie Kelly's IB497: International Business and Sustainability



Supply chain management today is a cornerstone of sustainability. For most companies, the supply chain is where managers find the majority of social and environmental impact. This year 20 students enrolled in Dr. Daniel Guide's new seminar-style SCM 497: Sustainable Supply Chains



IB497: International Business and Sustainability

120

SCM 497: Sustainable Supply Chains

20

Business Sustainability Strategy Graduate Certificate

These two courses are the cornerstone of Smeal's graduate sustainability curriculum. MGMT 811 and SCM 813 are the required courses for all graduate students pursuing a deeper understanding into sustainability. This program has experienced 532% increased demand since launching in 2019-20.

Enrollment Increase 2019/2020 - 2020/2021

532%

Enrollment in BSS classes to date

164

Learn More





Penn State Executive Programs Building a Sustainable Supply Chain Short Course

Overview

The Center partners with Penn State Executive Programs to offer Building a Sustainable Supply Chain, a 3-day short-course for sourcing managers, supply chain professionals and this year for Veterans Administration.

Enrollments 2020-21

161

Instructors



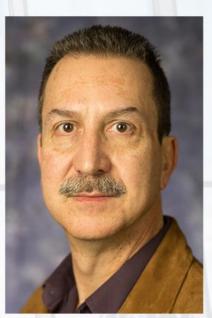
Lori A. Francis
Associate Professor of
Biobehavioral Health
and Center for Family
Research in Diverse
Contexts



Instructor of
Management, Director
of Center for the
Business of
Sustainability



Mark Anner
Professor, Labor and
Employment Relations
Center Director, Center
for Global Workers'
Rights



Professor, Smeal Chaired Professor of Operations & Supply Chain Management

STUDENT & ALUMNI ENGAGEMENT

New Educational Platform Shows How Each Major Contributes to Sustainability

A product of three years of Smeal faculty and student work overseen by Suzanne Wright, Associate Teaching Professor of Accounting, the **Major Sustainability** site was launched to the Penn State community on Earth Day 2021 (April 22)

Organized by business major, the site provides sustainability-focused core concepts, career advice, and connections to courses.

We are piloting this website within the Penn State community for the next year in order to launch publicly in 2022.



Check out Major Sustainability: a new, comprehensive website for business students and educators to learn how each business major can contribute to a sustainable world.



Undergraduate Case Competition

The first annual Smeal sustainability case competition was a success with **80 students competing from four Penn State campuses**.

This year's competition required students to work at the intersection of clean energy, climate change and economic development, focusing on how businesses can implement community solar while providing economic benefits to low-income communities.

The finalists presented to an influential panel of judges:

- Charles H. Whiteman, Smeal's Dean
- Sarah Thorndike Penn State's Treasurer/Vice President of Finance & Business,
- Margo DelliCarpini, Chancellor of Penn State Abington
- Jamie Campbell, Smeal's Assistant Dean of Diversity Enhancement,
- Leslie Elder, Mid-Atlantic Director of the Coalition for Community Solar Access (CCSA)

In addition to cash prizes, finalists were invited to apply for paid internships with Summit Ridge Energy, a CCSA partner, share their presentations with alumni during Impact Smeal Day, and present a case for community solar to PA state legislators.



Smeal Sustainability Alumni Network

The Smeal Sustainability Alumni Network (SSAN) offered monthly Zoom sessions and grew membership from 77 to 127 alumni.

Join Today



Network Leadership



Danielle Yzaguirre
President
Smeal, SCIS 2017



Evan GorskiVice President
Smeal, Finance 2018

MBA Case Competition

36 MBA students participated in a case competition assessing how advanced technologies can help to determine the credibility of carbon offsets as a way to legitimately reducing a company's greenhouse gas emissions.

IBM technologies considered by student teams:

Blockchain
Natural Language Processing
Machine Learning/Al



The winning first-year MBA student team John Weber, Bob (Chun-Po) Lee, Marc Luckey Helms II, and Ibrahim Olusegun Arala.

Student Sustainable Business Conference

Connecting students and business leaders through a student-run conference featuring workshops, keynote speakers, and career networking.

2021 Theme Resiliency

the ability of a system to prepare for threats, absorb impacts, recover and adapt following persistent stress or a disruptive event



KEYNOTE SPEAKER(4:15-5:15):

Listen to this year's Keynote Speaker, Nick Unis, share his experiences with sustainability!



Nick Unis is the founder and CEO of Unis Brands, a shoe company that allows customers to create custom 3D-printed footwear. Unis started his company when he saw an opportunity to improve customer's retail experience by making the process more personalized and efficient. All Unis Brands shoes are made of 100% recycled material.

Engagement Events

Stakeholder events provide great learning opportunities for students and alumni connect with the Center and improve community engagement.

Stakeholders Reached



Tuesday, March 2nd, 2021

Time: 5:30 - 8:00pm EST Location: Zoom

Attend a variety of panels to hear from lead experts and Fortune 500 companies in fields concerning:

- Sustainability
- · Technology & Innovation
- Honor and Integrity · Data, Privacy & Technology
- Diversity and Inclusion · Building on Accepting Culture · Women in the Workplace





http://bit.ly/ImpactSmealDay2020

Looking Through the Business Lens: The Intersection of Sustainability, COVID-19, and Social Justice

11:30 a.m. - 12:30 p.m

This important discussion will feature Smeal's Director of Sustainability, Erik Foley, Smeal's Director of Alumni Career Services Keleigh Asbury, Smeal's Assistant Dean for Diversity Enhancement, Jamie Campbell, Smeal alumnus and International Development Specialist Orlando Acevedo ('20 M.B.A.), and Penn State

alumna and founder at Rebuildtheblock Corp. Alexis Akarolo ('19 Abington).



Alumni Relations





Moving toward a Circular Economy: The Critical Role of Retailing

LIVE on November 11, 2020 @ 12:00 PM ET



Hosted by Smeal Alumni Career Services



Center Sponsors

Companies become sponsors of the Center because they support our mission, gain new insights, access talent and to learn from peers and industry leaders. Here are the student projects with sponsors from this year...



IBM Sustainability Ratings Assessment

Smeal Sapphire Students coordinated by David Lenze worked with Center corporate sponsor IBM to develop a set of recommendations for making sense of the quickly expanding number of sustainability-focused rating and ranking systems.



Aaron Crist Team Lead Finance Major



Dan Kirkpatrick Analyst Supply Chain Major



Matt Olon Analyst Finance Major



Steven Zou Analyst Finance Major







Perdue Farms

Engaging Front Line Employees in Sustainability

Students worked in four teams to enhance Perdue Farms' Environmental Stewardship commitment to the active support and engagement from frontline associates at all locations

Student Teams

- Associate Engagement Best Practices
- Perdue Farm Practices
- Industry Engagement Best Practices
- Risk Management Team







Emissions in the supply chain - BA 441

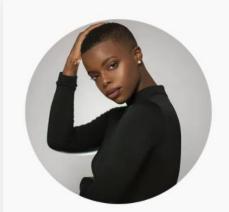
Erik Foley's BA441 class worked with Verizon to help them execute on the science-based target to reduce greenhouse gas emissions by engaging suppliers in reducing their own carbon footprint. One student team developed an Excel-based tool Verizon procurement began using to prioritize and target supplier engagement.

Circular economy tactics - Sapphire Students

A team of Smeal Sapphire students coordinated by David Lenze also worked with Verizon and focused on closed-loop strategies for various types of equipment. The team engaged with faculty research expertise in Smeal, in material science, and engineering. The team's recommendations were excellent.

SOCIAL VENTURES

Started in 2020 by Penn State business students Alexis Akarolo and Zelnneta Clark, **Rebuild the Block is a nonprofit that supports black-owned businesses**. Five student consulting teams in Erik Foley's BA 441 class helped them sharpen their marketing messaging, improve donor engagement, leverage the stories of business owners and create a data management system.



Alexis Akarolo-Co-Founder, Chief Executive Officer



Zelnnetta Clark-Co-Founder, Chief Operating Officer



Amazon Ecology

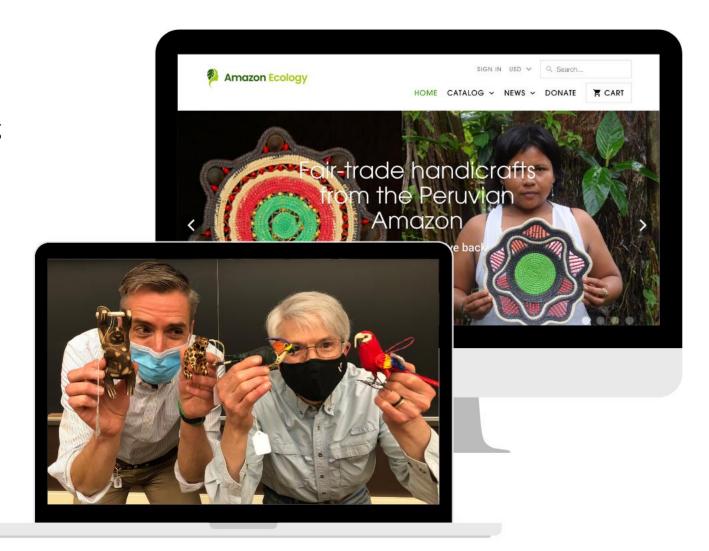
We believe that hands-on, experiential learning is critical for student success- especially when learning about sustainability. MGMT 365 students worked on a project for a unique client: Amazon Ecology (AE). AE's mission is to promote the conservation and sustainable development of communities through the marketing of handicrafts.

Through benchmarking, industry research, and client meetings, students proposed recommendations for improvements in marketing, fundraising, financial modeling, and impact reporting.

Visit Today

https://amazon-foreststore2.myshopify.com/





BUSINESS BUILDING AND CULTURE

LEED CERTIFICATION



In 2015, Smeal achieved Gold certification under the Leadership in Energy and Environmental Design (LEED) program from the US Green Building Council.

Received in 2015 Pending Renewal for 2021



Staff Sustainability Award

Jennifer Crispell, Director of Alumni Relations, was awarded the annual Staff Sustainability Award in recognition for her leadership in creating the Smeal Sustainability Alumni Network, a new alumni interest group that provides a community for impact investors, social entrepreneurs, corporate sustainability managers, and those interested in the field.



Susman Sustainability Leadership Award

Jean Oelwang (Smeal 87'), CEO & Founding President of Virgin Unite, and Smeal Board of Visitors member was awarded the Susman Sustainability Leadership Award for her work that builds collaborations, incubates ideas and re-invents systems for a better world.



Source: Virgin Unite

PEOPLE & **OPERATIONS**

Smeal Sustainability Council

RESEARCH WORKING GROUP

Dan Cahoy, Professor, Dean's Faculty Fellow in Business Law - Risk Management (Chair)

Samuel Bonsall, Associate Professor, Reeves Family Early Career Professor in Accounting

Stephen Lenkey, Assistant Professor of Finance

Jiro Yoshida, Associate Professor of Business - Risk Management

Charlene Zietsma, Associate Professor, John and Becky Surma Dean's Research Fellow Management and Organization

Suresh Muthulingam, Associate Professor of Supply Chain Management

Karen Winterich, Professor, Frank and Mary Smeal Research Fellow - Marketing

EDUCATION & ENGAGEMENT WORKING GROUP

Suzanne Wright, Associate Teaching Professor of Accounting (Chair)

Christine Novinskie Olbrich, Administrative Support Coordinator, Undergraduate Education

Kyle Kaplan, Clinical Assistant Professor of Business Law

Özge Pala, Assistant Teaching Professor of Management and Organization

Ronald Johnson, Associate Teaching Professor of Management and Organization

Maurie Kelly, Instructor of International Business, Director of Informatics, Penn State Institutes of Energy and the Environment

Ashley Rippey, Director, Business Career Center

Suvrat Dhanorkar, Assistant Professor of Supply Chain Management

Judd Michael, Nationwide Insurance Professor of Safety & Health Professor of Agricultural and Biological Engineering

Smeal Sustainability Advisory Board

Wayne Balta, Vice President of Corporate Environmental Affairs and Product Safety, IBM

Lisa Conway, Vice President of Sustainability, Americas at Interface

Andy Kaufman, Chief Investment Officer, Community Capital Management

James Gowen, Vice President of Supply Chain Operations and Chief Sustainability Officer, Verizon **Fran Lutz,** Managing Partner, True Path Advisory Group

Lori Michelin, Vice President of Manufacturing, Molson Coors

Carl Pfleger, former Vice President of Global Operations, PepsiCo (retired)

Stephan Levitsky, Chief Operating Officer / Vice President of Sustainability at Phospholutions, Inc.

Center Staff



Erik FoleyInstructor of Management,
Director



Daniel Cahoy
Professor, Dean's Faculty
Fellow in Business Law,
Research Director



Suzanne Wright

Associate Teaching Professor
of Accounting, Chair,
Education Working and
Engagement Group



Megan Nollman Program Coordinator



Tracey Mariner
Administrative Support
Assistant

Student Interns



Cece MinnickMajor Sustainability



Victoria Kipiller Major Sustainability



Riya Nandedkar Major Sustainability



Saige CestoneMajor Sustainability



Zoé Cykosky Major Sustainability



Faith Gongaware *Center Research*



Valentina MarottiSocial Entrepreneurship TA



Andrew MarshallGraduate Case Competition



Shefali Raghavan
Communications



Skylar HooverUndergraduate Case Competition



Bradlee Consevage Communications

Communications

The Center works with Smeal PR and Marketing Team to engage with internal and external partners via LinkedIn and Twitter, our blog TripleBottomLion and various email promotions.

After just our first full-year of operation...



@smealsustain

Followers 122



Center for the Business of Sustainability

Followers 289



Triple Bottom Lion blog Subscribers 296









TBL





Above photo is from one of the Black Lives Matter rallies in State College, Pennsylvania, home of Penn State's University Park campus. Sustainability is not possible without equality and diversity. This is a core value of the Center for the Business of Sustainability.

Fresh Insights, Free Delivery Never miss an update

Triple Bottom Lion is the official blog for the Center for the Business of Sustainability at the Smeal College of Business.



They Know How Sustainability Connects to Your Business Education, do you?

Meet the Team Who Created Major Sustainability a new website for business

Q. Seek and you shall find..

Recent Posts



Connects to Your...



Do you know what is your flooring? The Top 3 Things I...





Do you know what is in your flooring? The Top 3 Things I Learned from Sarah Robinson at Tarkett

Written by Caitlin Cassidy: Guest Contributor Does it matter if the flooring in your home or office is healthy for you and the planet? If...

Post playlist...by month







Flip the Switch on Energy Conservation: Power Down on March 27th from 8:30 to 9:30 p.m.

Started in 2007 by the World Wildlife Fund, EARTH HOUR is an annual onehour "lights out" event which has become an annual international...





'Father of Environmental Justice' speaking at the 2021 Colloquium on the Environment

2021 Colloquium on the Environment featuring Dr. Robert Bullard, will take place virtually on April 1st at 7:00 pm EDT. Register Here...





2021 Case Competition: Undergraduate Students Changing the World Through Business

WE ARE excited to be launching the first annual Smeal Sustainability Undergraduate Case Competition The Center for the Business of...

Center Newsletter

The center published its first newsletter featuring center highlights, faculty research, students' stories, and engagement opportunities.

Spring 2021 Newsletter
42% Open Rate
1,000+ Contacts



As a supporter of the Center for the Business of Sustainability, we are excited to share with you our first newsletter. We look forward to sharing news, events, and other important updates each semester.

SPRING 2021 NEWSLETTER



Helping Verizon Engage Suppliers in Combatting Climate Change

Verizon, a founding sponsor of the Center, came to us to help explore ways to meet their ambilitious climate goals: carbon neutrality by 2030. The focus? Engaging its suppliers in reducing their greenhouse gas emissions (GHGs). The telecom industry is responsible for 1.4% of global GHG emissions, annually generating 110 million tons of carbon dioxide. For comparison, the aviation industry is responsible for 2%. Along with over 650 other companies, Verizon is part of the Science-Based Target Initiative (SBTI). SBTI-participating firms have set targets aligned with the Paris Climate Agreement. Students in Business Administration 441: Strategies for Enterprise Sustainability, taught by Erik Foley, worked in six teams to make recommendations for effective supplier engagement for GHG reduction. One team developed an Excel-based model Verizon procurement is currently using to rank and select suppliers to

Gifts and Sponsorships Received 2020-21

Annual giving

\$10,385

 Contributions from endowment funds* totaled

\$96,500

- Susman Leadership Award
- Gerald I. Susman Professorship in Sustainability
- Davidow Excellence in Sustainability Fund
- Susan Cepicka Dietrich and William E. Dietrich III Fund for Leadership in the Business of Sustainability
- · Gordon Family Sustainability Excellence Fund

Funds from sponsors

\$55,000

\$161,885

*total commitments to the Center: \$1.6 million
These include endowed funds, estate gifts and multi-year giving whose giving we only counted as income the fiscal year it is received. We are grateful for this long-term support and investment in our future.

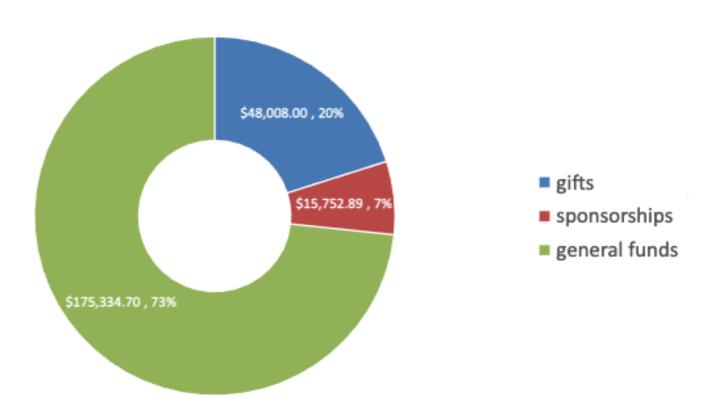


Largest commitment to date!

Lou and Kathy Gatto (pictured) have committed \$1.1 million dollars to create the Gatto Global Social Impact Fund as part of their estate plan.

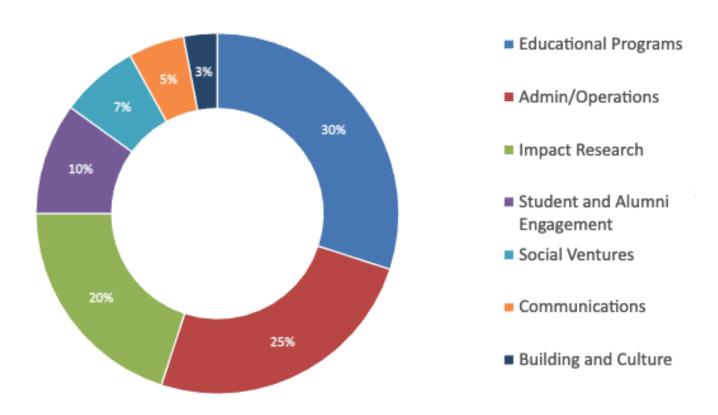
Financial Update

Operating Expenses by Source of Funds 2020-21



Financial Update

Operating Expenses by Area of Work 2020-21

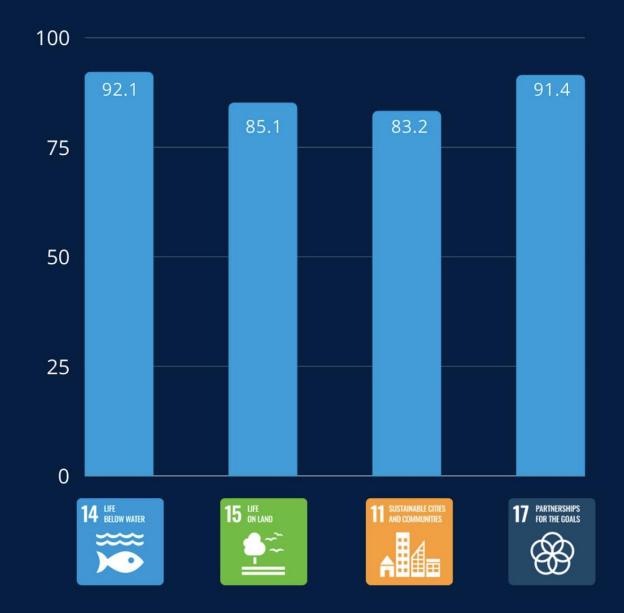


Penn State Ranked Among World's Leading Universities

TIMES HIGHER EDUCATION (THE) IMPACT RANKINGS

 $32^{\it nd}$ in the world

Out of 1,115 international institutions, PSU ranks 4th in the country and 32nd in the world in THE's broad multidimensional assessment of our research, community outreach and education, and campus operations through the lens of the United Nations Sustainable Development Goals.









SUSTAINABILITY TRACKING, ASSESSMENT & RATING SYSTEM (STARS) USING DATA FROM 2017-2020

STARS, a program of The Association for the Advancement of Sustainability in Higher Education (AASHE), is a transparent, self-reporting framework for colleges and universities to measure their sustainability performance. The 360 Assessment addresses 69 key topics.

among Big Ten

74.49 total score



Thank you for supporting and partnering with us this year!

We couldn't do it without you.

