



Sustainability | Leadership | Innovation



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# Harvard Business School: Integrating sustainability throughout the curriculum

Finalist: Driving change through education, training and academia award

## What

At Harvard Business School (HBS), the Business and Environment Initiative (BEI) and the Social Enterprise Initiative (SEI) bring environmental and social factors into finance and business education.

These initiatives have built networks and communities of practice that raise the profile of sustainability and uphold it as a core business issue. The cross-disciplinary communities of practice attract faculty who are working on topics related to environmental sustainability and social change. This increases innovative research, which is then both published and embedded into courses.

Focus areas of BEI and SEI are included in elective courses but are also integrated into the core curriculum. Students will learn about ecosecurities and carbon finance, and also study social and environmental aspects of traditional finance topics such as investment return, valuation and financial planning. This approach is applied to both HBS's executive education and MBA courses.

HBS uses the case study method, taking cutting-edge practice and real-world innovations, and bringing them directly into research and teaching. Research by HBS faculty is published through Harvard Business Publishing (among other outlets), reaching a global audience. BEI and SEI case studies are used in academic institutions around the world, influencing teaching and practice far beyond the HBS campus.

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**'The introduction of sustainability into core business school syllabuses, and the role the school plays in originating data, builds legitimacy in the academic sphere on issues such as climate change.'**

Finance for the Future Awards judges

## Why

HBS's mission is to educate leaders who make a difference in the world. Its general management approach is designed to help students understand all elements of business so that they can create positive change. For HBS, this offers an advantage in an increasingly specialised academic world: alumni will be better equipped to address issues such as climate change, which needs large-scale systemic solutions.

By forming cross-disciplinary initiatives, HBS aims to create an organising model that focuses the school's resources on societal challenges too complex for any one discipline or industry to solve alone. The work of BEI and SEI drives research and teaching that explores how society, the environment and business interact. Fully integrating sustainability into its work enables HBS to gain more insight and have a greater impact than it could by treating sustainability and business as separate issues.

With this approach, HBS intends to equip future financial leaders with the tools to tackle the challenges and opportunities presented by a changing world.



'You can imagine issues around water stress, climate change or many of those issues: what you need is large-scale systemic solutions and ... people that understand all facets of the business ... So we think that framing people to see large issues like climate change from a general management approach is the advantage we bring. Our alumni ... will be uniquely equipped to address such systemic challenges.'

**George Serafeim,**

Professor of Business Administration, Accounting and Management Unit

# How

Through the BEI and SEI initiatives, HBS has integrated sustainability into finance and business education in the following ways:

- > Communities of practice bring together faculty across academic disciplines. This has helped to drive more research on sustainability and business, in areas such as impact investing, corporate sustainability and microfinance.
- > BEI and SEI make connections and build networks with students, alumni and the broader finance community. This includes the Impact Capital Managers network, a group of investors committed to creating positive change. HBS works closely with this group, which first met on the HBS campus.
- > Sustainability is embedded into the core curriculum. The finance course includes case studies on ecosecurities and carbon finance. Environmental issues are also integrated into course materials on basic finance concepts, so that students understand that they can use these finance concepts to support sustainability.
- > HBS offers a number of elective courses on business and finance that also integrate sustainability. To attract students to these subjects, they are designed to give students useful tools for their professional lives.
- > For HBS, industry is at the forefront of sustainable finance, and the school has developed projects to learn from industry and spread best practice. The Social Impact Collaboratory project examines current practices and uses that understanding to develop and provide research-driven tools and frameworks to impact investors and other academics.
- > Research conducted by BEI and SEI addresses issues that finance professionals face, such as limited data on the benefits of sustainable business and non-intuitive or incomparable measures. The school has created new methodologies and datasets, used emerging datasets and have also combined sustainability data with 'big data' from machine learning approaches to drive incorporation of sustainability information into financial statements and managerial decision making.
- > Many classes bring business leaders into the classroom to talk about current practice, giving students the chance to see how sustainable finance has been applied in organisations. By learning from business leaders, HBS has been able to develop frameworks that combine the best of practitioner experience and academic knowledge.
- > HBS invests in producing and publishing case studies and other teaching materials. Universities around the world use these resources in their own courses. This increases HBS's reach and gives it a broad role in promoting and shaping sustainable finance education.

[www.hbs.edu/environment/Pages/default.aspx](http://www.hbs.edu/environment/Pages/default.aspx)

[www.hbs.edu/socialenterprise/Pages/default.aspx](http://www.hbs.edu/socialenterprise/Pages/default.aspx)

[www.hbs.edu/impact-weighted-accounts/Pages/default.aspx](http://www.hbs.edu/impact-weighted-accounts/Pages/default.aspx)



## DISCLAIMER

This case study presents **Harvard Business School** entry for the Finance for the Future Awards 2019. The case study only includes information that was part of the organisation's 2019 entry. Some of this information may now be out of date. For a current view of the organisation's work, please visit their website at the links given above.



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