



2015

ANNUAL REPORT

MISUM

The Mistra Center for Sustainable Markets (Misum)
at the Stockholm School of Economics



MISUM

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CONTENTS



| | |
|----|---|
| 4 | FOREWORD BY LARS STRANNEGÅRD AND LIN LERPOLD |
| 6 | OUR RESEARCH PLATFORMS |
| 8 | MISUM RESEARCH: COOPERATION CAN THRIVE IN AN UNCERTAIN WORLD |
| 10 | MISUM RESEARCH: SUPPLY CHAINS CRUCIAL FOR SUSTAINABLE BUSINESS |
| 13 | MISUM RESEARCH: SUSTAINABLE EMPLOYMENTS |
| 14 | QUICK ANSWERS FROM STAKEHOLDERS: WHAT DO YOU EXPECT FROM MISUM? |
| 16 | MOMENTS FROM OUR FIRST YEAR |
| 20 | MISUM RESEARCH: FEW LARGE COMPANIES PRACTICE WHAT THEY PREACH |
| 22 | EDUCATION: MISUM'S MISSION |
| 24 | THE PHD STUDENTS OF MISUM |
| 26 | AFTERWORD BY BJÖRN STIGSON |
| 27 | FINANCIAL STATEMENT |



MISUM STRENGTHENS SSE'S COMPETITIVENESS

Thanks to Misum, the Stockholm School of Economics has been given the opportunity to contribute to the sustainable development of our society in a powerful and focused way. SSE can now, through Misum, create long-awaited opportunities for our students, research, and society at large.

The first full year for Misum has shown what an important role a concentration of knowledge can play, both for SSE and for society. Misum focuses on sustainable markets and has in a short time proven to be a place where important knowledge is created and shared in a very efficient way.

Misum clearly strengthens SSE's competitiveness. When SSE students list important features of a future job, words like meaning and purpose come at the top of the list. They want to work with something important and meaningful. They want to be

able to influence and make a difference.

To be able to survive and strengthen our position as the leading business school in the Nordic and Baltic countries, SSE needs to attract these talented and ambitious students. These students are attracted by an institution where knowledge on sustainable markets is produced and disseminated. A vibrant intellectual environment such as the one created at Misum also increases the attractiveness to academics and staff members. Thereby, Misum clearly helps SSE in fulfilling our mission: to contribute to strengthen Sweden's competitiveness.

At SSE we are grateful for the outstanding support from Mistra that makes all this possible. Misum's inaugural year has been truly inspiring and productive, and I look forward to an exciting and interesting 2016!

Lars Strannegård
President, Stockholm School of Economics

COLLABORATIVE RESEARCH FOR A SUSTAINABLE FUTURE



2015 was a special year: It was the hottest on record, forcefully making us consider the climate change challenge. Violent conflicts, natural disasters, environmental deterioration and social inequalities continued to prevail. At the same time, 2015 was also a year of hope; the adoption of the UN Sustainable Development Goals (SDGs) and the ratification of the Paris Agreement at COP 21 marked two important sustainability milestones, showing that the international community can come together when we need it most. On a closer level, the initiation of the Mistra Center for Sustainable Markets (Misum) was an important step for the Stockholm School of Economics and the sustainability field in Sweden.

Today's markets need to undergo transformational change to be more conducive to sustainable development. Companies and markets acting more sustainable can serve as important catalysts in achieving the SDGs. As a cross-disciplinary and multi-stakeholder knowledge center dedicated to sustainability and sustainable markets, Misum has a key role to play in this endeavor.

Misum's mission is threefold. Firstly, we conduct multi-disciplinary research that is both scientifically rigorous and practitioner relevant. Secondly, we have the mission to educate our students and future leaders in society to equip them with the tools to be able to understand and act upon our time's most pressing challenges. Finally, of priority for all that we do at Misum is on cross-sectional collaboration and industry outreach. We hope that our important stakeholders will continue to collaborate with us, both participating in defining and utilizing our research.

In 2016, we will focus our efforts on developing our research further and incorporating the newly awarded research program, Mistra Financial Systems (MFS), into Misum. The program will focus on both immediate needs within current financial systems as well as rationales for alternative financial systems, and how the systems might be fundamentally restructured to be more conducive to sustainable development.

Again, we firmly believe in the imperative of working across academic disciplines and together with businesses, the public sector and civil society. We very much look forward to seeing you in 2016!

Lin Lerpold
Acting professor and
executive director of Misum

OUR RESEARCH PLATFORMS

SUSTAINABILITY IN FINANCIAL MARKETS & MISTRA FINANCIAL SYSTEM

This knowledge platform explores how financial markets can contribute more to sustainable development, and more specifically, what changes are needed to make the financial sector more sustainable. Relevant changes could be made both at the macro level – in the form of policy, governance, market structure – and at the micro level – in the form of practices by individual firms, technological tools, etc.

In 2016 the platform will be replaced by the newly founded Mistra Financial Systems, a research program will be hosted by Misum in collaboration with the Swedish House of Finance, KTH Royal Institute of Technology, The Royal Swedish Academy of Sciences, Stockholm Environment Institute, London School of Economics, the ICMA Centre at Henley Business School along with Swesif and Statistics Sweden.

Peter Norman, former minister of financial markets, will chair the programme board, Cecilia Repinski will manage program operations and professor Bo Becker, is appointed program director.

SUSTAINABILITY IN PRODUCTION AND CONSUMPTION

This research platform aims to address how markets, market actors and natural and social systems interact in organizing, shaping and changing towards more sustainable (or unsustainable) practices in production and consumption. With a growing human population and economic development, we experience increased pressure on the planetary and social systems that we exploit. Further, the platform explores how governments, relevant international organizations and the private sector can play an active role in changing unsustainable consumption and production patterns.

The vision is to be Sweden's leading research and knowledge platform in the area of sustainability in production and consumption and to have distinct and lasting effects on the sustainability of Swedish production and consumption systems.

Susanne Sweet is an Associate Professor at

Stockholm School of Economics and a research manager at Misum. Susanne is currently on the management team and conducts research in a large cross-disciplinary research program on sustainable fashion, Mistra Future Fashion, aiming to a systemic change of the Swedish fashion industry leading to sustainable development of the industry and wider society. She is also a member and co-founding partner of NCCR, Nordic Centre for Corporate Responsibility, who jointly conducts research with a Nordic focus.

SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT

This platform explores how sustainable practices can be introduced, maintained and improved within a market-based society. Best practice insights, actions and policies will be suggested with the purpose of building a more sustainable society. To achieve this, we need to ensure that our recommendations are aligned with current practices and the main concerns of society.

The vision is to be a leading research unit in the area of sustainable socio-economic practices and policies. The platform will develop its own research focusing on markets and how they interact, as well as build upon other research developed by industry and public sector research institutes. Furthermore, a close collaboration with practitioners will be developed to support and induce them to create sustainable and competitive business practices.

Örjan Sjöberg is a research manager at Misum and professor of economic geography at Stockholm School of Economics. Örjan is an editor of *Geografiska Annaler: Series B, Human Geography* and a member of the board of the Stockholm China Economic Research Institute. Focusing on urban and regional change, and issues of development more generally, in addition to also taking an active interest in locations and phenomena closer to home he has extensive experience from field research and consultancies in the Baltic states, the Western Balkans, Central and Southeast Asia.



Ranjula Bali Swain, visiting professor, **Susanne Sweet**, associate professor and platform manager, **Max Jernek**, PhD and researcher, **Ebba Sjögren**, associate professor, **Lars-Gunnar Mattsson**, professor emeritus Business Administration, **Marijane Luistro**, PhD and researcher **Lin Lerpold**, acting professor and executive director, **Svenne Junker**, PhD and researcher. Missing: **Örjan Sjöberg**, professor and platform manager and **Joakim Sandberg**, visiting researcher and platform manager.

COVERED IN DIFFERENT
MEDIA REACHING OVER
5 MILLION PEOPLE

INTERACTED WITH
1 189 STUDENTS AND
3 585 SUSTAINABILITY
PROFESSIONALS

WE HAVE PRODUCED
5 WORKING PAPERS
AND PUBLISHED
10 JOURNAL ARTICLES

WE HAVE CONDUCTED
23 SEMINARS
AND WORKSHOPS



Eleonora Lotti, Administrator



Tinni Ernsjö Rappe, Communication Manager



Misum is a cosmopolitan mix of 17 researchers, one administrator and a communication manager. We represent seven different countries and together we

speak fifteen languages: Swedish, Norwegian, English, German, French, Italian, Spanish, Greek, Hindi, Japanese, Filipino, Urdu, Punjabi, Oriya and Bengali.

You can follow our work on our website and blog and on Facebook, Twitter and LinkedIn.

MISUM RESEARCH: COOPERATION CAN THRIVE IN AN UNCERTAIN WORLD

Cooperation increases in an environment where the risk of disasters and setbacks is substantial shows the research of Marijane Luistro Jonsson.

Misum researcher Marijane Luistro Jonsson explores different angles within the area of cooperation in her dissertation “Cooperating for Sustainability – Experiments on Uncertainty, Conditional Cooperation and Inequality”. The dissertation focuses on the behavioral dimension of collaborations for sustainability.

I conduct research in the field of cooperation as it is a critical aspect when addressing the challenges of sustainable development. A deeper understanding of human behavior is critical for the successful implementation of solutions for sustainability, says Marijane Luistro Jonsson.

In the dissertation, Marijane Luistro Jonsson uses experiments to examine cooperation. In the experiments one pays a cost for others to receive a benefit. The results show that contributions are always greater under uncertain conditions. Cooperation tends to increase when we do not know when a disaster will occur, if we do not know how much we will lose, and if we do not know what level of cooperation is needed to avoid disaster. Contributions are also greater if some members of the group have more to contribute than others.

The results are encouraging because they show that when the risk of being exposed to disasters is high, this is a driving force for cooperation. However, the experiment also highlights the importance of receiving information on the probability of a disaster to happen in order for cooperation to increase, no matter how meager that information is, says Marijane Luistro Jonsson.

Marijane Luistro Jonsson believes that sustainability is a behaviour and mindset that considers long-term sustenance and the inter-relatedness of environmental, social and economic systems.

Sustainable markets refer to systems of

production and consumption that promote and consider sustainability. Examples include markets that are based on business models to reduce waste or markets that support the marginalized and voiceless.

However, Marijane emphasizes some key challenges in achieving sustainable markets.

It is hard to change the mindset and behavior of people in general, regardless of their background. There is little understanding on how we can transform behavior in the long-term. Awareness and willingness does not automatically lead to action.

In this respect, effective cooperation between key institutions in society can be an important driver of behavioral change.

I believe that the conclusions of my research also apply to the world in general, that cooperation will indeed thrive in times of uncertainty and disasters. In times of climate change and migration crises, cooperation between organizations within the public, private and civil sector will be more important than ever, says Marijane Luistro Jonsson.



SUCCESS IN PARIS WITH CRITICAL FINANCE DECISIONS STILL TO BE MADE



As a Misum representative I participated in the UN COP21 negotiations for a new climate treaty in Paris in December 2015. Launched by French president Hollande and other profiled leaders of the world, mainly positive vibes and good energy characterized the meeting. The achievement of an agreement to keep global temperatures “well below” two degrees above pre-industrial times and “endeavor to limit” them even more, to 1.5C, was overwhelming and roused applause and tears of joy among the participants. Most commentators agree that the Paris treaty is strong. A particularly promising part of the treaty is that each country’s contribution to cutting emissions will be reviewed and revised every five years to scale up to the challenge. Moreover, the Paris treaty assigns important roles to the financial market to develop climate investment mechanisms. Nevertheless, there are still crucial decisions to be made, to which both Misum and other research institutes of the Stockholm School of Economics can contribute by giving constructive input.

An issue I followed closely during COP21 was the financing of climate work in developing countries. The parties of the UN climate convention has already agreed to establish a Green Climate Fund, GFC with the aim of mobilizing USD 100 billion yearly from 2020 to respond to climate change by investing into low-emission and climate-resilient development in these countries. However, there is still no united mechanism for raising the GFC capital. Together with my Misum colleague, associate professor Joakim Sandberg, I have published a debate article in Göteborgs Posten (2015-03-10) advising the Swedish government to initiate the process of installing a Green Investment Bank in Sweden, as was done 2010 in the United Kingdom. We argue that the Green Investment Bank shall issue Green Bonds for mobilizing private capital in Sweden for climate investment in the most needing countries.

By following this approach, we believe that Sweden also can act as a role model for other countries.

Svenne Junker defended his thesis on decision-making in EU-agencies in April 2014. His current research is focused on the work of aligning policies for a low-carbon economy in core executives of states and in transnational organizations such as EU and OECD.

He formerly worked as policy officer and EU expert at Swedish Society for Nature Conservation (Naturskyddsföreningen).



In October 2015 Marijane Luistro Jonsson was awarded 15000 SEK by the The Center for Social Sustainability at Karolinska Institute for her research ideas on decision-making in times of disasters.

MISUM RESEARCH: SUPPLY CHAINS CRUCIAL FOR SUSTAINABLE BUSINESS

Carbon emissions accumulate throughout the different stages of the products' life-cycles. Companies are therefore working to reduce environmental impacts of their production. According to Serafim Agrogiannis' on-going research on sustainable supply chains, sustainable sourcing is crucial in facilitating the transition towards a greener economy.

Corporate sustainability has been gaining momentum in the last decade and the nature of business success is being redefined. Competition has shifted focus; sustainable supply chains are increasingly giving companies a competitive edge. Sustainable sourcing is at the frontline and considered business critical in attaining sustainability objectives within firms and across their supply chains.

"Sustainable sourcing" is literally the sustainability 'gatekeeper' for companies and their supply chains," says Serafim Agrogiannis.

Serafim Agrogiannis, who is in his third year of the PhD studies at Misum, has eleven years of working experience in auditing and sustainable supply chain management in public and private sectors in Greece, he holds a BSc in Supply Chain Management, an MBA with specialization in accounting and auditing and a MSc in project management and operational development. He is particularly focusing his research on critical sourcing competences and how these competences affect the deployment of low carbon supply chain practices.

"I consider this subject of particular importance, since business organizations and their supply chains constitute one of the cornerstones towards achieving a more sustainable market."

The results of Serafim Agrogiannis' research show that sourcing could facilitate a transition towards more sustainable business throughout the whole product life-cycle. There are four key areas in driving this transition:

1) **Supply of raw materials and components.** Use of eco-efficient transport modes, consolidation of shipments, selection of suppliers based on their sustainability profile, and co-operation with suppliers to improve their sustainability performance.

2) **Production.** Replacement of hazardous materials and processes and reliance on recycling materials, and participation in product design for achieving eco-efficient production.

3) **Distribution.** Choice of environmentally-friendly distribution channels, design of effective return systems, and decisions about re-using packaging materials.

4) **Energy intensity.** Mitigation of supply risk of energy as a resource for effective and efficient supply chain operations as well as ensuring renewable energy generation through green investments and procurement of renewable power.

According to Serafim Agrogiannis, government initiatives should center on substantial fossil fuel reductions towards achieving a reduced ecological footprint. This in turn poses challenges and requires actions with regard to energy usage throughout the supply chain (transport and logistics, production and the reuse of products).

"It is important to apply appropriate carbon mitigation measures. Policy makers need to incorporate energy supply, demand, efficiency and related emissions policies to ensure sustainable practices throughout the entire supply chain." Serafim Agrogiannis stresses the importance of



“It is like the game of Domino. You can put each individual piece in the right order and as long as it is treated in isolation it seems fine. But in the wider context, if not all pieces are seamlessly assembled, the whole structure might break down.”



SERAFIM AGROGIANNIS

government intervention being adapted to the specificities of each industry. For heavy polluting industries, efforts need to concentrate on efficiency improvements through cleaner production, energy audits, and capacity building programs on energy saving awareness. For sectors with higher energy consumption, there needs to be an alignment between greening the supply chain efforts and the subsequent final demand.

“In these cases, market-based instruments such as sectoral financial subsidies, preferable tax rates or low bank loans could be employed. This in order to adjust energy consumption along supply chains according to final demand and consumption.”

Serafim Agrogiannis also emphasizes the need for regulative bodies to rethink their role and build insight on how to efficiently coordinate sustainability actions.

“We need to better comprehend the interactive role(s) of civil governance, business co-regulation and private governance forms.”

Serafim Agrogiannis points out that a sole disciplinary research approach is not sufficient in sustainability science. Relevant knowledge is multidisciplinary and involves for example the natural, engineering and management sciences. And as a term, sustainability includes complexity and heterogeneity.

“Only complexity can deal with complexity. I feel privileged that this is a value guiding research at Misum as well, where there is strong support of multidisciplinary research.”

Serafim Agrogiannis argues that sustainable markets include a multitude of actors and institutions, subject to a variety of contextual differences across different business and social environments. The overarching principle of sustainability reflects an increased interconnection.

“It is like the game of Domino. You can put each individual piece in the right order and as long as it is treated in isolation it seems fine. But in the wider context, if not all pieces are seamlessly assembled, the whole structure might break down. For example, one cannot demand from businesses to make their production systems more sustainable without considering the customers’ and consumers’ consumption patterns or the role that state governments and transnational institutional bodies can play.”



Lin Lerpold giving the academic speech at the Bachelor graduation ceremony in Blå Hallen at the City Hall of Stockholm in November 2015. A speech and a ceremony characterized by all human beings' responsibility for the Earth and for the future.

SYSTEMATIC CHANGE

Misums Jennie Perzon examines the role of cross-sector collaboration in solving social issues and finding solutions for employment.



Working as a management consultant at Accenture for more than 15 years has given me the opportunity to explore many industries and observe the different commercial challenges in large corporations. In parallel, my engagement in corporate citizenship has led me to seek out opportunities in developing countries and the non-profit sector. There are a number of social issues and major challenges in the world today – from social inequities to climate change – affecting the lives and wellbeing of billions of people globally. The world is rapidly changing affecting the economic, social and cultural, environmental and political aspects of life for citizens. Globalization has led to a shifted power balance across the world where business and civil society organizations are becoming more influential.

Corporations and non-profit organizations work within the same environment and in the same markets, often facing similar challenges. Despite many potential benefits of collaboration I find that they often work in silos, and despite wanting to work together many fail to do so.

One of the great social issues in the world today is that of growing unemployment, with an estimated 200 million people unemployed and actively looking for work worldwide. At the same time that unemployment is increasing, there is a growing global 'skills gap', where the demand does not match the supply of skills and employers (often multinationals) cannot find any talent with the right skills for employment. An example that will be explored in my research is cross-sector collaboration in skill building initiatives to create employment in both urban and rural context in developed and developing markets.

Based on projects with and inquiries from large multinational corporations in the private sector and equally so from global nonprofits, I have seen an increasing demand for insight and understanding about cross-sector collaboration and long term shared value initiatives.

There is a growing awareness from both practitioners and academics that successfully solving social issues in this new global landscape will require active participation from and collaboration between all sectors. Despite this, there exists a disconnect between sectors which drives me to further examine both the challenges and motivations to collaborate faced by both. I hope that my research will provide insights on actual efficient and scalable models for cross-sector collaboration and value creation.

Jennie Perzon is a PhD student at Misum. She holds a Master of Business Law and a Master of Business Administration from Bond University and an MSc from University of Southern California and has worked as a management consultant at Accenture for 15 years – both in global and local projects within the area of corporate citizenship and sustainability.

QUICK ANSWERS FROM STAKEHOLDERS: WHAT DO YOU EXPECT FROM MISUM?

Per Bolund,
Minister for
Financial Markets
and Consumer
Affairs, Deputy
Minister for Finance



WHAT DO YOU EXPECT FROM MISUM?

I expect Misum to help shift society towards a fossil free and resource efficient future by increasing our knowledge on sustainable development. By providing new competences in sustainability we strengthen the competitiveness of both Sweden and the Stockholm School of Economics.

HOW DO YOU DEFINE A SUSTAINABLE MARKET?

To me a sustainable market provides room for the economy to grow without infringing on the welfare of future generations.

WHAT ARE THE MOST CRITICAL RESEARCH TOPICS WITHIN THE FIELD OF SUSTAINABILITY?

Research focusing on new business models to make sustainability more profitable for companies. There is also a lot to be done with regard to developing systems to compare and assess businesses' level of ambition within sustainability.

Johanna Giorgi,
Analyst Sustainable
Growth, Swedish
Agency for Economic
and Regional Growth
(Tillväxtverket)



HOW CAN MISUM SUPPORT THE SWEDISH AGENCY FOR ECONOMIC AND REGIONAL GROWTH? WHAT DO YOU EXPECT FROM MISUM?

Misum can help us better understand the transformation pressure in different markets and what demands and opportunities this pressure imposes on the companies operating there.

WHAT IS A SUSTAINABLE MARKET?

We usually do not claim to be able to define "sustainable growth" – and the same applies to the "sustainable market". However, we can identify some key pieces of the puzzle in sustainable markets as resource efficiency, built on renewable energy, free of harmful toxins and transparency.

WHAT ARE THE MOST CRITICAL RESEARCH TOPICS WITHIN THE FIELD OF SUSTAINABILITY?

Today there is much talk about resource-efficient business models based on function and sharing as key parts in the development of sustainable business. There is a need to explore how such models work in different markets and segments, the impact they actually have, and what is driving the shift and by which actors.

Fredrik Franke,
Head of PwC
Sustainability
advisory services
in Sweden



HOW CAN MISUM SUPPORT YOU IN YOUR WORK? WHAT DO YOU EXPECT FROM MISUM?

We believe Misum can connect research and practice in a good way and we hope that PwC can contribute to this integration.

WHAT IS A SUSTAINABLE MARKET?

A market that in the long term considers the wider range of consequences that the market causes. Thus, environmental and social impacts and how these in turn affect the market. A market which in a better way will be able to include the actual costs of products and services, will ultimately be sustainable. It will in other words become self-financed.

WHAT ARE THE MOST CRITICAL RESEARCH TOPICS WITHIN THE FIELD OF SUSTAINABILITY?

How this wider impact of the market on society can be measured in financial terms.

How UN's new global sustainability goals will influence a future market.

How this development will affect the pricing of products and services in the long-term.

How the development within this field will affect the confidence in business and the capital markets in the long-term.

Bo Becker,
Professor, Department
of Finance, Stockholm
School of Economics



HOW CAN MISUM SUPPORT YOU IN YOUR WORK? WHAT DO YOU EXPECT FROM MISUM?

This is a critical time for higher education in Europe. For the first time in modern history universities are competing across borders. The Stockholm School of Economics now has the opportunity to position itself as a location of choice for leading scholars and top students from around the world. In order to succeed, we need to consistently produce quality research on important topics and to offer education that is career-relevant and attractive. These two feed each other as better faculty attract better students and vice versa. Misum can also be a leading force engaging students in global challenges.

WHAT IS A SUSTAINABLE MARKET?

A sustainable market creates shared value for all its stakeholders. Within my field of research, financial markets, a key dimension of sustainability is the safeguarding of small investors. This can apply to households having the right amount of risk in their asset portfolios, paying reasonable management fees, and not being tempted to over-levering. Another major topic is how corporate governance and ownership structures create long-term value for society.

WHAT ARE THE MOST CRITICAL RESEARCH TOPICS WITHIN THE FIELD OF SUSTAINABILITY?

Sustainability is not a single area of research in the traditional sense (such as marketing or labor economics), but an important dimension in different research areas. This makes it particularly difficult to predict the direction of future research. A sustainable model for the management of insolvent governments' large debts is a current challenge, where I believe research will provide new insights.

MOMENTS FROM OUR FIRST YEAR

JANUARY



OFFICIAL LAUNCH

Misum is officially launched to strengthen Sweden's competitiveness in sustainable markets.

MARCH

MULTI-STAKEHOLDER WORKSHOP

Our first practitioner workshop with over 80 participants focuses on the definition, nature and use of sustainable markets, and defined a new set of questions to be discussed in the second workshop in November.

REPORT ON GREEN INVESTMENT STRATEGIES

Representatives from Misum release a report on investment strategies that have positive effects on environment and climate. The report advocates the installment of a green investment bank in Sweden to increase investments in green sectors. (länk)

APRIL



MISUM IN THE SWEDISH PARLIAMENT

Misums Joakim Sandberg gives a presentation to the Swedish parliament in a seminar on green investment banks. The seminar – hosted by the Swedish Social Democratic Party, the Swedish Society for Nature Conservation and KPA Pension – aims to discuss the possibilities to establish a Swedish green investment bank in order to find better solutions to unemployment and climate issues.

PRICE VOLATILITY AND FINANCIAL MARKETS

Misum co-hosts an event at Stockholm School of Economics with the Global Economic Dynamics and the Biosphere Programme at the Royal Swedish Academy of Sciences (GEDB).



MISUM MEETS PROFESSOR JOHANNA MAIR

Misum hosts a research seminar with Professor Johanna Mair from Hertie School of Governance. The seminar explores Ms. Mair's research on how novel organizational and institutional arrangements generate economic and social development and the role of innovation in this process.

MAY



HARVARD'S ROBERT ECCLES

Robert G. Eccles, Professor of Management Practice at Harvard Business School and affiliated researcher at Misum, presents his findings on integrated reporting and materiality at a number of practitioner and research workshops at Misum. Syd Näringsliv (länk: <http://www.syd.se/4582942>) interviewed Eccles about the conclusions from his almost 40 years of sustainability research.



FILOSOFISKA RUMMET

The Misum researchers Lin Lerpold and Joakim Sandberg participate in the famous Sveriges Radio show "Filosofiska rummet" in a discussion on profit: Are there alternatives to profit? (Länk <http://sverigesradio.se/sida/avsnitt/546700?programid=793>)

JUNE



SCIENTIFIC HACKATHON

Misum, the Global Economic Dynamics and the Biosphere Programme, and the Beijer Institute for Ecological Economics organizes a successful scientific Hackathon.



PHD

Sofia Nilsson Altafi successfully defends her PhD thesis "Evaluations as mirrors and co-constructors: An empirical investigation of a micro-finance rating agency and its rating practices from 1999–2014".



ALMEDALEN

Misum goes to Almedalen together with Hagainiativet and Stockholm Environment Institute (SEI) arranging several seminars on how business and politics can work more closely and systematically in order to build a competitive and sustainable Sweden.

MOMENTS FROM OUR FIRST YEAR

SEPTEMBER



PHD #2

Marijane Luistro Jonsson successfully defends her PhD dissertation "Cooperating for Sustainability. Experiments on Uncertainty, Conditional Cooperation and Inequality".

MISUM MEETS LOUISE BROWN

Misum hosts a practitioner seminar with Louise Brown, Principal Consultant Sustainability Advisory Services at DNV GL on the impact of the UN Global Compact on companies and other sustainability initiatives.

MISTRA FUTURE FASHION MANIFESTO

The research program Mistra Future Fashion presents a manifesto for a sustainable fashion industry.



SDG

On September 25 the United Nations General Assembly adopts the 2030 Development Agenda communicated by the Sustainable Development Goals. "The seventeen Sustainable Development Goals are our shared vision of humanity and a social contract between the world's leaders and the people," says UN Secretary-General Ban Ki-moon.

OCTOBER



WALKING THE TALK?

Misum launches the report "Walking the talk?". and representatives from TeliaSonera, Stora Enso, Oriflame, ABB and PWC participate in a panel discussion. The report is based on a study of the publicly available sustainability communication of all 72 Large Cap NASDAQ/OMX in Sweden. The companies are examined and scored on how they communicate and measure their sustainability work and the report gets great recognitions in the media.

MISUM MEETS TED LINDBLOM

Misum arranges a seminar with Professor Ted Lindblom at the Gothenburg School of Business, Economics and Law focusing on how an ecologically sustainable society will require a shift in investment toward less harmful technologies and practices.



MISUM RESEARCHER AWARDED

Misum researcher Marijane Luistro Jonsson is awarded a sustainability prize by the The Center for Social Sustainability at Karolinska Institute.

NOVEMBER

MISUM MEETS KEITH PERKS

Misum hosts a seminar about sustainable food consumption with Professor Keith Perks of the Brighton Business School, UK on consumer attitudes towards the consumption of red meat products.

MISUM MULTISTAKEHOLDER WORKSHOP, PART 2

As a follow-up to the first multi-stakeholder workshop held in March, Misum hosts the second of a series of multi-stakeholder workshops with the purpose of taking the dialogue on relevant and applicable sustainability research one step further.

MISUM AND SWEDISH HOUSE OF FINANCE SEMINAR

The Swedish House of Finance (SHOF) and Misum arranges a panel discussion on the topic of "Beyond financial returns – the new world of sustainable investing". With Lin Lerpold, Lars Thunell, Senior Advisor, Blackstone Group and Anna Ryott, CEO of Swedfund.



MISUM MEETS CHRISTIAN FELBER

Misum arranges a seminar with Christian Felber, a renowned multi-disciplinary social scientist and political thinker at the University of Economy in Vienna. He champions the idea of "The Economy for the Common Good" (ECG), which is an alternative economic system built on values that promote the needs of the entire population.



LIN LERPOLD TO THE STUDENTS OF SSE

Lin Lerpold holds the academic speech on the graduation ceremony in Blå Hallen in Stockholms stadshus.

MISUM MEETS LENNART OLSSON

Misum hosts the seminar "The pitfalls and possibilities of interdisciplinary research" with Professor Lennart Olsson from the Lund University Center for Sustainability Studies (LUCSUS). Dr. Olsson's research focuses on the pitfalls and possibilities of organizing interdisciplinary research.

MISUM MEETS YANNIS DAFERMOS

Misum hosts the research seminar "Building a model to integrate the macro-economy, the financial system and the ecosystem" with Yannis Dafermos of the New Economics Foundation who speaks about the model that he and his colleagues are building, which integrates the macro-economy, the financial system and the ecosystem.

DECEMBER



THE MISUM BLOG IS BORN

<http://misumblog.com>

MISUM AT COP21 IN PARIS

Misums Svenne Junker travels to Paris to join the Paris COP21-meeting and covers it on the Misumblog.

FEW LARGE SWEDISH COMPANIES PRACTICE WHAT THEY PREACH

A large majority of the companies listed on Nasdaq OMX communicate more on their sustainability aspirations than about implementation and practices according to the Misum report "Walking the Talk?" by Master students Uta Hönemann and Elisabet Ålander.

A large majority of the companies listed on Nasdaq OMX communicate more on their sustainability aspirations than about implementation and practices according to the Misum report "Walking the Talk?" by Master students Uta Hönemann and Elisabet Ålander.

The report was published in October 2015 and commissioned and supervised by Misum. The main objective was to explore the sustainability communication of companies listed on the Nasdaq OMX Stockholm Large Cap Index, representing the largest companies in Sweden from seven different sectors. More specifically, the team wanted to understand what information external stakeholders can access about companies' sustainability strategies and initiatives and to which extent these companies report on implementation. A number of indicators, based on research and practitioner best practice research, were defined and the data was collected and coded.

"By comparing the corporate communication of different companies, we hope to support the development of clearer and more coherent S/CR* communication across different sectors, and to identify companies that can serve as role models to others," says Elisabet Ålander.

The report concludes that the majority of listed Swedish companies do not seem to practice what they preach. 88% of the companies talk more about sustainability in general terms (the "talk") rather than about completed activities, monitoring and implementation (the "walk"). Further results of the study show that 10 percent of the companies communicate sustainability goals beyond 2016, 25 percent have representatives with formal

responsibility for sustainability matters in the executive management team, and 11 percent have gender balanced boards of directors.

"We were surprised and discouraged by these results, as we are convinced that long-term sustainability work create value for both businesses and society. Misleading communication can be devastating," says Uta Hönemann.

There was also a clear variation between sectors. Companies classified as Basic Materials, scored on average double the walk points compared to those classified as Financial Services. Furthermore Technology companies scored three times higher on average in the walk section compared to companies in the Oil and Gas sector.

"What struck us was the performance gap between sectors. Some have come very far in this area, while others report very little on implementation. We also found a considerable variation among companies in the same sector," says Uta Hönemann.

Uta Hönemann and Elisabet Ålander examined corporate websites, sustainability reports, and annual reports for the financial year 2014.

"Publicly available information is often the only way stakeholders can analyze a company's S/CR work. This reporting has also become a way to achieve legitimacy," says Elisabet Ålander.

The two students also operationalized S/CR through 26 key performance indicators (KPIs) that cover the areas economic, environmental and social sustainability.

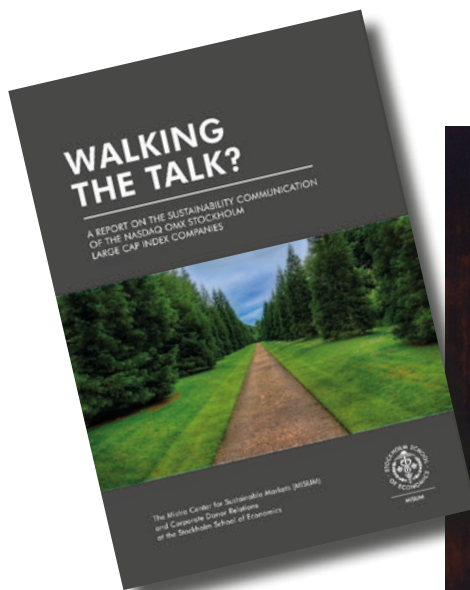
"We scored each company on what they say that they will do and what they say that they have done with regards to S/CR. KPIs from the talk section relate to corporate communications on sustainability while KPIs from the walk section assess the information that is available on the follow-up and the actual sustainability work," says Uta Hönnemann.

Uta Hönnemann emphasizes that companies both in Sweden and Germany, where she is from, need to have a S/CR policy and clear action points related to the policy in order to achieve a sustainable market. She notes the similarities between the countries.

"Large Swedish and German companies are often global, often facing the same challenges and opportunities. Both Germany and Sweden are in the forefront in areas such as renewable energy and ICT technologies within sustainability," says Uta Hönnemann.

In spite of the partly discouraging results of the study, the authors look to the future with great confidence.

"All companies can make a difference with regard to sustainability, especially large companies operating globally. We hope this report will inspire companies to see the opportunities in making a change and contributing to a more sustainable world."



EDUCATION: MISUM'S MISSION

Misum has an important role to play in promoting sustainability at SSE. In addition to lecturing, teaching courses and supervising theses on sustainable business and markets, Misum provides valuable support to all educational programs at SSE by integrating sustainability into existing programs along with “teaching the teachers” and capacity building programs.

PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

In 2013, SSE became a member of the Principles for Responsible Management Education (PRME) initiative, the first organized relationship between the United Nations and business schools, with the PRME Secretariat housed in the UN Global Compact Office. The mission of PRME is to inspire and champion responsible management education, research and thought leadership globally.

At SSE, Misum plays a key role in the dissemination of PRME by participating, sharing and impacting best practices among SSE faculty and researchers, Swedish, Nordic and international business schools.

PRME Principles for Responsible Management Education



GLOBAL CHALLENGES FOUNDATION

The Global Challenges Foundation works to raise awareness of the greatest threats facing humanity. The foundation strives to identify and develop possible solutions and models as to how the United Nations can develop and initiate new ideas on working global governance.

SSE has received a grant of SEK 40 million from the Global Challenges Foundation to redesign the flagship Bachelor program in accordance with the global challenges. The aim is to raise awareness of these highly important issues and give our students the understanding and tools to act upon these issues. Misum will work in close collaboration with SSE to incorporate the ideas of the Global Challenges into the Bachelor program curriculum, as well as providing “teaching the teachers” support.





“TODAY, SUSTAINABILITY IS AT THE TOP OF THE AGENDA,” SAYS SUSANNE SWEET, ASSOCIATE PROFESSOR AND TEACHER AT SSE.

“A few years ago, SSE was all about business, management and finance. Sustainability was a highly marginalized issue. Today, sustainability is at the top of the agenda as we must redefine our mission to better meet global environmental and social challenges. Misum can be an important engine and driving force for change in this work,” says Susanne Sweet.

Susanne Sweet is an Associate Professor at SSE and a research manager at Misum. She heads the course “Corporate Sustainability and Responsibility” at the CEMS and Master Programs. Susanne believes that Misum can play an important role in building a strong sustainability practice at SSE.

Sustainability courses are now integral in the CEMS, Master, MBA and Executive Programs. By

August 2016, sustainability will be incorporated into the Bachelor Program curriculum. Misum has been given specific responsibility for implementing this important step, working in close collaboration with other SSE teachers and course.

“When it comes to sustainability education at SSE, Misum’s task is very much about ‘training the trainers’. That said, it is important that the concept of sustainability is integrated and customized to the courses and that we do not just present a standardized toolbox,” says Susanne Sweet.

Her personal vision for SSE is clear.

“Within a few years, no student should graduate from SSE without the knowledge and tools to understand and act upon the greatest challenges of our time.”

“Within a few years, no student should graduate from SSE without the knowledge and tools to understand and act upon the greatest challenges of our time.”



WE ARE THE PHD STUDENTS OF MISUM

1. SUMMARIZE YOUR PHD RESEARCH.
2. WHAT DRIVES YOU?
3. WHAT DO YOU HOPE TO ACHIEVE WITH YOUR RESEARCH?

TINA SENDLHOFER has a BA from Vienna University of Economics and Business Administration and a Master from University of Brighton.

1. Sustainability in supply chains in the fashion industry.
2. My naivety, the inexhaustible thirst for knowledge and infinite passion for new ideas.
3. Contribute to scientific knowledge and find ways that drive sustainability.

CLARA MY LERNBORG has a MSc in Business & Economics, with a specialization in Marketing & Strategy from the Stockholm School of Economics.

1. My research relates to how competitors can collaborate on solving sustainability challenges.
2. To know more in order to be able to contribute theoretically and practically to the sustainability puzzle.
3. To contribute to insights on how especially small companies can learn from one another, and shorten the step from unsustainable to sustainable practices.

ENRICO FONTANA has a BA from Bocconi University in Milan, an MBA from McGill University and six years full time working for MaxMara Fashion Group.

1. I am investigating the strategic approach of companies along RMG (Ready Made Garment) supply chains to meet the expectations of their networks of stakeholders from a CSR perspective in different geographical contexts.

2. The possibility to inspire economic and societal value creation in a very controversial industry, namely, the RMG industry.

3. I mainly hope it to glean an empirical impact among MNC fashion companies and suppliers in developing country contexts and beyond the scholarly saliency.

INGRID STIGZELIUS has a Licentiate degree from Department of Economics at SLU in Uppsala and a background within civil society organizations, such as Fair Trade Center.

1. My PhD-thesis deals with the construction of green consumption in various forms of food practices related to production, market exchange and consumption. The research brings together consumer and market studies, which highlights the inter-dependency of socio-material actors in the shaping of consumers' capacity to act and 'do green'.
2. There is a need to challenge persisting perspectives on sustainable markets and consumption as relying on individual demand by making visible the various connections between our (un)sustainable way of consuming and how markets and food practices are constructed.
3. To bring new perspectives to green consumption and how it can be seen as a result of both socio-material actors' efforts to capabilize consumers, as well as the consumers' own adjustments of these initiatives to the practices of everyday life.



JENNIE PERZON has a Master of Business Law and a Master of Business Administration from Bond University, an MSc from University of Southern California and has 15 years of working experience from being a management consultant at Accenture.

1. Cross-sector collaboration in solving social issues and finding solutions for employment.
2. Collective impact.
3. The long term ambition is to inform the way the corporate, and nonprofit sector work together and to make a contribution towards all actors engaged in addressing unemployment and the global skills gap towards creating sustainable employment and enterprise.

SERAFIM AGROGIANNIS has a MBA with specialization in Accounting and Auditing and a MSc in Project Management and Operational Development

1. It focuses on critical organizational competences affecting the deployment of low-carbon supply chain management practices.
2. Personally imbued values in tandem with a desire to contribute towards a greener and more sustainable society as well as previous practical engagement with both environmental and social issues within the wider supply chain context.

3. My intention is to produce topical research results through a prescient scholarship approach towards anticipating and influencing the type of managerial knowledge needed for enlightening academic and practitioner spheres of low-carbon transition issues.

EMILIA CEDERBERG holds a BSc in Business & Economics and a MSc in Accounting and Financial Management, both from the Stockholm School of Economics. She has worked as a sustainability analyst in the financial sector, and has research experience from a labour union and a government agency.

1. I study how institutional investors with sustainability strategies use ESG (Environmental Social and Governance) information to inform their investment decisions.
2. A conviction that allocation of financial resources to the most sustainable alternatives is a key component of transition to a more sustainable economy.
3. To provide a more detailed understanding of the enabling and hindering structures and analytical processes in the everyday work of institutional investors, in considering sustainability.

MISUM CAN STRENGTHEN SWEDEN'S COMPETITIVENESS IN THE GREEN RACE



Our resource-constrained world is facing unprecedented challenges. A growing population and urbanization are indisputable trends that are putting pressure on our natural resources. We must find ways to sustain economic growth and reduce poverty while at the same time improve efficiency in use of resources and reduce greenhouse gas emissions.

In 2015, these challenges have been defined by the UN and its member states through the global goals for sustainable development (the Sustainable Development Goals) and the COP21 climate agreement. These goals and this agreement is now being translated to national goals, plans for implementation and supporting legislation.

The global markets will under these circumstances demand more resource efficient and less polluting products, services and systems. This has spurred a Green Race between countries and companies aiming to be the leading suppliers of these solutions. Countries striving to win this race will need to transform their economies towards resource efficiency and reduced pollution, as well as build knowledge, skills and volume to support strong exports. The current frontrunner in the race is China, investing far more than any other country in this critical transformation.

The markets' role and ability to influence consumer patterns, investments and financing of sustainable development will be of central importance. In this respect, our main questions concern what a market can do and what a market can't do and what legislation is needed to support the markets' function to drive decision-making and action by business, consumers and investors.

These challenging questions form the foundation on which Misum was established as a center of excellence for sustainable markets. Misum's mission is to conduct demand-driven research and education in collaboration with other stakeholders to contribute to a sustainable world and to strengthen Sweden's competitiveness in the Green Race. Misum has a highly important role in this matter, which sets high demands on efficient cooperation with companies, politicians, opinion makers, consumers and investors.

On behalf of Misum's board, I would like to thank all those who have contributed to making Misum's first year in operation a fantastic one. Let me also express my deepest gratitude to the founding organizations Mistra and SSE and to Misum's management and staff for their remarkable work in building the foundation for Misum's future work.

I feel confident that Misum will give a substantial contribution to the achievement of sustainable development. Nonetheless, significant work still remains to be done. The future agenda to create competitive and sustainable markets will require a great commitment from all parties involved.

Björn Stigson
Chairman of the Misum board

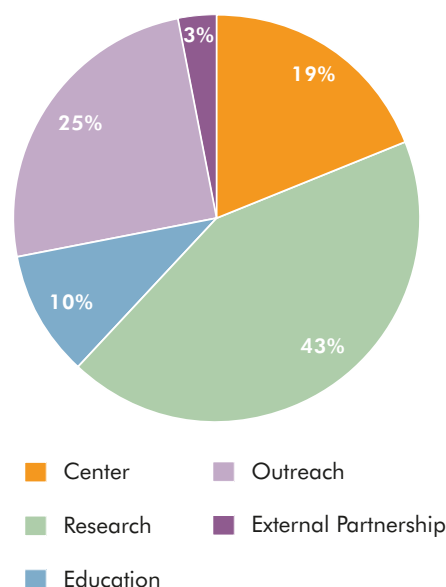


FINANCIAL STATEMENT 2015

INCOME AND EXPENDITURE

| | |
|------------------------|-----------|
| Opening balance | 0 |
| INCOME | |
| Acquired funds in 2015 | 7 098 528 |
| Other income | 10 000 |
| EXPENDITURE | |
| Center | 1 210 951 |
| Research | 2 674 752 |
| Education | 630 971 |
| Outreach | 1 569 393 |
| External partnerships | 212 930 |
| Ending balance | 809 531 |

EXPENDITURE



REMAINING FUNDS FROM MISTRA

Mistra has granted Misum SEK 55 million for the period 2015–2019.

| | 2015 |
|-----------------------------|------------|
| Acquired funds in 2015 | 7 098 528 |
| Remaining funds from Mistra | 47 901 472 |

To ensure international and business relevancy, Misum features an international board with members drawn from both academia and the business community.

The board consists of: **Björn Stigson**, Senior Advisor and former President of the World Business Council for Sustainable Development, **Lisa Emelia Svensson**, Sweden's Ambassador for Ocean, Seas & Fresh Water, **Lars Strannegård**, Dean and Professor at the Stockholm School of Economics, **Lucia A. Reisch**, Professor for intercultural consumer behaviour at Copenhagen Business School, **Alexandra Mörner**, Chairman of Axfoundation, **Egil Myklebust**, Former Chairman of the SAS Group and the Confederation of Norwegian Enterprise, **Helen Mountford**, Programme Director of the New Climate Economy and Director of Economics at World Resources Institute.



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