

INAUGURAL SUSTAINABILITY REPORT 2018 - 2019 ACADEMIC YEAR

**CSE Undergraduate
Leadership Associate**

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KENAN-FLAGLER
BUSINESS SCHOOL





Letter from CSE Leadership

February 2020

We are pleased to share this first-ever sustainability report for the Center for Sustainable Enterprise and UNC Kenan-Flagler Business School. For more than 20 years, the Center for Sustainable Enterprise has been conducting research, educating students and sharing best practices. One area of interest to students, alumni, and the businesses and organizations they are a part of is sustainability reporting. What should be reported? When do we report it? How will it be measured against our peers? There are many ways to approach and measure impact, not to mention what is reported.

For the 2018-2019 academic year, CSE Leadership Associates Jordan Cox and Carlyann Edwards dove into the ambiguous world of reporting, and we are pleased with what they present in this report. They provide an overview of the center's work as well as measurements of the energy, water and waste the school produces. We are excited to have this report to benchmark our own work and that of other business schools in future years.

We look forward to seeing this experiential learning opportunity for our CSE Leadership Associates continue to grow. With this report, we join the University of California Berkeley Haas School of Business as the only other business school with a stand-alone report on our sustainable actions at UNC Kenan-Flagler. We hope that this report will set a precedent of transparency and create incentive for goal setting at our own institution as well as our peers'.

Future Outlook

The center is looking to expand its agenda with insights from current research addressing the challenges and needs of business. We also are adjusting our curriculum to provide a balance of both theory and practical application for our future business leaders. Finally, we are looking to expand our center leadership to prepare for the next 20 years of the Center for Sustainable Enterprise.

Best,



Olga Hawn

Faculty Director, CSE
Assistant Professor of Strategy
and Entrepreneurship and
Sustainability Fellow



Tracy Triggs-Matthews

Associate Director
Center for Sustainable
Enterprise

Authors' Note

UNC Kenan-Flagler Business School's first sustainability report covers a wide range of sustainability topics that were explored during the 2018-2019 school year. This report provides information ranging from the school's energy and water efficiency to classes offered to initiatives led by the Center for Sustainable Enterprise (CSE).

As one of the top business schools in the nation, UNC Kenan-Flagler instills in its students the mindset and ability to tackle complex world issues. Every sector, from investment banking to marketing, will experience the incoming effects of the climate crisis. Our goal with our first sustainability report is to help current students, faculty and staff understand and prioritize the intersection of business and sustainability. This is as important as ever for business leaders. As Larry Fink, CEO of BlackRock, states, "climate change is invariably the top issue that clients around the world raise." We believe that, as a top-tier global business school, UNC Kenan-Flagler is uniquely qualified to explore our understanding of and progress toward tackling future business challenges prompted by a changing climate.

Sustainability reports are used by many corporations, governments and NGOs to assess past performance in order to highlight areas for improvement in the sustainability sphere. Now more than ever, it is crucial to grade performance on not just financial, but environmental criteria to reflect our changing business environment.

UNC Kenan-Flagler has a rich history of preparing passionate, creative business leaders for the future. We believe that this will remain true as we continue our efforts to assess our environmental impact and analyze ESG data to evaluate organizations' performance and future propensity to grow.

We thank everyone who had a hand in generating UNC Kenan-Flagler's first sustainability report. Your work does not go unnoticed as you continue your mission to assist students in their education and prepare them for their future careers.



Jordan Cox
Class of 2021



Carlyann Edwards
Class of 2020

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Introduction and Mission

The UNC Kenan-Flagler community lives by its core values: excellence, leadership, integrity, community and teamwork.

The Center for Sustainable Enterprise (CSE) assembles and shares thought leadership in research, education and best practices. Our goal is to empower business leaders in their quest for shareholder value while exercising environmental stewardship and promoting economic development and growth. CSE ramped up its relevant research in the field of corporate social responsibility during 2018, in particular by appointing a new faculty director, Dr. Olga Hawn. In 2018, the center continued to focus on supporting UNC Kenan-Flagler's world-class curriculum. CSE integrates sustainability into the Ph.D., MBA, undergraduate and executive MBA programs, preparing students and executives to be managers and business leaders whose knowledge of sustainability concepts and strategies gives them a competitive advantage. We also provide extracurricular programs and resources that enable students, alumni and executives to explore managerial and leadership opportunities focused on the triple bottom line.



2018-19 Academic Year Highlights

Can Business Save the Earth? A Conversation About Sustainable Business

October 30, 2018

Duke University Fuqua School of Business Professor Aaron Chatterji, co-author of “Can Business Save the Earth? Innovating Our Way to Sustainability,” gave a presentation, followed by an interview and discussion moderated by UNC Professor Olga Hawn, to an audience of Duke and UNC alumni and students.

MBA FoodCon 2018

December 5, 2018

FoodCon is an annual conference that celebrates the food and agribusiness community. The business schools of UNC, NC State University and Duke University co-sponsor this one-day conference each year. The 2018 conference featured a rousing keynote by Joel Salatin of Polyface Farms and panels on digital agriculture, brand and policy, featuring companies like FoodLogiQ and GOODR, among many others. The conference also highlighted more than 20 local sustainable food and beverage providers for a “moveable” feast at lunch and during breaks.

6th Annual UNC Clean Tech Summit

February 28 - March 1, 2019

The event highlighted the latest innovations, trends and challenges in the clean technology industry and how North Carolina is playing a key role in leading the way to a green global economy. The summit is co-hosted by the UNC Institute for the Environment and the Center for Sustainable Enterprise at UNC’s Kenan-Flagler Business School.

13th Annual Invest for Impact Case Competition

March 1, 2019

Invest for Impact is an MBA competition bringing real-impact-focused startups and investing professionals together with MBA student teams from all over the world to showcase students’ ability to incorporate impact measures into the due diligence process. The competition was won by the UNC Kenan-Flagler MBA team Impact R US (Bhaskar Bhat, Patrick Kelly, Catherine Theuer, Karan Gupta and Peter Orlando). The competition hosted four entrepreneurs, 15 judges and nine MBA student teams.

Full-time MBA Sustainable Enterprise Concentration Celebration

May 8, 2019

The Class of 2019 had 24 students (8% of the class) achieve the enrichment concentration in sustainable enterprise. The requirement is 7.5 credit hours, or around 5 classes out of 14 offered in the curriculum. 31% of students in the class of 2019 took at least one class from the sustainable enterprise offerings.

11th Annual Alliance for Research in Corporate Sustainability Conference

June 5-7, 2019

The conference was hosted by the Center for Sustainable Enterprise and the Kenan Institute of Private Enterprise and brought over 84 academic scholars from around the world to present and discuss the latest research in corporate sustainability. The conference chair was Dr. Olga Hawn, assistant professor of strategy and entrepreneurship, sustainability distinguished fellow and faculty director of the Center for Sustainable Enterprise. Dr. Hawn also won the Emerging Sustainability Scholar award.



A Message from the UNC Kenan-Flagler Business School Facilities Director

The McColl Building is 24 years old this year, and was completed prior to when sustainable practices and energy-saving requirements became part of the standards for building design. Most energy services are managed by the UNC Facilities Shops, and adhere to specific energy use guidelines that have been adopted throughout the university; however, there is latitude when it comes to some existing systems due to the age of the building.

The business school has continued to strive toward saving energy where possible:

- Classrooms and study rooms have been fitted with lighting sensors that automatically turn lights on and off based on motion and occupancy and will be standard for all future renovations and building.
- Restrooms are fitted with low-flow water aerators at faucets and sensors for controlled water flow with short cycles to turn faucets on and off.
- Urinals are auto-flush and are set with a low-flow water usage to conserve water.
- Toilets are sensor-operated and control the water pressure to minimums required to flush. These lower pressures can also be a problem when a guest uses more toilet paper, which can cause clogs.
- The toilet paper provided by the university is extremely biodegradable and assists in the low-flush pressure requirement that adds to water conservation efforts.
- Fan-powered hand dryers that eliminate the need for paper towels and reduce the contribution to the waste stream cycle are used.
- We have begun a replacement program to increase light levels and reduce energy costs by replacing fluorescent lighting fixtures with LED fixtures.
- All current and future renovations provide new LED light fixtures for reduced energy use and higher light levels.
- The current mechanical systems utilize a contained recycled condensation recovery system that is recirculated to the main facilities.
- The building's mechanical systems utilize campus-generated steam and chilled water systems that are managed and controlled by the UNC Facilities Department. These are energy-efficient systems that utilize a network of recycled heating and cooling sources.

- All electronic thermostats are controlled by the main mechanical shops per the UNC energy policy, which limits the temperature range for thermostat control to occupied spaces. The range varies depending on the season (76-78 degrees Fahrenheit in the summer, 69-71 degrees Fahrenheit in the winter).
- The McColl Building was designed with operable windows in individual offices, but their use can have a negative effect by introducing moisture-laden air into the building, which can cause condensation on room surfaces in these spaces and affect the balanced operation of the mechanical systems. In addition, the age of the operable window gaskets and locking devices can be a source of potential hot and cold air infiltration into the room, which short-circuits the controlled room environment.

UNC Kenan-Flagler Business School will continue to incorporate new opportunities for sustainable practices through its renovation programs. These include:

- Replacement of current lights with LED fixtures
- Addition of automatic sensors in offices and other transient-occupied spaces
- Composting at Café McColl
- Expanding efforts to have events catered by companies utilizing prescriptive compostable products
- Considering new plant materials, smaller lawn areas and drought-tolerant lawn options

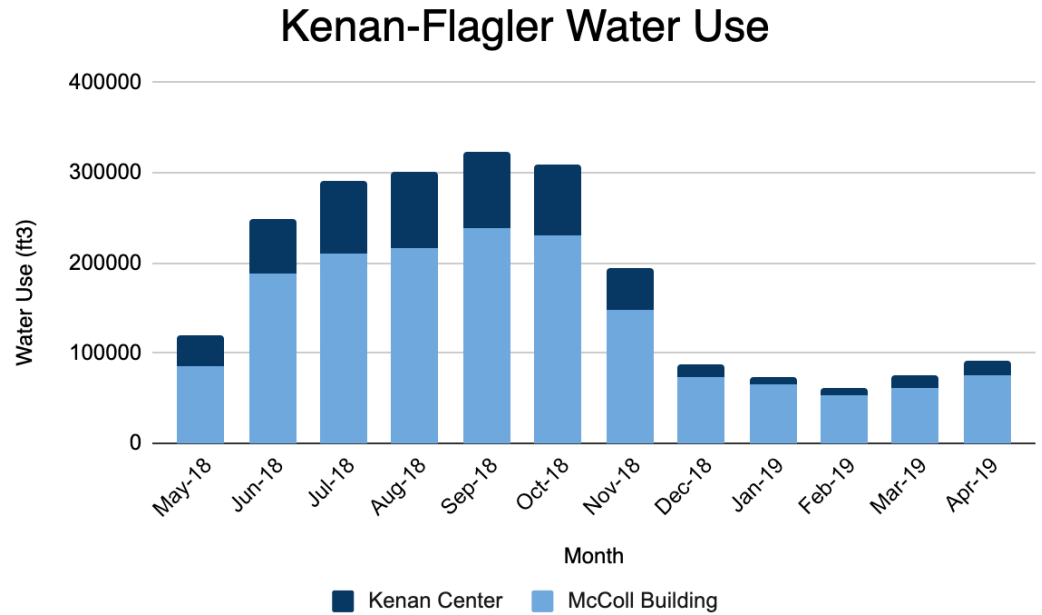
Future Outlook

UNC Kenan-Flagler is beginning the design of a new building addition that includes renovations to the existing McColl building. This provides the single best opportunity to make wholesale changes to increase the sustainability opportunities for the existing building and create a new building that will both meet LEED Gold standards as its baseline for sustainability and work toward the goals of the UNC Three Zeros platform. We will also be incorporating design concepts that meet the Fit WELL certification criteria.



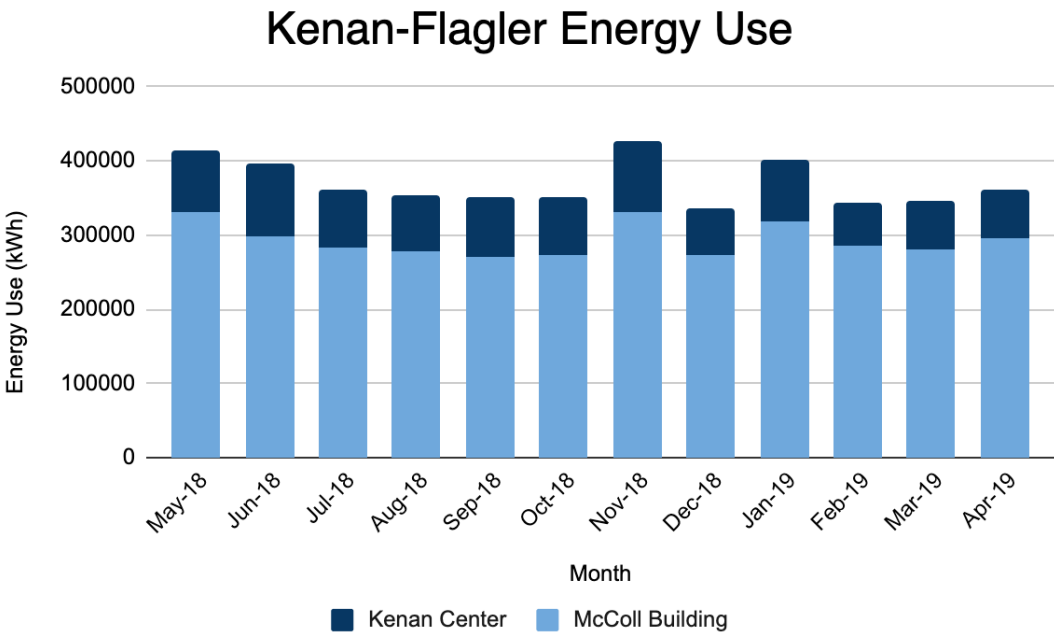
Sincerely,
Dave Moore, AIA
UNC Kenan-Flagler Business School Director of Facilities

Water



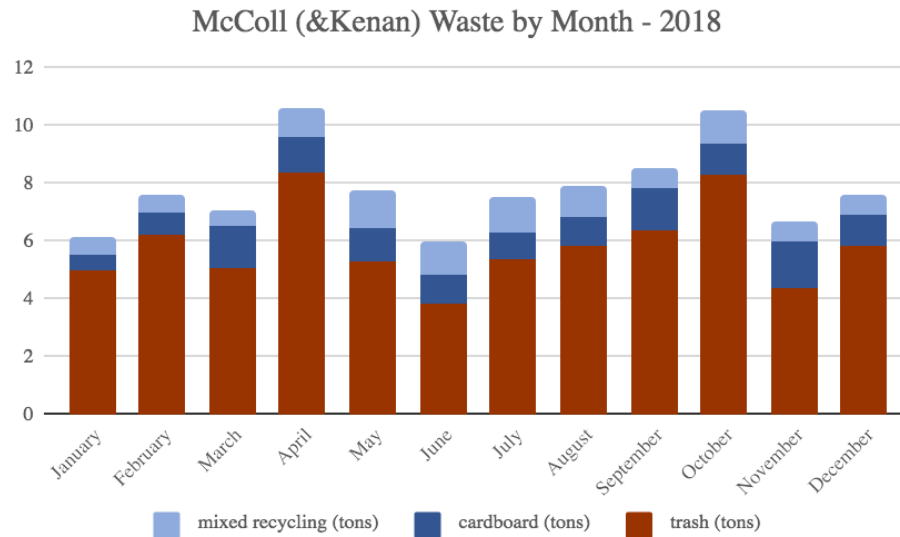
Water consumption stems mainly from water fountains, bathrooms and landscaping. Potable water consumption at UNC Kenan-Flagler is relatively flat during the entire year for the buildings' occupants. The water usage diagram indicates significant increases in water use during the months of June through October. Landscaping plants are selected for their tolerance of local climate conditions, indicating that lawns are mostly responsible for the dramatic increase in water usage during the hotter summer months. Drought-tolerant landscaping design is the only path toward alleviating this current situation.

Energy



UNC Kenan Flagler’s primary energy usage is for lighting and mechanical systems fans. The numbers for the 2018-19 school year do not show dramatic changes and the few increases do not appear to correlate to any particular cause other than colder temperatures during the winter months.

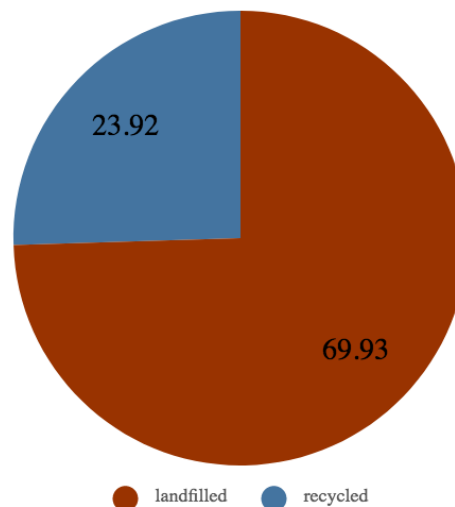
Waste Diversion



The increase in the waste stream for McColl appears to correlate to the increased number of events that are common to the building during April and October. These events generally include food and, although we have tried recycling, students and guests unintentionally contaminate the recyclable waste stream.

Café McColl is operated by Aramark and is branded as a member of Carolina Dining Services (CDS). UNC Kenan-Flagler has been working with CDS to generate a broader spectrum of responsibility toward sustainability and locally sourced food products.

McColl (and Kenan Flagler) Waste Managed 2018



Student Organizations



Undergraduate Student Clubs:

- Carolina Women in Business: Carolina Women in Business is dedicated to promoting the advancement of women in the business world through professional development, community outreach, campus involvement and social opportunities.
- Minority Business Student Alliance (MBSA): The MBSA seeks to unite minority students who are interested in business administration, economics, industrial relations and other business-related disciplines.
- Carolina Sustainable Biz Club: The Carolina Sustainable Business Club offers career development and networking opportunities for students interested in sustainability, social responsibility and/or business.
- PRIDE@KFBS: Pride@KFBS serves as the undergraduate business program's LGBTQ+ organization. The organization seeks to increase LGBTQ+ visibility at UNC Kenan-Flagler and establish a sense of community for LGBTQ+ students and allies interested in business.

MBA Student Clubs:

- Energy Club: The Energy Club seeks to provide students with the skills, knowledge and connections necessary to compete for top energy industry jobs and internships, and to enhance their value in the workplace.
- Net Impact Club: The Net Impact Club builds upon UNC Kenan-Flagler's leadership in sustainable business practices by providing students with education, opportunity and inspiration to drive social and environmental change.
- Community Service Committee: The Community Service Committee provides UNC Kenan-Flagler students with diverse, engaging and meaningful service opportunities so they can use their skills and talents to positively impact our immediate and broader global communities.

Student Courses

BSBA:

- BUSI 505-003: Entrepreneurial Consulting
- BUSI 507: Sustainable Business and Social Entrepreneurship
- BUSI 617: Global Marketing
- BUSI 590: Consulting for Sustainability (seminar)

MBA Electives:

- MBA 713, Sustainable Operations (seminar)
- MBA 790A, Renewable Energy: Project Development and Finance (seminar)
- MBA 790B, The Energy Value Chain
- MBA 803G, Gender and the Workplace
- MBA 804W, Experiencing Workplace Diversity and Inclusion
- MBA 820, Impact Investing & ESG: Essential Skills
- MBA 824, Management of Workplace Diversity
- MBA 828C, Strategic Innovation
- MBA831C, Strategy & Sustainability
- MBA 833, The Business of Alternative Energy (seminar)
- MBA 833A, Systems Thinking for Sustainable Enterprise (seminar)
- MBA 855, Innovations in Green Building: Business Opportunities in CleanTech (seminar)
- MBA 865B, Sustainability Consulting – Special Topics
- MBA 870, Global Immersion on Sustainability and Social Entrepreneurship in Ecuador and Bolivia

Acknowledgments

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THE CENTER FOR SUSTAINABLE ENTERPRISE
ASSEMBLES AND SHARES THOUGHT LEADERSHIP
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OUR GOAL IS TO EMPOWER BUSINESS LEADERS IN
THEIR QUEST FOR SHAREHOLDER VALUE WHILE
EXERCISING ENVIRONMENTAL STEWARDSHIP
AND PROMOTING ECONOMIC DEVELOPMENT
AND GROWTH.

