PRME
an initiative of the
United Nations Global Compact

Sharing Information on Progress 2026

Stockholm School of Economics

September 2026

Table of Contents

1. About PRME 3
2. About SDGs 5
3. Getting Started 6
4. Purpose 13
5. Values 17
6. Teach 22
7. Research 32
8. Partner 45
9. Practice 48
10. Share 51

About the Principles for Responsible Management Education (PRME)

The Principles for Responsible Management Education (PRME) is a United Nations-supported initiative founded in 2007 that aims to raise the profile of sustainability in their classrooms through Seven Principles focused on serving society and safeguarding our planet.

PRME engages business and management schools to ensure they provide future leaders with the skills needed to balance economic and sustainability goals, while drawing attention to the Sustainable Development Goals (SDGs) and aligning academic institutions with the work of the UN Global Compact. Driven by its mission to transform management education, PRME equips today's business students with the understanding and ability to deliver change tomorrow. As a voluntary initiative with over 800 signatories worldwide, PRME has become the largest organized relationship between the United Nations and management-related higher education institutions.



> *The PRME initiative was launched to nurture responsible leaders of the future. Never has this task been more important. Bold leadership and innovative thinking are needed to achieve the Sustainable Development Goals (SDGs).*

Antonio Guterres

Secretary-General (2017 - Present)

United Nations

Principles of PRME



Purpose

We advance responsible management education to foster inclusive prosperity in a world of thriving ecosystems.



Values

We place organizational responsibility and accountability to society and the planet at the core of what we do.



Teach

We transform our learning environments by integrating responsible management concepts and practices into our curriculum and pedagogy.



Research

We study people, organizations, institutions, and the state of the world to inspire responsible management and education practice.



Partner

We engage people from business, government, civil society, and academia to advance responsible and accountable management education and practice.



Practice

We adopt responsible and accountable management principles in our own governance and operations.



Share

We share our successes and failures with each other to enable our collective learning and best live our common values and purpose.

The Sustainable Development Goals (SDGs)

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all – laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of Agenda 2030 are 17 Sustainable Development Goals (SDGs) and 169 related targets that address the most important economic, social, environmental and governance challenges of our time. The SDGs clearly define the world we want – applying to all nations and leaving no one behind. Successful implementation of the SDGs will require all players to champion this agenda; the role of higher education is critical to this.



Getting Started

This section provides foundational information about Stockholm School of Economics, including key details and basic institutional data.

Mission

Our mission is to strengthen Sweden's competitiveness through research and science-based education.

Vision

Our vision is to establish SSE as a leading FREE international business school based in Sweden, built to withstand an uncertain future through the strength of our core activities, support structures, and strategic partnerships.

Strategy

3_SSE_Strategic_Overview View document Download document

Strategy Alignment

PRME work and its alignment with SSE's strategy

SSE's strategy

SSE's strategy exists to direct our operations towards the successful execution of the mission that has guided SSE since its foundation in 1909, to strengthen Sweden's competitiveness through research and science-based education. The strategy also defines pathways that are meant to support the steps necessary for realizing our vision, to become a leading FREE international business school based in Sweden. More specifically, the strategy identifies four goals:

- To establish SSE as a leader in research
- To attract top-class faculty and students
- To create partnerships with business and society
- To shape an inspiring and sustainable campus

Each of these goals extends one of the four foundation elements for SSE's strong position in the national and international higher educational landscape: our research, our educational programs, our engagement with the world of practice and our campus.

SSE's sub-strategies

To achieve these strategic goals, SSE works with three sub-strategies: sustainability, gender equality, and internationalization. The sub-strategy for sustainability consists of four components (Research, Education, Campus and Operations), and each connects to the four goals mentioned above. Four senior managers each direct the work and assess the progress of one component.
Sustainability research takes place throughout the School. Much of it is coordinated and financed by the House of Sustainable Society (HoSS), which serves as an operational hub for this research. Its efforts focus on sustainable finance, accounting frameworks, human capital, and sustainable development. Faculty from all departments participate in HoSS research, and they do so alongside international collaborators from academia and other sectors of society.
SSE's academic departments bear the responsibility for educational excellence, and to this end various professional services units support them. Guiding the pursuit of educational excellence is a unique educational mission. That mission defines four attributes that, ideally, all SSE graduates will embody. We want them to adopt a **Factual mindset**, while being **Reflective**, **Empathetic**, and **Entrepreneurial**, in a word they will be **FREE** to work and lead in settings characterized by change and uncertainty. This approach to higher education is holistic and aspires to types of knowledge and personal development that go beyond market driven skills and competence. As with SSE's research, the educational programs are subject to continuous assessment, in this case guided by the SSE Educational Improvement System.

At SSE, we see a stimulating and sustainable campus as both a physical and a social phenomenon. Alongside an ambitious program of facility upgrades and improved tracking of the School's environmental impact, there is ongoing work to ensure that all students and staff experience the campus as an arena characterized by fairness, inclusion, and equal opportunity, while also offering intellectual and sensory stimulation.
SSE integrates art into the academic environment, increasing the knowledge density of the physical premises and inspiring new perspectives. Several classrooms have been transformed into permanent installations in collaboration with internationally renowned artists, while artworks throughout campus make art part of everyday life and contribute to a more reflective and inspiring atmosphere.
The social dimension of a sustainable and inspiring campus is advanced through SSE's operational work on diversity, equity, and inclusion**.** Stockholm School of Economics is committed to fostering a safe, inclusive, and welcoming environment in which individuals from diverse backgrounds and experiences are ensured equal rights and opportunities, and where students, staff, and faculty are supported to thrive and achieve excellence.
SSE's President has ultimate responsibility for ensuring that systematic and goal-oriented diversity and inclusion efforts are undertaken across the School. On an operational level, department heads and managers are responsible for integrating diversity and inclusion into their respective areas of activity. During 2025, SSE further strengthened its DEI work through the appointment of an Academic Strategy Lead for DEI and a full-time DEI Specialist.

Gender equality constitutes one of SSE's strategic priorities. Through the SSE Gender Equality Program 40/60 2030, the School aims to achieve a minimum 40/60 gender balance across management positions, employees (including faculty at all levels and professional services staff), and students in all programs by 2030, with each department actively contributing to this objective.

In summary, SSE's sub-strategies for sustainability and gender equality seamlessly bridges much of our PRME work with the School's overarching strategy. The sub-strategy in sustainability does this by building upon our four foundational pillars — research, education, campus, and operations — and pursuing strategic goals within each of those areas, goals that directly and indirectly support our work with responsible management education.

Institutional History

Sustainability at SSE - Historical Timeline

2013: PRME
The Stockholm School of Economics (SSE) is a committed member of the United Nations-supported initiative Principles for Responsible Management Education (PRME) since 2013.

2013: Art Initiative
Since 2013, Art Initiative has integrated contemporary art and literature into the academic environment at SSE to support the School's educational mission FREE: fact-based and scientific, reflective, empathetic, and entrepreneurial.

2015: Misum
SSE's Center for Sustainable Markets, known as Misum, is established as the hub for the School's sustainability-oriented research.

2016: Global Challenges
Introduction of Global Challenges in the curriculum of BSc Business and Economics. The goal of Global Challenges Series is to inspire and prepare SSE students to make a difference by addressing these risks, as leading professionals and as engaged citizens.

2018: PRME Champions cohort
SSE becomes part of the PRME Champions cohort.

2018: Literary Agenda
Introduction of Literary Agenda which give SSE students the opportunity to take part in book circles and author talks led by faculty, staff, and PhD students. Each year, participants read six selected books. The aim is to promote self-reflection, empathy, and cultural literacy.

2020: Reflection Series
B&E Reflection Series is a series of seminars given during semester 1-3 in the BSc Business and Ecnomics Program. The purpose is to develop reflective skills and critical thinking. They also enable the students to discover synergies between different courses.

2021: Sustainability work
Strengthened sustainability work with a work group and submission of a separate Sustainability Report.

2023: Sustainability Track
The new MSc Sustainability Track was developed, promoted and started during 2023. It is open to all SSE MSc students and combines sustainability-focused coursework with a sustainability-related MSc thesis.

2025: House of Sustainable Society
Mistra Centre for Sustainable Markets (Misum) at the Stockholm School of Economics is being further developed into the House of Sustainable Society (HOSS). The initiative brings a strong focus on sustainability research feeding into tangible societal benefits.

2025: AERO
Founding member of the AERO network which aims to support the decarbonisation of business schools in Europe. The group meets regularly to exchange ideas, set common goals and collaborate on projects for reducing greenhouse gas emissions.

Graduates & Enrollment

2025 Statistics	Number
Graduates	696

2025 Statistics	Number
Faculty & Staff at the University	302
Student Enrollment at the University	2104
Undergraduate Attendance	1205
Masters-Level Postgraduate Attendance	778
Doctoral Student Attendance	121
Certificate, Professional Development, or Continuing Education Attendance	2350

Degrees Offered

Bachelor Programs

- Bachelor of Science in Business and Economics
- Bachelor of Science in Retail Management

Masters Programs

- Master of Science in International Business
- Master of Science in Business Innovation
- Master of Science in Economics
- Master of Science in Finance
- Master of Science in Accounting, Valuation and Financial Management

Doctoral Programs

- Doctor of Philosophy in Business
- Doctor of Philosophy in Finance
- Doctor of Philosophy in Economics

Undergraduate Degree Programmes

- BSc program in Business and Economics
- BSc program in Retail Management

Masters Degree Programmes

- MSc program in International Business
- MSc program in Accounting, Valuation and Financial Management
- MSc program in Business Innovation
- MSc program in Economics
- MSc program in Finance

Postgraduate Degree Programmes

- PhD program in Business Administration
- PhD program in Economics
- PhD program in Finance

Certificates, Professional Development, or Associate Programmes

- SSE MBA Executive Format



Purpose

We advance responsible management education to foster inclusive prosperity in a world of thriving ecosystems.

Letter of Commitment

A WORD FROM THE PRESIDENT: SSE'S COMMITMENT TO PRME

On behalf of the Stockholm School of Economics (SSE), I am pleased to reaffirm our steadfast commitment to the Principles for Responsible Management Education (PRME). In an increasingly complex and unstable world in which responsible management and sustainability are coming under growing scrutiny, SSE remains fully aligned with PRME's mission to transform management education, research and thought leadership in support of sustainable development and the United Nations Sustainable Development Goals (SDGs).

Our Sharing Information on Progress (SIP) report describes in detail the actions we took during the past year to continue integrating PRME's Seven Principles across our curricula, research, partnerships and organizational practices. This letter highlights some examples.

SSE's values and educational mission align by design with PRME's principle of **Purpose**, which insists that signatories prepare students for roles as responsible leaders who actively contribute to sustainable development. Explicitly, our educational mission aims to develop graduates who are FREE: *Fact-based, Reflective*, *Empathetic* and *Entrepreneurial* individuals who challenge the status quo to improve enterprises, communities, and society. In line with this mission, SSE explicitly integrates **Values** of sustainability, social responsibility, and ethical conduct into its institutional culture and educational framework.

The continued development of our curricula demonstrates progress that manifests the principle of **Teach.** Alongside long-standing mandatory courses, such as the bachelor-level Global Challenges courses, faculty across disciplines continue to develop specialized offerings on topics such as green transitions and climate change.

SSE has identified sustainability as strategic priority for its **Research**. One development in 2025 merits particular attention. The House of Sustainable Society (HoSS), formerly Misum (Center for Sustainable Markets), secured new funding. This allows the unit to develop into a larger, long-term research hub and to create the HoSS Impact Lab. The Lab is a platform where researchers will co-create solutions that address sustainability challenges along with businesses, policymakers, and actors from civil society. It will connect knowledge and action and help translate research into tangible environmental and societal benefits.

Stockholm School of Economics. Sveavägen 65. Box 6501. SE-113 83 Stockholm. Sweden. Phone +46 8 736 90 00.
www.hhs.se

SSE continues to strengthen collaboration with our **Partners**. As an educational institution, our most important partnership is with our students. SSE maintains a close relationship with the Student Association's Student Sustainability Group (SSG). This vibrant group organizes annual events such as Sustainable Fashion Week, Sustainability Week and Sustainable Careers Day. Of course, the UN Global Compact Network Sweden is another important partner.

The SSE Sustainability Group continues to drive change across the School in ways that manifest the PRME principle of **Practice**. The group consists of senior managers, who direct and assess progress in four areas, including campus and operations. This work is documented in an annual Sustainability Report. In a similar vein, in 2025, SSE conducted a Double Materiality Assessment (DMA) using the methodology set out in the EU Corporate Sustainability Reporting Directive.

Finally, SSE emphasizes transparency and collaboration. We actively disseminate insights, tools, and experiences related to sustainability and responsible management education. This dissemination demonstrates our commitment to the principle of **Share.** Through high-impact events and platforms, SSE brings together academia, business, policymakers, and civil society to address complex global challenges.

SSE is proud to have been a PRME signatory and an active member of its Nordic Chapter since 2013 and especially proud of our membership of the PRME Champions group since 2018. We look forward to continued collaboration across the PRME community. This collaboration strengthens our efforts to prepare the next generation of responsible leaders to navigate complex global challenges and advance fair and sustainable development.



Lars Strannegård, President

Stockholm School of Economics

Definition of Purpose

SSE's understanding of Purpose is grounded in its values and educational mission FREE (Fact-based, Reflective, Empathetic, Entrepreneurial) and centers on preparing students to be responsible leaders who actively contribute to sustainable development by equipping them with the ability to understand systemic challenges and make decisions considering ethical and societal implications.

Institutional Engagement

76% - 100% of faculty at Stockholm School of Economics actively contribute to our work with PRME, advancing responsible management education, or addressing sustainable development challenges through their work.

Continue telling your story

FREE_FactSheet View document Download document



Values

We place organizational responsibility and accountability to society and the planet at the core of what we do.

🖉 How We Define Values

Building on its mission to develop FREE individuals, SSE explicitly integrates values of sustainability, social responsibility, and ethical conduct into its institutional culture and educational framework. These values are operationalized not only in course content but also in student life, faculty development, and institutional policies.

Who Champions Responsible Management Education at Our Institution

- Interdisciplinary efforts across business school
- Research or issue group, society, or club leading sustainability efforts
- Student Association Sustainability Group
- SSE Sustainability Group
- Senior leadership office

Student Voices

The following narratives demonstrate how Stockholm School of Economics has influenced students' academic journey and personal growth.

Sustainability and responsible management

(On behalf of SSE student Magdalena Zaczek in the BSc Program in Business and Economics year 2023-2026)

Throughout my studies at SSE, I have seen responsible management embedded across the curriculum rather than treated as a separate topic. From economics and finance to management and marketing, SSE has consistently encouraged me to assess business decisions not only by their financial outcomes, but by their social and environmental impact.
This has been particularly evident through case-based learning in management and strategy courses. Working with real-world company cases has challenged me to balance profitability with stakeholder interests, ethical considerations, and sustainability. Using the PRME Principles and the SDGs as backbones for approaching these challenges has therefore broadened my understanding of business not simply as drivers of profit, but as tools for creating sustainable solutions and long-term value with various perspectives in mind. This is an invaluable perspective that I, alongside my fellow students, hope to carry into our professional careers where similar cases and challenges will be faced.
PRME has therefore shaped both my academic experience and my outlook on my future career. It has taught me that responsible leadership and sustainable development are not separate from good business—they are fundamental to it.

Student engagement through PRME at SSE

(On behalf of SSE student Sara Segergren in the MSc Program in Economics year 2025-2027)

This year, PRME gave me the opportunity to become more involved in sustainability work at the Stockholm School of Economics. I have participated in faculty meetings to represent student perspectives on issues including the integration of sustainability into courses and mental health.

I have also written my own report on student perspectives on sustainability at SSE. The report explores different priorities raised by students and outlines a list of concrete initiatives for the school to act upon. Building on my personal interest in such topics, PRME has given me the platform to carry out this research and turn students' ideas into recommendations that SSE faculty can use when developing their future sustainability strategy.

Another highlight of this year was attending the 2026 PRME Global Forum in Cairo. There, I met students from around the world who shared the same ambitions regarding responsible management education. I had the chance to discuss the many initiatives that SSE has already undertaken and came home with many ideas from peers worldwide.

Climate, Financial Markets and the Economy

(On behalf of SSE student Liv Nyström and Olivia Jernhall in the MSc Program in Finance year 2023-2025)

Growing up in the 21st century, our lives as young people and students have been shaped by concerns about climate change. During our Master in Finance at SSE, we took a course in Climate Finance which gave us the opportunity to delve into the topic. It was also where the idea for our Master's Theis took form: we wondered whether financial markets reflected the concern about climate change we observed around us.
We spent our thesis semester investigating whether climate risk is consistently priced in equity markets, and whether its pricing depends on how much attention investors pay to it. We studied Swedish large-cap stocks from 2016 to 2025, using ESG scores as a proxy for firms' exposure to climate risk. To capture climate concern as it changed over time, we built a Climate Change News Index using 120,000 articles from the Swedish business outlet Dagens Industri. The index closely followed shifts in public attention to climate change, rising between 2016 and 2020, thereafter falling sharply at the outbreak of COVID-19, and subsequently trending downward from 2022, as the war in Ukraine and other crises dominated the news. Between 2016 and 2024, we found a negative green premium: firms with higher ESG scores had lower expected returns, which implies a lower cost of

capital. This discount narrowed during periods of intense climate coverage. Green firms also had lower volatility and downside risk. In 2025, however, the relationship reversed. As climate coverage declined and sustainable funds saw net outflows, green firms earned higher returns than brown firms. The reversal is hard to explain as compensation for climate risk alone, since firms' ESG profiles remained similar. Instead, it points to investor preferences and attention as central drivers. This matters for SDG 13 (Climate Action). Capital markets can lower the cost of capital for firms that manage climate risk well, but that mechanism appears fragile when climate falls down the agenda. More broadly, our sustainability related course work taught us how sustainability directly interacts with financial markets. It reinforced our view that a market-driven transition needs lasting commitment from those who allocate capital. We take that perspective and responsibility with us into our careers as future finance professionals.

Values Voices

Umeå Sustainability Prize for theses in business administration 2025

Thesis title: Toward a Fossil-free Future: an explorative study on Value Proposition Development in an Emerging Ecosystem
Authors: Johan Glase (MSc Program in Business & Management, 2022-2024) and Gustav Sigling (MSc Program in Business & Management, 2022-2024)
Supervisor: Kaisa Koskela-Huotari

The winning thesis explores the development of value proposition within the emerging fossil-free steel ecosystem surrounding the HYBRIT initiative by SSAB, LKAB, and Vattenfall. This research is particularly relevant today because global challenges like climate change necessitate complex collaborations across sectors and the entire value chain to create and capture value. Johan and Gustav mean that understanding how value propositions are developed in such settings, decision makers can better support the transition toward a fossil-free future.
– Already during our Master's program, we became intrigued by the concept of collaboration between companies rather than competition. Recognizing the increasing importance of such collaborations for addressing complex global challenges, we decided to focus our thesis on this area. When we came across the HYBRIT initiative, which aims to decarbonize steel production and has the potential to cut Sweden's CO2 emissions dramatically, we knew it was the perfect case study for us to explore, Johan says.
Johan and Gustav have many memorable experiences from working with the thesis. One of the most significant was conducting interviews with the key stakeholders involved in the HYBRIT initiative. Hearing firsthand about the challenges and successes of developing the fossil-free steel ecosystem was both enlightening and inspiring.
– Additionally, spending so much time working on our thesis together, even during difficult times, deepened our friendship and made the journey even more rewarding, Gustav says.

Their effort paid off. The jury, consisting of Johan Sandström (Luleå University of Technology), Emilia Cederberg (Stockholm School of Economics), Michelle Rydback (University of Gävle), and representatives from Umeå Energi AB, have selected the thesis for its original and academically rigorous contribution, noting how the students innovatively integrate marketing concepts and offer valuable, practice-oriented insights for businesses and policymakers driving green energy transitions.
– Winning the prize is a great honor. It's incredibly rewarding to have our efforts recognized and to know that our research makes a meaningful contribution to the field of sustainability. This award inspires us to keep exploring and promoting sustainable practices in business, Johan and Gustav reflect together.
After graduation, they coincidentally started working at the same consulting company. Johan became a Management Analyst for the Energies & Utilities team, focusing on sustainable energy transition, while Gustav joined the Talent and Organization team, focusing on change management.

Honourable mention

The jury directs an honorable mention to two exceptional theses. As a runner-up, “Bothness Despite Otherness: A Synergistic Approach in a North-South Social Enterprise fusing Mutual Collaboration with Degrowth Values”, by Ricarda Becker and Ladina Laura Kaupp, Lund University School of Economics and Management. Third place goes to “Sustainable Food Systems: Leveraging Producer-Retailer Relationships” written by Olivia Adolfsson, Uppsala University.

Important collaboration

The prize, which is handed out as a scholarship worth 25,000 SEK, has been made financially possible through collaboration with Umeå Energi AB.
– Umeå Energi wants to be a positive force in sustainable development of the Umeå region. With this scholarship, we want to encourage students in business administration to deeply engage in sustainability. The winning thesis is of high relevance for the opportunities and challenges of green energy transitions that are unfolding in our region, says Magnus Stenvall, Umeå Energi AB.

Teach

We transform our learning environments by integrating responsible management concepts and practices into our curriculum and pedagogy.

How We Define Teach

SSE operationalizes the Principle of Teach by embedding responsible management into teaching practices and course structures across all levels - from bachelor's to executive education. SSE's educational mission FREE guides the development of content and innovative teaching practices that build holistic skills sets and foster responsible, informed decision-making.

Courses that support RME

Stockholm School of Economics reports 8 courses in 2025 that support responsible management education and sustainable development goals.

Climate, Financial Markets and the Economy | 4342

Climate change is one of the most important challenges of our time. After touching upon the basics of the science behind climate change, this course aims to provide students with the tools to understand (i) the links between the climate and the economy (ii) the effectiveness of different climate policies and (iii) the role of financial markets in managing climate-related risks and in the green transition. Students will learn how different models and techniques can be used to make sense of climate-related phenomena, identify and gauge climate-related risks, and evaluate climate policies. By applying these frameworks and performing empirical analyses in the assignments, students will also gain quantitative skills essential for any job in finance or economics.

INTENDED LEARNING OUTCOMES
Upon successful completion of the course, students should be able to:
1. Be aware of the science behind climate change and of the relationships between the climate and the economy, with a special focus on the link between economic growth and emissions and the relevance of climate change for households' and firms' decisions;
2. Assess the uncertainties surrounding climate-economy relationships and climate policies and the resulting climate-related risks;
3. Discuss the role of financial markets in hedging climate-related risks and in the green transition;
4. Analyze the mechanics of different climate policies, the relevance of cost-benefit analysis to gauge their impacts, and the importance of discounting for evaluating long-term effects;
5. Use the tools and contents learned in the course to develop an informed assessment of the impact of climate policies and of factors affecting the climate-economy relationships.

FORMAT AND STRUCTURE
The course consists of lectures and seminars. During seminars, students will go through the assignments and/or additional material with the teaching assistant. Subject to availability, there will also be one or two lectures with guest speakers, which will allow the students to gain insights into how practitioners and policymakers deal with climate-related issues.

CONTENT

The course will cover the following topics:

- Basics of the science of climate change
- A simplified version of the DICE Integrated Assessment Model
- Mechanics and implications of different climate policies
- The stochastic discount factor and how to use it to rationalize climate-related risks
- Empirical evidence on the impact of climate risk on different assets
- Green innovation and the role of finance and policy
- Discounting



The Road to the Green Transition | 5333

Content

The course critically explores the main policy challenges in achieving 'net zero' greenhouse gas emissions by 2050, as called for in the Paris Agreement. Special emphasis will be placed on the role of economic policy, the role of the private sector, and the multi-level politics behind the green transition.

Intended Learning Outcomes

At the end of the course students will be able to:

1. Outline the green transition objectives, and how they relate to global, European, and national decarbonization policies.
2. Critically assess the short-, medium- and long-term challenges in bringing about a green transition, and understand who the main stakeholders are.
3. Apply insights from relevant academic and policy literatures to analyzing the prospects of achieving the green transition objectives.
4. Identify and analyze the main economic and societal challenges posed by the green transition, and how these relate to domestic, European, and international politics.

Working in groups, students will also develop nuanced accounts of aspects of the green transition challenges and outline possible solutions.

Format and Structure
The course is designed and taught jointly by CIVICA professors. On top of lectures, students work in teams across countries and disciplines, with the aim of completing a final capstone project assignment related to climate policy challenges.
All sessions will be recorded and made available for students who are unable to attend live due to overlapping holidays or exams at their home institution.



Business & Sustainable Development Fundamentals | 2319

The seminal definition of sustainable development (Our Common Future, 1987) broadly interlinks concerns for the environment, economic and social development to the global policy agenda. It brings in an intergenerational perspective in time, and geographic considerations in space. Our transition towards sustainable development involves multistakeholders such as global and national policymakers, investors, businesses, consumers and civil society actors. Challenges caused by climate change, biodiversity loss, population growth, poverty and inequality along with geopolitics and conflict are interlinked and increasingly impacting, or being impacted, by our socioeconomic systems interacting with corporate and human behavior.
The salience and complexity of diverse concerns must be understood through the underlying philosophies, levels of analysis and multi-stakeholder perspectives, but also by which dominant logics and theories you apply. Understanding the inevitable tradeoffs and identifying the potential synergies interlinking the many sustainable development concerns requires a basic understanding of the broad theoretical and empirical research to date, but also, though most often unaddressed, a reflective stance underlying philosophies and normative ethics. This is an introductory course on selected sustainability topics and takes a global perspective comparing values and interests, economic systems and markets, tradeoffs and interlinkages to consider the complexities as they relate to business and economics studies.



Sustainable Finance | 4334

Purpose
Firms and their investors face increasing demands from governments and other stakeholders to reduce their negative social and environmental impact. Accordingly, sustainable investments that take into account environmental, social, and governance (ESG) considerations have grown significantly in recent years. This is the field of sustainable finance. The course uses real-world cases to study how firms and their investors address these increasingly pressing demands. The aim is to provide students with the tools to assess and respond to the resulting challenges for firms and investors. In doing so, the course relates to several important topics in finance. The broader aim of the course is to critically reflect on the role of business and finance in society.
Content
The course is divided into three parts: (1) sustainable business, (2) responsible investing and sustainable investor engagement, and (3) corporate sustainability reporting and measurement. In the first part, we study the role of sustainability in firms' decision-making. Cases in this part concern trade-offs between profits and sustainability and their impact on stakeholders such as employees, customers, and society. In the second and main part of the course, we study how investors incorporate sustainability considerations into their investment strategies. We compare different responsible investment criteria and different types of direct sustainable investor engagement. In particular, we evaluate the role of different types of investors, such as mutual funds, private equity funds, and individual investors, in sustainable investing. The third part of the course studies the role of sustainability measurement and disclosure. Here, we focus on the way firms report their sustainability efforts and how investors process and use this information.



Global Challenges 1 - Understanding | BE801

Fighting global threats, from climate change to new contagious viruses, often requires large-scale changes in behavior. How can we modify the behavior of billions of people? Clearly, the answer requires an understanding of both human nature and social organization.
Sometimes, governments create large-scale improvements in people’s behavior without individuals themselves making a conscious decision to act for the common good. For example, even a car-owner who is not worried about the climate will tend to drive less when carbon taxes make petrol more expensive.
At other times, governments and other influential actors create large-scale behavioral changes by appealing to people’s non-material motives. For example, in the wake of environmental campaigns, many people change their diet and reduce their travel by cars and planes. Their non-material motives take several forms, ranging from pure concern for future generations at the unselfish end of the spectrum to a pure desire for social image at the selfish end. In-between these two extremes is the

sense of obligation; for example, many people perceive a social duty to behave in an environmentally friendly way. Prosperous societies share the ability to harness both material and immaterial motives for the common good.
An important feature of states is that they use coercion. For example, the payment of taxes is not voluntary. Ultimately, the military service (police) will be used to collect the tax or penalize the tax dodger. A major purpose of social theory is to understand the pros and cons of organized coercion. But the defining characteristic of a global challenge is that it spans many states. Since each state is sovereign, there is no global government that can legitimately use the threat of violence to impose decisions—such as a carbon tax—on the whole world. How, then, can people from different states cooperate to fight global warming? What are the possible roles of individuals? What are the possible roles of commercial organizations? What are the possible roles of non-profit entities and of trans-national organizations such as WTO? And what is the scope for voluntary cooperation between governments? Do we need to build a new mechanism for global coercion?



Global Challenges II: Shifting | BE802

Today's global challenges are too complex to solve with old ways of thinking and acting alone. Global Challenges II: Shifting invites you to explore approaches to understanding systems, collaborating across differences, and strengthening the inner capacities needed to lead change in an uncertain world.
In this course, you'll explore three interconnected shifts (Goleman & Senge, 2014): within yourself, between people, and in systems. Or, as we like to call it, "me, we & world". Although we do it in reverse order in the course:
First, we will explore shifting systems (Block I: Outer - System Awareness)
Global challenges rarely have simple causes or single solutions. They emerge from interconnected systems that demand new ways of seeing and acting - looking beyond isolated problems to the patterns, relationships, and mental models that shape outcomes. You'll learn to see the bigger picture and identify leverage points where small, well-placed actions can create meaningful shifts across issues like geopolitical risks, conflict, crime, inequality, and climate change.
Next, we will explore shifting how we engage with others (Block II: Other - Social Awareness)
Addressing global challenges depends on our ability to collaborate across sectors, stakeholders, viewpoints, and disciplines. You'll strengthen your capacity to listen, understand, and communicate

across differences. Through exercises in empathy, perspective-taking, and rhetoric, you'll discover how language and framing can open—or close—possibilities for cooperation. You'll practice finding common ground and using communication as a tool for building trust, influencing others, and leading collective action.
Finally, we will explore shifting our awareness within (Block III: Inner - Self-Awareness)
Complex challenges demand inner work too. You'll cultivate focus, resilience, and self-awareness - capacities essential for staying grounded, reflective, and effective - amid uncertainty. This inner shift can help strengthen your ability to navigate complexity with clarity and direction.
This is an experiential course built around deep reflection through learning journals, team projects, and hands-on exercises. You won't just learn concepts and theories - you'll apply them in real-world scenarios and through personal practice.
A distinctive feature is the course's intentional integration of diverse perspectives - some normative, others critical or creative; some experiential, others theoretical. You'll encounter viewpoints that sometimes contradict each other, and that's by design. This approach equips you with a portfolio of tools and theories while accommodating different learning styles, preparing you to navigate the complexity and ambiguity inherent in tackling global challenges.



Impactful Entrepreneurship for Global Challenges | BE906

Purpose:
The purpose of this course is to provide students with the skills, sense of agency, and reflective mindset required to successfully engage in impactful entrepreneurship in the context of the global challenges the world faces today. Key tools and concepts such as social innovation, sustainable business models, twin transition (societal impact through digital technology), and impact measurement will be introduced by faculty, discussed with a number of carefully selected external guests, and deployed in a set of hands-on workshops, where students will work in groups to develop a venture idea with potential to create societal impact. At the end of the course, students will present their venture ideas to an expert panel including impact-oriented venture capitalists.

Intended Learning Outcomes
Students will be able to demonstrate the ability to identify the complex problems underlying global challenges and the capacity to develop innovative, actionable solutions that have the potential for significant societal impact. This involves:
1. Translating wide problems into needs that can be addressed by a specific solution, including both digital and non-digital solutions
2. Using Digital/AI tools in the development of new venture ideas/solutions and acknowledgeing

both the positive and negative potential societal impact of such digital tools

3. Designing a business model recognizing financial, social, and environmental sustainability
4. Anticipating and evaluating the societal impact of their entrepreneurial venture ideas.







Sustainability Challenges: Business in Society | BE918

The course addresses environmental and social sustainability in business practice and theory. Setting out from the wider context of business operations, it identifies the expectations and challenges that entrepreneurs and firms meet as they interact with suppliers, customers, and other stakeholders. It brings up issues of principle and practical considerations alike, focusing on business in society, practicing sustainability, and finally strategies and governance for sustainability, including issues of sustainability accounting and finance.
The course is organised in a series of lectures, seminars and a project assignment.
Structure
In addition to the introductory Lecture 1, the course is structured in four parts: (1) business in society; (2) practicing sustainability; (3) business strategies and sustainability; and (4) project assignment. Each module is composed of three lectures plus one seminar, the latter of which takes different forms as detailed in the course schedule below. Lecture 1 plus the three guest lectures (6, 8 and 10) are compulsory, as are the seminars (participation in one of the 8 groups).

Learning outcomes
On completion of the course participant should be able to
• master and explain core concepts in business sustainability (ILO 1)
• identify critical interdependencies in sustainable development (ILO 2)
• critically assess the main sustainability approaches and frameworks (ILO 3)
• apply central theories, concepts and models to a corporate sustainability challenge (ILO 4)



Teaching Voices

The following statement demonstrates ways in which educators at Stockholm School of Economics support sustainability and responsible management in their classrooms.

Global Challenges Education at SSE as a facet of PRME

Global Challenges Series
Anders Liljenberg, GCS-director

Global Challenges Education at SSE as a facet of PRME

Since some ten years the Stockholm School of Economics engages in a unique delivery of 'global challenges' courses geared at students in the Business & Economics BSc-program. Two mandatory courses during the first three semesters are complemented by an ensuing corresponding elective course. The three courses constitute a coherent pedagogical whole labeled the Global Challenges Series. The initial course, *Understanding*, targets how human behavior can change in the interest of addressing global challenges. Game theory is here drawn upon as a means to grasp how cooperation (for instance via international organizations) comes about as a way to benefit the common good. The following course, *Shifting*, brings up how addressing global challenges calls for changes in thinking, behavior and means of collaboration. Companies thus need to re-evaluate themselves in order to work in a more sustainable way. This necessitates systems thinking at the 'outer' level, transgressing borders via cooperation at the 'social' level, and self-awareness at the 'inner' level. The elective course *Acting* is oriented towards concrete business model tools whereby ideas are turned into realities by means of impactful entrepreneurship.

The pedagogical essence hereof is to have students initially *understand* what global challenges are and what they entail in terms of cooperation to be shouldered. Once this is in place, changes needed to address these challenges in practice at various levels, *shifts*, are problematized. Students with a special interest in the area are then encouraged to venture into *acting* as concrete business ideas which address global challenges are formulated. In this way, *Understanding*, followed up by *Shifting*, and sided by *Acting* jointly foster both responsibility and accountability, much in line with the PRME principles.

The pursuit of such an endeavor is, however, not an easy undertaking as it entails the delivery of 'uncomfortable knowledge' (Gatzweiler et al., 2022). That is why it is comforting to see how the Global Challenges Series at the Stockholm School of Economics encompasses a number of factors which, it is argued by research, promote 'sustainability-related education' (Bansal & Boyd, 2026). One is the integration of different societal levels which follows from systems thinking. Another is a multidisciplinary approach (the GCS-courses are delivered by faculty from the departments of economics, organization and entrepreneurship respectively). Yet another is financing of the courses (the two mandatory GCS-courses are financed by an external foundation through a multi-year agreement).

Stockholm School of Economics has hence chosen to address its delivery of *mandatory* courses which target sustainability overall, in terms of global challenges, in a way which draws on recent pedagogy research.

Continue telling your story

Teach

The continued development of our curricula demonstrates progress that manifests the principle of **Teach.** Alongside long-standing mandatory courses, such as the bachelor-level Global Challenges courses, faculty across disciplines continue to develop specialized offerings. These include courses examining climate change and the financial markets and another focused on the road to green transition. The Sustainability Track, launched in 2023, is growing in popularity. It is open to students in all MSc programs. Students who complete at least two electives with sustainability content and write their master's thesis on a sustainable development topic have the track recorded on their degree certificate. SSE faculty and students also received several sustainability-related awards during 2025. These included the Umeå Sustainability Prize for a master's thesis on Sweden's green transition and the AOM's Management Education Division's award for Best Workshop, recognizing work on arts-based pedagogies in sustainability education. Within the PRME Champions group, SSE completed a sub-project on innovative pedagogy within sustainability reporting frameworks. In 2025, SSE also improved the internal organization of its PRME work. The PRME Director role was incorporated into the Pedagogy Team, an arrangement that embeds responsible management concepts and practices in pedagogical development efforts across the School.



Research

We study people, organizations, institutions, and the state of the world to inspire responsible management and education practice.

How We Define Research

The Principle of Research at SSE emphasizes generating knowledge that is both academically rigorous and societally relevant. Sustainability is a defined research priority, and the Mistra Center for Sustainable Markets (Misum) leads this effort. Research projects are frequently designed to inform policy or practice, often in collaboration with external partners.

Research vs Research for RME/Sustainable Development

207 Peer-reviewed articles were published by Stockholm School of Economics from this past calendar year.

vs

89 Peer-reviewed articles were published by Stockholm School of Economics from this past calendar year in support of RME.

Research Funding

In 2025, Stockholm School of Economics was awarded funding for research that is:



Institution Specific | **Local** | **Regional** | **National** | **International**

Socializing Research

In 2025, Stockholm School of Economics contributed research findings to:

- Community organizations
- Government and policy makers
- Industry and business networks
- International media
- Local media
- National media
- Open-access platforms

Research Projects

In 2025, Stockholm School of Economics reported 2 research projects that implemented responsible or sustainable activities.

Solving the Integration Challenge of High-skilled Migrants: the Central Role of Merits

Period Covering: January, 2025 - December, 2027

Department: Management and Organization

Labor migration is a necessity for our economy since Sweden does not train enough skilled professionals. This labor shortage is being addressed through migration policies that privilege high-skilled migrants, who are believed to integrate more easily. Yet two paradoxes challenge Sweden's assumption on integration.

The first is the "skill paradox". Skilled migrants are under-employed compared to native-born individuals with a similar level of education. Despite the market's need for skills, there is persistent and documented underemployment among high-skilled, foreign-born workers in Sweden. Rather than a skills mismatch, we want to investigate whether the skill paradox could be linked to organizations' difficulty in recognizing skilled migrants' professional merits for their employment (Risberg &Romani 2022).

The second paradox is the "integration paradox". It highlights the gap between professional qualifications and social integration experienced by high-skilled migrants. Research shows that these migrants experience difficulties achieving social and cultural integration; they do not feel included. We want to investigate whether skilled migrants' lack of belonging is linked to recent developments in public opinion linking immigration to heightened cultural and security threats. Our project investigates these two paradoxes with a mix of qualitative and quantitative data. Preliminary insights on the first paradox points, indeed, to organizations' difficulty to recognize foreign-born workers' merits. (Text from House of Sustainable Society/Misum Annual Report 2025)



Carbon Pricing and Green Investment

Period Covering: September, 2023 - N/A

Department: Finance

This study asks a simple question: when the price of emitting CO^2 rises, do the firms that pollute

the most actually invest to become cleaner, or do they mainly absorb the cost and carry on? Using comprehensive Swedish administrative data, the researchers link firms' investment spending to their firm-specific cost of emitting CO^2 over 2000–2019, covering both regular capital expenditures and a subset of investments explicitly aimed at pollution abatement. Sweden—often cited as having one of the world's highest CO^2 taxes—is a useful setting because carbon prices were fairly stable for many years but then rose sharply after 2014–2015, largely due to the phase-out of a major manufacturing exemption in the carbon-tax system. The project shows that this "price shock" matters most where policy is intended to bite:among the most emissions-intensive manufacturing sectors, higher carbon prices are followed by markedly higher investment, including a clear shift toward abatement-focused spending and greener R&D. But the response is not automatic or universal. The post-2015 investment increase is driven primarily by firms with stronger internal financial capacity before the price increase—firms that were paying dividends—and they appear to fund much of the additional investment by cutting dividends rather than by relying on better access to external finance. Overall, the findings suggest that sufficiently high carbon pricing can push "brown" firms toward "green" investment, but that who is able to respond depends crucially on financial slack—raising the possibility that climate policy works best when paired with conditions (or complementary policies) that help financially constrained firms adjust.
(Text from House of Sustainable Society/Misum Annual Report 2025)



Research Awards

In 2025, Stockholm School of Economics was awarded 1 research award for responsibility- and/or sustainability-related research.

CFA Society Sweden ESG Award 2025

Granter: CFA Society Sweden's ESG Committee

Grantee: Sustainable Finance Lab at Stockholm School of Economics

Award Description:

The Sustainable Finance Lab (SFL), a research collaboration involving the Stockholm School of Economics and other leading Swedish institutions, has received CFA Society Sweden's ESG Award 2025.

The award recognizes outstanding contributions to integrating environmental, social, and governance (ESG) considerations into the investment industry. CFA Society Sweden has named the Sustainable Finance Lab the recipient of its ESG Award 2025.

The Sustainable Finance Lab is a research consortium that brings together researchers from the Stockholm School of Economics, KTH Royal Institute of Technology, Stockholm Resilience Centre at Stockholm University, the University of Gothenburg, and Luleå University of Technology. The consortium was established to advance sustainable finance through scientific research that strengthens practice and supports the transition to a more sustainable society.

The award recognizes SFL's world-class research and its ability to translate academic insights into practical tools and solutions for the financial sector. Through collaboration between researchers and industry stakeholders, SFL has contributed to advancing the understanding and implementation of sustainable finance.

The award highlights the value of evidence-based research in addressing complex sustainability challenges and reflects the Stockholm School of Economics' commitment to generating knowledge that drives responsible change in business and society.

Research Presentations Related to RME and/or Sustainability

In 2025, Stockholm School of Economics gave 3 research presentations related to RME and/or sustainability.

Disruptions and Flexible Bureaucracy: Liminal Strategizing in Greyzones Between Peace and War | DOI

Authors: Mattias Axelson, Stockholm School of Economics, Sweden | Patrick Reinmoeller, | Joakim Netz, Chalmers University of Technology, Sweden

Date of publication: June, 2025

Presented at: National or international academy of management

Department: Department of Entrepreneurship, Innovation and Technology (House of Innovation)

Contemporary disruptions often last months or years, not days or weeks, requiring bureaucratic organizations that provide consistency and continuity. However, bureaucracies are typically rigid and inferior to temporary organizations in terms of flexibility in dealing with disruptions. Conversely, temporary organizations lack the continuity needed during prolonged disruptions. We learned about this poorly understood puzzle during our case study of Sweden’s defense administration’s military response to the greyzone between peace and war following Russia’s annexation of Crimea.

Longitudinal data reveal how managerial hierarchies select internal trustees based on the trustees knowledge of local contexts and how the trustees reactivate former employees, chosen for their professional expertise, as external trustees to mobilize local resources. These trustees collectively engage in a liminal process of strategizing through familiarity that makes a bureaucracy flexible during prolonged disruptions, blending transparency with secrecy. This discovery challenges extant research that underestimates the ability of bureaucracies to become flexible during disruptions. As a basis for further theory development, we propose a “liminal strategizing through familiarity” model that is socio-culturally rooted among internal and external trustees. Our pre-theory reintroduces flexible bureaucracy, assigning familiarity with a new strategic role for continuity during prolonged disruptions.





From Peripheral to Core: The Journey of Sustainability Practices | DOI

Authors: Sina Behzadifard, Stockholm School of Economics, Sweden | Pär Åhlström, Stockholm School of Economics, Sweden | Matin Mohaghegh, WU Vienna University of Economics and Business (Stockholm School of Economics, Sweden in 2025)

Date of publication: June, 2025

Presented at: Academy of Management Conference

Department: Entrepreneurship, Innovation and Technology

Manufacturing firms increasingly face pressure to integrate sustainability practices into their operations, yet research shows mixed findings regarding the performance implications of such integration. We argue that these inconsistent results stem from insufficient attention to how sustainability practices are positioned within firms’ operations, as a network of practices- specifically whether they function as core or peripheral practices. Drawing on organization theory and the practice-based view, we analyze longitudinal data from 65 U.S.-based public manufacturing firms (910 firm-year observations) from 2009 to 2022 to examine: (1) how sustainability practices transition between core and peripheral positions over time, and (2) how this positioning affects operational performance. Our findings reveal significant dynamism in how sustainability practices are positioned within firms’ operations networks, with practices shifting between core and peripheral positions rather than maintaining fixed positioning. Moreover, while core sustainability practices consistently drive positive performance outcomes through enhanced operational efficiency, peripheral practices show negative performance effects, likely due to implementation challenges and resource conflicts. Contrary to expectations, we find no evidence that peripheral practices complement core practices to enhance

performance. These results advance the understanding of how the positioning of sustainability practices within operations' network shape their performance implications while offering practical guidance for managers on effectively integrating them into their operations.

(The paper was nominated Best Paper Award)



The Evolving Role of Management Control in the Era of Corporate Sustainability

Authors: Moderator: Emilia Cederberg, Stockholm School of Economics | Moderator: Christian Hofmann, Ludwig-Maximilians-Universität München

Date of publication: May, 2025

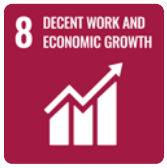
Presented at: European Accounting Association, 47th Annual Congress, 28-30 May 2025, Rome, Italy

Department: Accounting

As sustainability becomes an essential priority for organizations, the role of management control systems (MCS) in supporting this transformation is increasingly significant. The symposium is tied to the European Accounting Review's special issue, The Evolving Role of Management Control in the Era of Corporate Sustainability, and will explore key themes, such as the integration of sustainability metrics into traditional controls, the role of MCS in managing value chain complexities, the implications of emerging regulatory frameworks, and the evolving responsibilities of the CFO organization and business controllers. Attention will also be given to how MCS navigates tensions between financial objectives and sustainability goals, as well as their role in advancing decarbonization strategies and other sustainability-focused initiatives. This symposium offers an opportunity to engage in a thoughtful dialogue on the transformative role of MCS in aligning strategic objectives with sustainability imperatives. It aims to deepen understanding of how MCS contributes to addressing environmental and social challenges, fostering scholarly insights into this dynamic area of research.







Publications Related to RME and/or Sustainability

A Theory of Socially Responsible Investment | DOI

Authors: Marcus M Opp, Stockholm School of Economics, Sweden and CEPR, UK | Martin Oehmke, London School of Economics, UK and CEPR, UK

Date of publication: March, 2025

Department: Finance

We characterize the conditions under which a socially responsible (SR) fund induces firms to reduce externalities, even when profit-seeking capital is in perfectly elastic supply. Such impact requires that the SR fund's mandate permits the fund to trade off financial performance against reductions in social costs—relative to the counterfactual in which the fund does not invest in a given firm. Based on such an impact mandate, we derive the social profitability index, an investment criterion that characterizes the optimal ranking of impact investments when SR capital is scarce. If firms face binding financial constraints, the optimal way to achieve impact is by enabling a scale increase for clean production. In this case, SR and profit-seeking capital are complementary: Surplus is higher when both investor types are present.





All Insecure? Insecurity Profiles and Their Antecedents in Employed Gig Workers | DOI

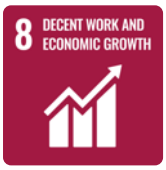
Authors: Constanze Eib, Stockholm School of Economics, Stockholm University, Sweden | Claudia Bernhard-Oettel, Stockholm University Sweden | Franziska Müller, Stockholm University, Sweden

Date of publication: September, 2025

Department: Management & Organization

Gig work has been increasing in past years and is usually portrayed as a precarious and vulnerable non-standard employment form characterized by high insecurity. To better understand insecurity experiences of gig workers, we explore whether and how insecurity perceptions in relation to gig, financial, career and business domains are combined in distinct insecurity profiles. To characterize found profiles, potential antecedents (demographics, gig work motives, gig employment characteristics and labor market factors) to insecurity perceptions are studied. This study focuses on employed gig workers in Sweden, who work client-based and find their own assignments, but also

have an umbrella company as their legal employer. Based on 227 employed gig workers, four distinct insecurity profiles were identified. The 'predictable secure' (40%), the 'career secure' (20%), the 'client and career insecure' (24%) and the 'highly insecure' (17%). Results indicate that not all gig workers experience insecurity or work in a precarious employment form. Instead, at least for some, gig work can provide employment that is perceived as intrinsically motivating. Others needed gig work for their income and were using gig work not solely as sideline activity. Results also reveal that several aspects of job insecurity are important to consider when differentiating the heterogenous group of gig workers. This study concludes that policies may be needed for vulnerable groups to identify solutions that reduce insecurity in client-based work. Preferably, this can be done in dialogue between employers, unions, gig workers and their clients.



Beyond symbolism: revisiting the ESG-performance relationship through operational excellence

DOI

Authors: Pär Åhlström, Stockholm School of Economics, Sweden | Matin Mohaghegh, Stockholm School of Economics, Sweden | Sina Behzadifard, Stockholm School of Economics, Sweden | Anand Nair, Stockholm School of Economics, Sweden

Date of publication: December, 2025

Department: Department of Entrepreneurship, Innovation and Technology

Purpose
This study addresses the inconsistent evidence on whether environmental, social, and governance (ESG) hinders or enhances performance. Drawing on the practice-based view (PBV) and the competitive progression theory (CPT), we argue that this inconsistency stems from how firms approach sustainability, prioritizing ESG reporting over the operational foundation for ESG integration. We conceptualize this foundation as Operational Excellence (OE), a firm-wide commitment to excellence through the persistent adoption of multiple practices and theorize that OE results in ESG adoption and effectiveness. We also hypothesize about the mediating effect of OE-driven ESG adoption on performance.

Design/methodology/approach

Using a longitudinal panel of 3,394 U.S. manufacturing firm-year observations (2010–2023), we apply System Generalized Method of Moments (GMM) to test the role of OE in ESG adoption and effectiveness. To capture the key elements of our OE conceptualization, we consider the breadth (number of practices) and persistence (the consistency of adoption over time). Several robustness tests are conducted to ascertain the findings.

Findings
OE facilitates sustainability engagement and the adoption of a broad range of ESG practices. It also enhances ESG effectiveness, as performance gains occur when ESG practices are grounded in prior OE. Results reveal a sequential pattern: firms first adopt OE practices, then ESG practices, leading to improved performance. This reflects temporal mediation, where OE influences performance through ESG practices.

Originality/value
We conceptualize OE as a firm-wide commitment to excellence that underpins ESG effectiveness—enabling ESG to improve performance by being fully integrated into core operations and aligned with other practices.



Climate change uncertainty and supply chain financing | DOI

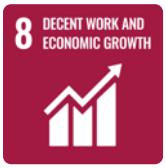
Authors: Ting Dong, Department of Accounting, Stockholm School of Economics, Sweden | Zhangfan Cao, Nottingham University Business School China, University of Nottingham, Ningbo, China | Steven Xianglong Chen, Accounting and Finance Group, University of Liverpool Management School, University of Liverpool, UK | Edward Lee, Division of Accounting and Finance, Alliance Manchester Business School, The University of Manchester, UK

Date of publication: October, 2025

Department: Accounting

We examine the impact of climate change uncertainty on supply chain financing. We find that firms significantly curtail trade credit provision during periods of high climate change uncertainty. The cross-sectional variations of this effect with firm-specific factors such as vulnerability to climate change, asset redeployability, and pollution severity suggest that it is primarily driven by managerial anticipation of physical damage cost rather than regulatory cost that the uncertainty could incur. The moderation of this effect by exogenous regulatory interventions such as state-level staggered adoption of the Climate Change Adaptation Plans and the Interstate Banking and Branching Efficiency

Act suggests that managerial concerns of such cost can be alleviated through the improvement of climate change preparation and external financing respectively. Overall, our study reveals that climate change undermines the financial resilience of the supply chain and provides timely policy implications for tackling climate change against the backdrop of the global supply chain crisis.





Family firms and sustainable development goals: the role of ownership, management, and country progress | DOI

Authors: Marco Mizmetti,Stockholm School of Economics, House of Innovation, Sweden | Ivan Miroshnychenko, Paris School of Business, France | Alfredo De Massis, Department of Business Administration and Management, D'Annunzio University of Chieti-Pescara, Italy, IMD Business School, Lausanne, Switzerland Lancaster University, Lancaster, UK Institute of Family Business and Institute for Entrepreneurs, Zhejiang University, Hangzhou, China

Date of publication: November, 2025

Department: Department of Entrepreneurship, Innovation and Technology

This article examines the role of businesses and managers in driving sustainable development, with a focus on family firms. Drawing on the mixed gamble perspective, we compare the progress of family and non-family firms toward achieving SDG 7 (affordable and clean energy). We develop a framework that illustrates how ownership, management structures, and the national context shape firms' sustainability behavior. Using panel data from listed firms in 39 countries over 14 years, we show that family-owned firms led by non-family managers achieve a higher level of progress toward SDG 7 than non-family firms and family firms led by family members. Contrary to expectations, country-level progress toward SDG 7 does not significantly influence the relative performance of family versus non-family firms. This study contributes to the family business literature and broader debates on corporate roles in advancing the SDGs, challenging assumptions about national context, and underscoring the pivotal role of non-family managers. For policymakers and business leaders, the study offers insights into how governance structures can foster sustainable development in the global business sector.





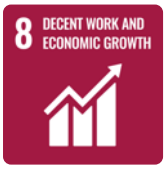
Trust and Income Among Immigrants in Europe | DOI

Authors: Elis Hodzic, Department of Economics, Stockholm School of Economics, Stockholm, Sweden | Erik Enger Karlson, Department of Economics, Stockholm School of Economics, Stockholm, Sweden | Niclas Berggren, Research Institute of Industrial Economics (IFN), Stockholm, Sweden Faculty of Business Administration, Prague University of Economics and Business, Prague 3, Czechia

Date of publication: July, 2025

Department: Economics

Social trust, a key cultural trait influencing economic behavior, plays a critical yet understudied role in immigrant integration. This paper examines how trust, both as an individual disposition and as a culturally inherited norm, relates to the economic integration of immigrants in Europe, measured by household income. Using European Social Survey data from 2002 to 2022, we analyze first- and second-generation immigrants, incorporating both individual trust levels and average trust in countries of origin through an epidemiological approach. We find that trust is positively associated with income for both groups, but its source matters: for first-generation immigrants, country-of-origin trust is a stronger predictor, while for the second generation, individual trust dominates. Origin-based trust appears to facilitate labor market navigation for first-generation immigrants, though its influence diminishes over time. In contrast, second-generation immigrants benefit more from institutional familiarity and culturally embedded trust. Given the stability of social trust and its limited responsiveness to policy, the results point to a need for targeted integration strategies for immigrants from low-trust backgrounds.





Continue telling your story

Research

SSE has identified sustainability as strategic priority for **Research**. Six organizational hubs engage faculty across disciplines in research related to sustainable development: the House of Sustainable Society (HoSS), Swedish House of Finance (SHoF), House of Governance and Public Policy (GaPP), Center for Migration and Integration Research, Center for Responsible Leadership and Center of Wellbeing, Welfare and Happiness. Three developments in 2025 merit particular attention. First, the House of Sustainable Society, formerly Misum (Center for Sustainable Markets), secured new funding. This allows the unit to develop into a larger, long-term research hub and to create the Misum Impact Lab. The Lab is a platform where researchers will co-create solutions that address sustainability

challenges along with businesses, policymakers, and actors from civil society. It will connect knowledge and action and help translate research into tangible environmental and societal benefits. Second, SSE established the Center for Migration and Integration Research. The Center generates and disseminates research-based knowledge about how migration regulations, business models, and working conditions interact to affect integration and social sustainability in Sweden. Third, the Sustainable Finance Lab, cofounded by SSE and six other academic institutions, received CFA (Chartered Financial Analyst) Sweden's 2025 ESG Award. The award recognizes outstanding contributions to integrating environmental, social, and governance (ESG) considerations into the investment industry.



Partner

We engage people from business, government, civil society, and academia to advance responsible and accountable management education and practice.

How We Define Partner

SSE engages in partnerships that extend its impact beyond academia. These include global alliances like CEMS, CIVICA, and GNAM, as well as collaborative research and educational projects with NGOs, companies, and government bodies. Our goal is to co-create knowledge and action with stakeholders who can implement change.

Institutional Partnerships

- CEMS (The Global Alliance in Management Education)
- EFMD (European Foundation for Management Development)
- Financial Times
- Graduate Management Admission Council (GMAC)
- Ministries of Education, Higher Education, or similar national bodies
- AERO
- CIVICA

Student Organization Partnerships

- Student Association Sustainability Group
- PRME Students

Continue telling your story

Partners

SSE continues to strengthen collaboration with our **Partners**. As an educational institution, our most important partnership is with our students. SSE maintains a close relationship with the Student Association's Student Sustainability Group (SSG). This vibrant group organizes annual events such as Sustainable Fashion Week, Sustainability Week and Sustainable Careers Day. The Group achieved two notable international milestones in 2025. It was selected as the regional winner and advanced to the final round of three schools competing for the PRME Students Sustainability Award at the United Nations. SSG's president, SSE student Magdalena Zaczek, was appointed PRME Students Regional Leader for Europe. She also served as a youth delegate to the 80th session of the United Nations General Assembly in September 2025, as part of the official United Nations Global Compact delegation. Another important partner is the UN Global Compact Network Sweden. In 2025, SSE and UNGC co-hosted an event titled "What is stopping companies from embracing the circular economy?",

which brought together participants from academia and the world of practice. Together we also collaborate to bring guest lecturers to courses at SSE and make topics of responsible management and leadership more tangible for students.



Practice

We adopt responsible and accountable management principles in our own governance and operations.

How We Define Practice

At SSE, the principle of Practice refers to our commitment to embedding values of sustainability and responsible management into our operations and organizational culture. This includes implementing sustainability-focused campus initiatives, such as improved recycling systems, sustainable procurement, and environmental footprint tracking, as well as fostering inclusive governance through cross-functional groups.

Institutional Policies and Practices

- AI use guide
- Accreditation body recommendation documents
- Carbon reduction or offset commitments
- Campus operations guides
- Greenhouse gas emissions
- Faculty hiring, tenure, and promotion guidelines
- Equity reporting (DEI, EDI, etc.)
- Curriculum guidelines
- Responsible procurement policies
- Student equity, diversity, inclusion
- Sustainability strategy or strategic plan (school or university level)
- Ethical data sourcing guides
- Guidelines Sustainable Events

Policy Documents Related to RME and/or Sustainability

SSE_Guidelines-for-preventing-and-addressing-discrimination-harassment-sexual-harassment-and-bullying	View document	Download document
SSE_Gender Equality_Plan	View document	Download document
sse_sustainability_report_2025_final	View document	Download document

Continue telling your story

Practice

The SSE Sustainability Group continues to drive change across the School in ways that manifest the PRME principle of **Practice**. The group consists of senior managers, who direct and assess progress in four areas, including campus and operations. This work is documented in an annual Sustainability Report. In a similar vein, in 2025, SSE conducted a Double Materiality Assessment (DMA) using the methodology set out in the EU Corporate Sustainability Reporting Directive. Campus-related advances included an 11% reduction in energy consumption during 2024-2025, further improvements to an already well-functioning recycling system and new food-related sustainability measures for events on campus. A significant step was the development of a code of conduct for suppliers. SSE also established the Treasure Trove, an initiative that gives old furniture new homes at the School or with students and staff. SSE is also a founding member of the AERO network which supports the decarbonization of business schools in Europe. Members regularly exchange ideas, set common goals and collaborate on projects to reduce greenhouse gas emissions. In 2025, the network published guidelines for business schools for reporting Scope 3 emissions. Operational advances included steps taken to strengthen SSE's work on Diversity, Equity and Inclusion (DEI). The existing Gender Equality Program was broadened into a more comprehensive DEI Strategy for Excellence to be published in 2026. SSE Health Day brought employees, alumni, faculty and students together on campus for a full day devoted to health and well-being. Lectures, workshops, and activities encouraged reflection, physical activity and a sense of community. SSE Impact Day is an annual initiative that gives employees a full day away from their regular duties to volunteer. Activities may include, for instance, visiting an elderly neighbor or relative, picking up litter in nature with colleagues or working a shift at a nonprofit organization.



Share

We share our successes and failures with each other to enable our collective learning and best live our common values and purpose.

How We Define Share

The principle of Share at SSE emphasizes transparency and collaboration by actively disseminating insights, tools, and experiences related to responsible management education. For example, SSE contributes to international dialogues through its participation in PRME Champions and Nordic networks and hosts events to engage with academia, industry, and policy actors.

Engagement Opportunities

Stockholm School of Economics offers transparent engagement opportunities for members of our institution and community to contribute to our sustainability and responsibility efforts in the following ways:

- Boards and advisory committees
- Annual reports
- Community events and consultation forums
- Feedback mechanisms (e.g., surveys, suggestion boxes)
- Open faculty and student meetings and town halls
- Public events and panel discussions
- Publicly accessible sustainability data and dashboards
- Student and staff volunteer programs
- Sustainability-focused research and collaboration Opportunities
- Partnerships with local organizations

Communication Audiences

Stockholm School of Economics communicates its policies and progress on sustainable development and responsibility with:

- Accreditation bodies
- Boards and advisory committees
- Faculty and staff
- Prospective and current students
- Alumni and donors
- Business and industry partners
- Research and academic networks
- Government and policy makers
- Media and public relations channels

Continue telling your story

Share

SSE emphasizes transparency and collaboration. We actively disseminate insights, tools, and experiences related to sustainability and responsible management education. This dissemination demonstrates our commitment to the principle of **Share.**Through high-impact events and platforms, SSE brings together academia, business, policymakers, and civil society to address complex global challenges. One cornerstone is the annual Misum Forum, hosted by the House of Sustainable Society. This flagship platform for sustainability thought leadership brings together leading international researchers and decision-makers to discuss pathways toward a more sustainable economic system. SSE is also committed to active participation in the PRME community.

SIGNATORY

Stockholm School of Economics

Address

PO Box 6501, Stockholm, Sweden, SE-113 83

Sweden

Website

https://www.hhs.se/