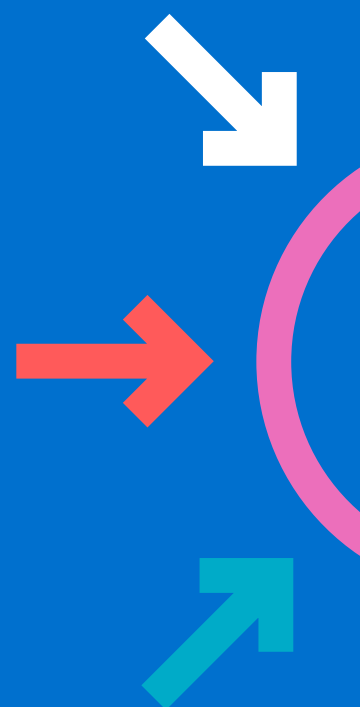


Sustainable Development,
Corporate Social
Responsibility, and Ethics

Action Plan





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Uniting our actions, partnerships,
collaborations, and resources

under one ecosystem

Institutions of higher learning are on a path toward sustainable development (SD) and are incorporating continuous improvement to sustainability into all university activities.

Since adopting its sustainable development policy in 2013, HEC Montréal has taken many steps to enrich students' experiences, encourage research, and promote SD initiatives.

In 2018, HEC Montréal adopted its first SD plan. The aim of the plan was to reposition the School by fixing gaps and lags in certain areas while bolstering performance in areas where it excels.

The School defined the 15 targets of its 2018-2020 action plan using existing reference systems, such as the STARS^{MD} certification programs and EQUIS, AACSB and AMBA accreditation requirements. Implementing this plan enabled the School to secure those accreditations, and earn a STARS^{MD} Gold Rating, develop an equity, diversity, and inclusion (EDI) policy and guidelines, and strengthen cooperative efforts with Université de Montréal and Polytechnique Montréal on matters of SD.

In 2020, at the outset of the COVID-19 crisis, HEC Montréal released its 2020-2023 strategic plan and its new mission:

Building on our excellence in teaching and research, HEC Montréal is a French-language institution that is open to the world and solidly rooted in Quebec society, that trains management leaders who make a responsible contribution to the success of organizations and to the sustainable development of society at large.

One of the plan's eight priorities and three of its 22 objectives were as follows:

Promote and emphasize
corporate social responsibility,
sustainable development,
and ethics in everything
we do.

- Ensure that our students develop the knowledge and skills they need to become responsible leaders.
- Expand knowledge and transfer activities in the areas of SD-CSR-Ethics.
- Develop exemplary practices in the realms of SD-CSR-Ethics throughout our organization.

In response to this priority and the above objectives, the School created a strategic initiative to “establish itself as a major hub for research, transfer, and academics in sustainable development and business ethics.”

A team led by Professor Luciano Barin Cruz, Professor and Director Sustainability Transition at HEC Montréal, was formed to launch the initiative. The team consulted with:

- 50 internal and external actors in these fields
- 19 representatives from Quebec-based and international research centres and groups
- 12 representatives from Quebec-based SD-CSR-Ethics organizations
- 15 HEC Montréal faculty members.

The action plan is the result of this process. It provides a simple, concrete, and ambitious definition of the streams, objectives, actions, and indicators through which HEC Montréal can achieve its strategic plan and embody its new mission.



Definitions

In Quebec, **sustainable development** (SD) is defined as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. [It] is based on a long-term approach which takes into account the inextricable nature of the environmental, social and economic dimensions of development activities." (environnement.gouv.qc.ca/developpement/definition_en).

Corporate social responsibility (CSR) means the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:

- contributes to SD, including health and the welfare of society
- takes into account the expectations of stakeholders
- is in compliance with applicable law and consistent with international norms of behaviour
- is integrated throughout the organization and practised in its relationships (ISO 26000¹).

Organizational ethics are "a critical assessment of our choices, decisions, and behaviour, and aim for the common good. It is a field of management that oversees analysis and development of the practices, programs and structures, rewards, and leadership needed to foster ethical, responsible conduct among staff and managers within organizations, and to foster ethical and responsible relationships with organizational stakeholders."²

The **United Nations' Sustainable Development Goals (SDG)** are the blueprint to achieve a better and more sustainable future for all. They address the challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice.

The goals are interconnected and, to ensure no one is left behind, we must achieve each one of them and meet each target by 2030 (<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>). For HEC Montréal, the SDG are a framework for linking teaching, research, and actions to a global sustainable development process.

The Times Higher Education Impact Rankings (THE Impact Rankings) are global performance tables that assess universities against the United Nations' SDGs. Scores are based on scientific publications, level of engagement, and the achievements of each participating institution.

The rankings allow us to compare our level of commitment to the SDGs against that of our peers, identify our strengths and target areas for improvement. HEC Montréal is ranked jointly with Université de Montréal and Polytechnique Montréal.



¹<https://www.iso.org/obp/ui/fr/#iso:std:iso:26000:ed-1:vi:en>

²Translation of an excerpt from MARTINEAU, J. T., T. Pauchant et M. Tremblay (2017). "La gestion de l'éthique dans les organisations québécoises : déploiement, portrait actuel et pistes de développement souhaitables", *Éthique publique*, vol. 19, no 1.

The **STARS^{MD}** (Sustainability Tracking, Assessment and Rating System) is a framework developed by the Association for the Advancement of Sustainability in Higher Education (AASHE) for defining the best practices in SD to implement at higher education institutions. It recognizes efforts made toward sustainability.

It also incorporates certifications specific to certain fields of activity and grades participating universities so they can compare their progress in SD.



The Association to Advance Collegiate Schools of Business (AACSB) aims to foster engagement, accelerate innovation, and amplify the impact of business Schools. The AACSB issues a world-renowned accreditation to universities, such as HEC Montréal.

In the process conditions, the AACSB requires institutions to make sustained efforts toward cultural inclusion and diversity among students and staff, and to clearly demonstrate how they are engaging with current and emerging CSR issues.



EQUIS (European Quality Improvement System) accreditation, which is issued by the European Federation of Management Development (EFMD), recognizes excellence in business Schools based on ten criteria. One such criterion is ethics, corporate responsibility, and sustainability.

This criterion requires Schools to incorporate sustainability concepts into their strategy, teaching and research activities, governance, and community involvement, and to produce a report every five years detailing their SD activities.



Changemaker Campus is an Ashoka designation that recognizes colleges and universities with a proven track record of campus-wide excellence for social innovation and changemaking across academia and the institution itself. The designation process is rigorous and brings together a community of international students, and professionals and partners in education, united in their commitment to social transformation.



Scope of the action plan

The action plan involves everyone in the HEC Montréal community. It is a framework through which to reach strategic planning goals, maintain continuous improvement, and engage in actions that are desirable, viable, and feasible.

Many deliverables are not mandatory, however, achieving them will enable HEC Montréal to honour its strategic commitments. The action plan states the key resources and actions needed to create the conditions to meet those commitments. The deliverables must be understood with respect for academic freedom.

The action plan was developed by the Office of the Director, the Research and Knowledge Transfer Office, and the Secretary General. An advisory committee of experts from HEC Montréal and external specialists will follow up on and suggest updates to the document.

The action plan and updates thereof are approved by the Academic Council (on matters of research and teaching) or by the Office of the Director (all aspects). The Sustainable Transition Office (STO) applies the plan with support from the expert committee. The STO also coordinates its implementation and ensures that updates are published in HEC Montréal's SD annual report.

Scope of application

The SD Action Plan applies to all levels of activity at HEC Montréal and within its university community.

HEC Montréal's university community

The university community is made up of people and organizations, near and far, who contribute to the School's mission. The action plan includes the Board of Directors, staff, faculty, the student body, alumni, external businesses and organizations, and people with political decision-making power within different levels of government.

Activities conducted by HEC Montréal and its university community

The following are considered activities conducted by HEC Montréal and its university community: teaching, research, training, transfer, and institution and staff management, as well as student, staff, and faculty activities.

Guiding principles

The action plan is based on these guiding principles:

Execute the 2020-2023 strategic plan

The projects, objectives, deliverables, and indicators were designed to achieve the objectives of HEC Montréal's strategic plan and establish a solid foundation on which the School could continue to evolve to fulfil its mission.



Address the five issues and needs identified during consultations

Consultations with the HEC Montréal community revealed five major issues: working in silos, lack of resources, faculty expertise, research structures, and the School's positioning. These issues come with specific needs that the action plan is intended to meet.

Issues and emerging needs

Working in silos

- Demand for professor-researchers to cooperate on these themes
- More crossover

Lack of resources

- Grant requests (support)
- Administrative and accounting management and coordination (support, centralization)

Faculty expertise

- Insufficient areas of expertise for these fields and the number of courses/programs offered

The School's positioning

- Demand for HEC Montréal to *truly* be a leader in these fields and be aligned with its mission
- The school should embody these ambitions

Research structures

- Lack of formal structures in certain fields (organization ethics and sustainable finance)

Combine our actions, partnerships, collaborations, and resources into one united ecosystem.

HEC Montréal already enjoys a thriving ecosystem with a range of actors, hubs, researchers, and partners; however, sometimes the links between stakeholders are not widely known, so there is no coordination to create synergy within the ecosystem. Through the plan, the School will establish unifying actions to realize the full potential of its ecosystem.

Accelerate the transformation of HEC Montréal and society.

Through the process leading to the creation of the action plan, we also made recommendations for capitalizing on the School's strengths and existing resources so as to positively impact HEC Montréal's contribution and recognition as an influential player in matters of SD-CSR-Ethics.

The proposed actions are based on a participative approach that is aimed at building capacities internally and helps to engage key diverse audiences in achieving the desired results. The logic model on the next page outlines the plan objectives, actions, and indicators, i.e., the outcomes chain for 2022-2025.

Follow a theory of change³ that is consistent with needs and the desired results.

The structure of the action plan is based on a theory of change logic model to ensure consistency between the needs identified through the consultation process and the established streams and expected results thereof. The model will enable us to report on the strategic results (outcomes) of all our actions for under the four streams for all key audiences.

These outcomes will be measured through reliable indicators (output) created through operational objectives and deliverables and will likely be shared and recognized through various accreditation and certification processes.

The content of the action plan is based on a theory of change divided into three main components:

- The assessment is linked to the entire process leading up to the design of the action plan. It determines the main need, the key audiences, and the entry points for the various proposed actions. In summary, it is **the need to establish itself as a business School that is a hub for research, transfer, and teaching in SD and business ethics.**
- Taking action amounts to the four streams grouping all the actions selected following the assessment.
- The outcomes are linked to the means and indicators used to evaluate the scope and impact of the actions.

³A theory of change is "an explanation of how a group of stakeholders expects to reach a commonly understood long-term goal." This process generally facilitates impact assessment. ANDERSON, A. A. (2005). *The Community Builder's Approach to Theory of Change: A Practical Guide to Theory Development*, The Aspen Institute Roundtable on Community Change.

Logic Model

Assessment

Need



Establish HEC Montréal as a business school that is a hub for research, transfer, and teaching in SD and business ethics in the field of management

Key audience



Student body	Faculty	Administrative staff	External businesses/ organizations	Alumni	Political decision makers
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Points of entry



Courses and training	Public events	Communications	HEC Montréal Foundation	Research and transfer partnerships	Community engagement project	Public reports, certifications & accreditations
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Taking action

Priorities



Strengthen our governance	Take exemplary actions	Strengthen and support our projects	Create and transfer knowledge
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Results

Short term



Strengthen support for SD-CSR-ethics initiatives and collaboration within our ecosystem	Raise awareness within the HEC Montréal community about the importance of SD-CSR-ethics
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Medium term



Support the student body in taking action	Increase internal expertise in SD- CSR-ethics	Incorporate SD-CSR-ethics into HEC Montréal's activities
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Long term

HEC Montréal alumni contribute to the socio-ecological transition within organizations

Means of verification:



Taking action

Four operational streams to drive our actions

The action plan is a means of transformation and is based on results. For this reason, the School has established four streams that will bring about transformation in all its activities. These four streams will create the conditions to enable the School to fulfil its mission and reach its goal:

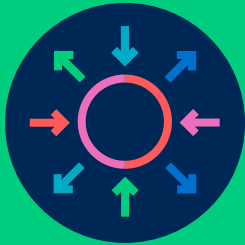
To ensure that our alumni contribute to the socio-ecological transition within organizations by drawing on their experience at HEC Montréal.

HEC Montréal will become an influential player in SD-CSR-Ethics by embedding SD-CSR-Ethics into the professional practices of its alumni, regardless of their study program or field of activity.

Each stream comes with its own set of objectives, actions, deliverables, and indicators--all provided in the tracking matrix. These streams combined are the body of the action plan. The main purpose of the tracking matrix is to ensure consistency between the tasks to complete under the action plan. It is also a sort of road map to guide those working on the action plan.



Our 4 streams



1 Strengthen our governance

Stream 1 includes the actions required to put an effective structure into place, with formal roles and resources to support the achievement of other streams and actions.

This is a strengthening stream that is based on existing structures, upon which it is intended to improve so they can take on a larger role and provide necessary support to various offices at the School.



2 Take exemplary actions

Stream 2 includes actions that will be essential to showing the entire community that the School is taking concrete actions to carry out its strategic plan. While HEC Montréal has greatly enhanced the impact of its activities in recent years, our stakeholders expect the School to continue improving its practices and be influential throughout society as a whole.

It is also important to properly communicate about the School's achievements, both internally and externally.



3 Strengthen and support our projects

HEC Montréal encourages researchers to work in cutting-edge fields while also fully upholding their academic freedom. Stream 3 is intended to meet the needs and expectations of those affected at HEC Montréal regarding the actions and the reasonable means they should be provided to create free-flowing synergy in research and remove obstacles to the emergence of new subjects.



4 Create and transfer knowledge

Stream 4 includes actions with a direct influence on teaching, research, and transfer. For new ideas to emerge, we must take concrete actions to ensure that resources are available, that we are meeting academic needs, and that we are showcasing our leadership.



Strategic outcomes

The extent to which the action plan is achieved is not assessed on the number of deliverables completed or indicators achieved, but on the School's progress toward the strategic outcomes sought in the short, medium, and long term. The four streams and their components are therefore a means of accessing the strategic outcomes of the action plan and of meeting the initial need identified.



The strategic outcomes are divided into three groups:



Short-term outcomes – The kind of School we are

The short-term outcomes represent the School we are. They ensure that our ecosystem becomes institutionalized and that our entire community understands the strategic importance of SD, CSR, and ethics.

The actions are placed into categories based on our community members' different levels of familiarity and commitment: convinced, to be convinced, and practitioners.

Strengthen support for SD-CSR-Ethics initiatives and collaboration within our ecosystem.

Recognize and grow the research and transfer ecosystem in the area of SD-CSR-Ethics to contribute to the School's reach.

Current situation	Desired outcome
Despite the breadth of activities and projects involving SD, CSR, and ethics, it has been difficult to develop synergy due to a failure to share knowledge and expertise between various parts of the ecosystem.	Have an active SD-CSR-Ethics ecosystem to facilitate sharing, collaboration, and projects that benefit society as a whole.
Key indicator	<ul style="list-style-type: none"> · The percentage of HEC Montréal research and transfer activities involving its ecosystem.
Actions	<ul style="list-style-type: none"> · Determine and highlight the actors, organizations, and activities that make up the ecosystem. · Increase the level of collaboration between HEC Montréal, Université de Montréal and Polytechnique Montréal. · Make HEC Montréal an influential hub of knowledge and research in SD-CSR-Ethics, through its activities and events organized jointly with the School's partners. · Create a learning hub in the Hélène-Desmarais building through which to build collaborative SD-CSR-Ethics initiatives and projects with the downtown community.

Raise awareness within the HEC Montréal community about the importance of SD-CSR-Ethics.

Ensure that our entire student body, staff, and faculty have access to SD-CSR-Ethics development tools and programs.

Current situation	Desired outcome
Despite offering a range of teaching and training in SD-CSR-ethics, there is no formal, coordinated strategy to ensure that our entire community has access to SD-CSR-Ethics training and awareness-raising activities.	Provide an offering of engaging SD-CSR-Ethics training courses and activities targeting every group in our community so they can all participate actively in fulfilling the School's mission.
Key indicator	<ul style="list-style-type: none"> · The percentage of our community members who have been properly trained and involved in activities pertaining to key topics in SD-CSR-Ethics.
Actions	<ul style="list-style-type: none"> · Conduct mobilizing projects for the community and support the different offices in their activities aimed at improving life on campus. · Improve collaboration and liaising on topics of SD-CSR-Ethics between internal actors (teachers, researchers, staff, and students) and external actors (future students, alumni, organizations, and businesses). · Create a work team to support the various offices in planning guidelines and priorities for research, teaching, and hiring to cover emerging and major topics relating to SD-CSR-Ethics. · Make training, shared resources, and activities available to faculty to incorporate notions relating to SD-CSR-Ethics into teaching activities. · Offer SD-CSR-Ethics training that is adapted for non-teaching staff.

Medium-term outcomes – The kind of School we are becoming

The medium-term outcomes represent **the kind of School we are becoming**. This involves of reporting on the changes we've made based on a set of deliverables and indicators that allow us to transform how we contribute to SD in society, whether through our actions, teaching, research, or transfer activities.

Increase internal expertise in SD-CSR-Ethics.

Make sure that our teaching, research, and transfer activities pertaining to SD-CSR-Ethics influence our student body, academia, and society as a whole.

Current situation	Desired outcome
The incorporation of SD-CSR-Ethics into teaching and research is only accounted for when it is an explicit central topic or theme.	Incorporate topics and themes relating to SD-CSR-Ethics in a way that crosscuts courses, researcher projects, and research units so these topics and themes become cornerstones rather than being part of a specialization.
Key indicators	<ul style="list-style-type: none"> · Percentage of publications, transfer activities, and scientific communications that meet one of the sustainable development goals (SDG). · Percentage of courses with learning goals, academic projects, case studies, or articles relating to SD-CSR-Ethics. · Percentage of research units that incorporate subjects relating to SD-CSR-Ethics into their areas of research.
Actions	<ul style="list-style-type: none"> · Promote, highlight, and disseminate the research and projects of professors associated with SD-CSR-Ethics. · Increase collaboration between the ecosystem and the different offices to identify academic activities (research and teaching) relating to SD-CSR-Ethics. · Actively raise the School's profile by incorporating matters of SD-CSR-Ethics into internal and public activities. · Support researchers to showcase their projects relating to SD-CSR-Ethics and offer them technical and logistical assistance.

Incorporate SD-CSR-Ethics into the core of HEC Montréal activities.

Ensure that our activities meet the highest recognized standards and set the example for responsible practices.

Current situation	Desired outcome
HEC Montréal is not perceived as a leader when it comes to environmentally and socially responsible activities.	Become a leader who sets an example through our responsible investment strategy, our circular economy practices, and our efforts to reduce greenhouse gasses.
Key indicators	<ul style="list-style-type: none"> · Percentage of ESG investment in HEC Montréal's pension funds and allocations. · Percentage of reduction of Scopes 1, 2, and 3 greenhouse gas emissions. · Percentage of circularization of our waste.
Actions	<ul style="list-style-type: none"> · Ensure multi-stakeholder representation in the Office of the Director to cultivate, preserve, and enhance actions, research, and teaching for the benefit of society at large. · Adopt responsible management practices for our financial assets. · Adopt management practices that foster the circular economy. · Adopt a strategy for measuring, monitoring, and reducing direct, indirect, and embodied greenhouse gas emissions.

Support the student body in taking action, through a pathway that integrates SD-CSR-Ethics learning objectives in all programs, courses, and in all academic and extracurricular activities.

Ensure that students gain the knowledge and skills in SD-CSR-Ethics needed for their professional development.

Current situation	Desired outcome
SD-CSR-Ethics learning objectives and compulsory courses are not present in all HEC Montréal's programs, and there is no mechanism in place to appropriately recognize extracurricular involvement.	Rally HEC Montréal students around sustainable development for society at large through innovative projects, entrepreneurship, career development, and a program recognizing their social involvement.
Key indicators	<ul style="list-style-type: none"> · Percentage of students involved in curricular and extracurricular activities relating to SD-CSR-Ethics during their studies. · Percentage of students who create organizations focused on solving issues relating to the sustainable development goals.
Actions	<ul style="list-style-type: none"> · Establish and publicize the course offering relating to SD-CSR-Ethics that is available to students. · Add recognition in students' transcripts for having met the requirements and have the professor verify their participation. · Put a process into place that facilitates registering for courses at affiliated Schools. · Establish the eligibility criteria for the enhanced track - course list, volunteer hours, training and development on related topics (SD-CSR-Ethics + EDI).

Long-term outcomes – The School we want to become

The long-term outcomes indicate whether we have had a positive impact on HEC Montréal's alumni contribution to the socio-ecological transition within organizations. This means taking stock and reporting on the progress in achieving HEC Montréal's mission.

Mobilize and equip HEC Montréal alumni so that they contribute to the socio-ecological transition within organizations.

Ensure that, through its actions, role and influence, HEC Montréal **embodies its mission**: to train management leaders who make a responsible contribution to the success of organizations and to sustainable social development. Accordingly, HEC Montréal's alumni adopt ethical behaviours in their professional practice and contribute to the socio-ecological transition within organizations.

Current situation	Desired outcome
<p>No measure to assess the contribution of the School to the integration of SD-CSR-ethics into the professional path of HEC Montréal's alumni.</p> <p>No procedure to evaluate the perception of HEC Montréal's community was established after the School adopted its new mission.</p>	<p>Contribute to the integration of SD-CSR-Ethics into the professional practice of our alumni.</p> <p>Establish a reputation as a leader among key audiences regarding the School's positioning in the areas of SD-CSR-Ethics.</p>
Key indicators	<ul style="list-style-type: none"> · Proportion of HEC Montréal alumni who integrate SD-CSR-Ethics into their professional pathway. · Proportion of HEC Montréal community members who think that the School trains its students to address the SD-CSR-Ethics issues that society faces.
Actions	<ul style="list-style-type: none"> · Using surveys, consultations, and indicators that integrate an intersectional approach, evaluate the progression of the integration of SD-CSR-Ethics into the professional practice of our alumni. · Using surveys, consultations, and indicators, evaluate the progression of key audiences' perception of the leadership role HEC Montréal embodies in the areas of SD-CSR-Ethics. · Conduct an advanced positioning exercise to incorporate key SD-CSR-Ethics messages across a broader range of activities. · Establish an organizational ethics hub or chair. · Establish a hub or chair in sustainable finance.



Verification

and accountability

We can monitor short-, medium-, and long-term outcomes using various means of verification and accountability tools.

The means of verification

The means of verification used are the certification, accreditation, and recognition programs that relate to the School's mission. These programs provide assessment tools that gauge our performance level and show us how we measure up to our peers. They also allow us to communicate with our peers.

The major programs are:

STARS

THE Impact Rankings

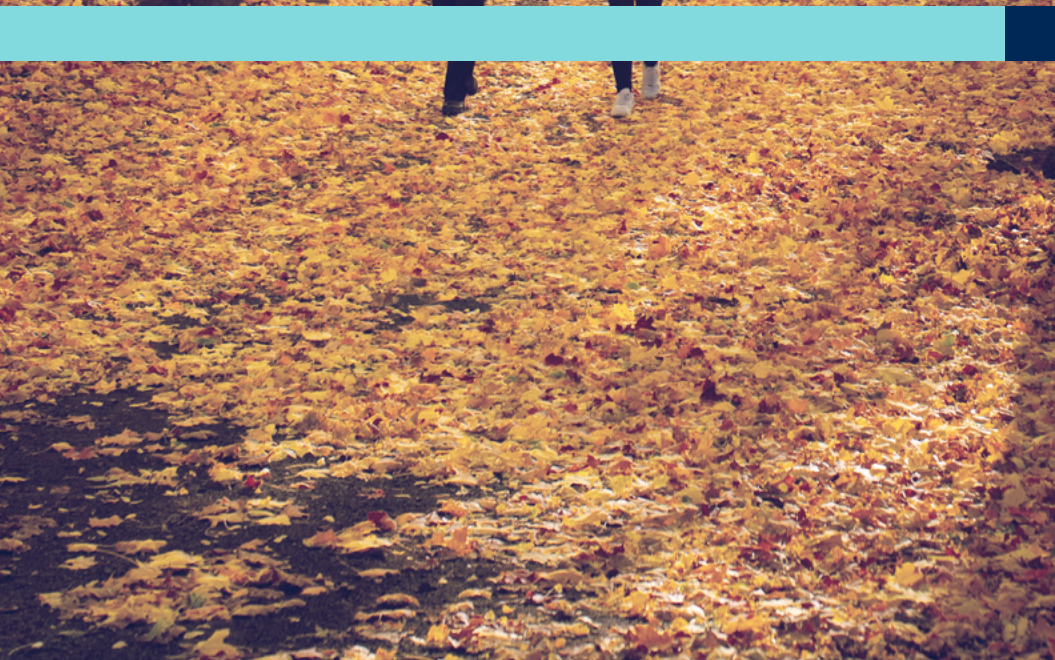
EQUIS

AACSB

Ashoka U Changemaker Campus

The accountability tools

The accountability tools consist of several *indicator tables* through which we can monitor the School's progress toward the various desired outcomes in the action plan. These indicator tables, which will be launched as the action plan is implemented, will be shared with the HEC Montréal community and published on an annual basis in a summary report that will be made public.



HEC MONTRÉAL

