



BUSINESS SCHOOL
UNIVERSIDAD PANAMERICANA

Principles for Responsible Management Education (PRME)



SHARING INFORMATION ON PROGRESS (SIP)

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IPADE AT A GLANCE

The Instituto Panamericano de Alta Dirección de Empresa (IPADE Business School) was founded in 1967 by a group of prominent businessmen who were committed to professionalizing management in Mexico.

Following IPADE's formation, Universidad Panamericana (UP) was founded in 1969. It was at this time that IPADE became the university's business school.

IPADE became officially active when the first session of its Executive Officers Management Program (AD-2) was held on March 30, 1967.

Since its inception, IPADE has met on two advising committees with directors and professors from Harvard Business School and IESE Business School to propel the international dialogue and thus promote research and improve the academic content of its programs.

IPADE has contributed to the launch and the operation of sister business schools in Latin America, such as the INALDE Business School of Universidad de La Sabana in Colombia, the PAD School of Management of Universidad de Piura in Peru, and the IDE Business School in Ecuador.

To date, there have been over 28,000 graduates since the school's inception.

The mission of IPADE is to create leaders with a global vision, social responsibility and Christian sensibility who are capable of transforming organizations and society.

IPADE's 10 core values are:

- Mankind, as the center and end of all social and economic life.
- Unity amongst members of the IPADE community.
- Work as a means for the betterment of people.
- Well-done work, that is, attention to small details.
- Personal attention to our participants.
- The management and business role of the director.
- The collegiality of decisions.
- Learning and undertaking.
- Opening horizons, questioning and proposing challenges.
- Global vision.

A WORD FROM THE DEAN

For IPADE, corporate social responsibility has been a pillar of business education that has been part of the institute since its foundation. More than 40 years ago, when companies' social impact was not a central topic in business schools, IPADE not only taught the best strategies, procedures and forms of implementation, but it also highlighted the ethical and social implications of management.

This is likely due to the fact that, from its beginnings as a corporate work of Opus Dei, IPADE was influenced by Saint Josemaría Escrivá de Balaguer and his legacy of sanctifying man in his daily work, stressing the human aspect of management and emphasizing the responsibility of those who make governing decisions within their organizations.

Today, IPADE has joined unsurpassed efforts such as PRME because they promote focusing business schools' academic content and regular activities toward the best practices in social responsibility that participants embrace.

Today more than ever we remember that, in its nature and purpose, IPADE is focused on current and future leaders who we are sure have and will have great influence within their organizations and in Mexico's different sectors and powers. We know that the impact we have on these leaders will multiply exponentially in our society.

In a globalized world, IPADE has taken on a route that goes beyond borders, offering programs outside of Mexico through alliances with other leading business schools in a number of countries, thus achieving a global influence on social responsibility.

Best regards,



RAFAEL GÓMEZ NAVA, PHD

Dean, IPADE Business School

Principle 1: Purpose — *We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.*

At IPADE, the original 1967 mission that focused on professionalizing management in Mexico was always accompanied by the principle of the common good and a comprehensive vision of the human being. To summarize it in the words of the Institute's founder, Carlos Llano Cifuentes: "Man is unity and should be treated as such. Otherwise, one runs the risk of preparing man in his professional trade while leaving him unprepared in his trade as a man."

Nevertheless, this first mission, which we consider to have had a substantial impact on the country's businesspeople, has evolved in the last years. It now forms part of IPADE's new mission (previously mentioned): To educate leaders who are capable of transforming organizations and society with a global vision, ethics and social responsibility. The Institute's honest concern for providing business education with a social focus has existed since the integration of its teaching faculty and academic departments, who are not only responsible for giving the courses that make up our different programs, but also for the social projects and national and international committees of which IPADE is an active member.

Specifically, IPADE is distinguished for having humanist departments with a range of specialties that enrich participants' comprehensive training. From the Social and Political Environment Department, an uncommon area in business schools that leads the issue of social responsibility, to the Philosophy and Business and Organizational Behavior Departments, which focus on ethical, anthropological and human behavioral aspects, IPADE has a notable impact on the social preparation of its students.

Additionally, together with the Hills Program on Governance and the Center for Strategic International Studies (CSIS), IPADE opened the **Center for the Study of Institutional Governance (CEGI)**, for its initials in Spanish), which has the main objective of developing an agenda of issues that promote governance, transparency and social responsibility and combat corruption. Currently, this research center provides content that is brought to the lecture halls by IPADE professors.

An example in the practice of developing the skills that are being promoted is the **Social Responsibility Club**, organized and directed by MBA students to generate a high social impact through profitable projects and initiatives. Its objective is to identify and analyze innovative ways of improving or resolving certain social problems and to apply high impact business concepts or initiatives. Among the club's activities

are meetings with sector leaders and the organization of round tables and discussion forums with current social responsibility and sustainable development issues. Because of this club, participants of the Full-time MBA program have even founded civil society organizations (CSOs) upon finishing their master's degree.

Furthermore, as part of the MBA curriculum, all the participants have a paid three-month summer job once their first year of studies has been completed. The MBA offers students the possibility to do a summer project at a non-profit institution to support the development of productive projects or operative improvements that favor more professional and sustainable work. IPADE's graduates sponsor these **summer social impact projects**.

Additionally, IPADE's MBA students participate in social work activities in rural communities and marginalized populations, in which they distribute basic needs articles, such as food, school materials, hygiene products and toys, and also offer moral support. The objective of these activities, which are organized by the Institute's professors, is to make MBA students aware of the harsh realities that a large part of the population lives so that, upon assuming roles of responsibility in any organization, they bear in mind the need for development within the country and contribute to it.

IPADE is also an **academic partner of Ashoka México**, through which it developed the 2010 entrepreneurs workshop "Rural Hybrid Value Chains." Its objective was to extend bridges between businesses, social organizations and small agricultural producers in order to identify opportunity areas and propose innovative business plans that create social change.

Finally in this area, on a daily basis IPADE invites renowned presenters, professors and businesspeople who are immersed in the world of social responsibility to share their knowledge and experience with participants of the MBA and executive programs. Examples include the Founding President of *Fundación del Empresariado Chihuahuense* (FECHAC), recognized by the UN as one of the 100 most reliable CSOs in the world, the Director of *Fundación Bancomer México*, and international speakers such as Pamela Hartigan, Director of the Skoll Centre for Social Entrepreneurship at the Saïd Business School of Oxford University.

Overall, through our diverse activities and experts on social responsibility, we're certain that we're developing students' abilities so that they become creators of sustainable value.

Principle 2: Values — *We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.*

As mentioned, although IPADE has specific departments that analyze, teach and promote global social responsibility, the Institute’s mission extends completely to all the departments in such a way that, to a greater or lesser degree, each of them is influenced by IPADE’s humanist philosophy and the ethical values.

The following shows in detail how social responsibility and ethical values are incorporated into the different academic departments and the courses offered through the MBA program:

DECISION ANALYSIS

While being an essentially technical course, there are classes that include relevant topics in leadership and social responsibility, which are analyzed in sessions such as “The Human Being as a Decider.” Also, Social Impact Management is studied during the session “Objectives in Conflict.”

MARKETING MANAGEMENT

At IPADE, marketing is seen as managerial work, not as the task or responsibility of a specialist. The objective of the course is to recognize the power of marketing within the company so that it is able to lead in the market. This is accomplished through an understanding of the “value creation cycle.”

With the case “L’Oreal of Paris: Bringing ‘Class to Mass’ with Plenitude,” the participant analyzes ethical standards that involve market studies, which the company conducts in Europe and the United States.

Once a thorough analysis of the company, its surroundings and consumers has been completed, the student should be able to correctly diagnose what problems are affecting the company in terms of communication, delivery and value extraction.

The participant analyzes practical business cases that involve different commercial challenges in different sectors and then develops a strategy and a business plan based on a value proposal for a target segment. The aim is for participants to be mindful

and learn to measure the economic impact of their decisions.

Special emphasis is placed on the relevance of the Commercial Director's ethical values, the value of "truth" upon analyzing the definition of the price and advertising, which is clearly reflected in the case study "Marketing Antidepressants: Prozac and Pax III."

This course seeks to explore commercial strategy activities and thus understand the deep meaning of Sustaining Value. The case studies used in this course are integrated with relevant content about best practices for "competition and responsibility" and commercial models at the base of the pyramid.

MANAGERIAL CONTROL AND INFORMATION

Participants study accounting principles as well as the integrity of information and the different users. Topics also include ethics and social responsibility, which make participants aware of the implications of information management as well as the practices used in accounting and financial abuse. Furthermore, a framework is provided for evaluating the "ethicality" of accounting practices and the elements they discourage.

As an accounting course for management, the relevance of professional, social and human training is emphasized, as well as the importance of integrity in the accounting process.

Additionally, reflection will bring the participants to reconsider the way we motivate people. It will also help them understand the managerial responsibility of control when speaking of guiding conduct and integrating a human sense of the incentive system into directive thinking, where humanizing means making room for our employees' extensive needs. This also means that incentives are not seen as an economic "carrot" that moves people, but rather, in a broad context, they are seen as another of the mechanisms that centers systems in order to make the most of the workforce that we have, so that when aligned with the strategy, they are able to achieve expected conducts that offer satisfaction for a job well done.

There is also an aim for people to develop their skills to the fullest with high levels of responsibility, through both formal mechanisms as well as self-control. The director is responsible for ensuring that his or her employees are well.

On the other hand, in recent years huge scandals have focused the spotlight on the relevance of internal control. The repercussions go beyond financial matters; they also

affect reputation and take a toll on the morale of interest groups. But combating them does not consist of improving audits, which do not generally do much for detecting frauds, nor of making controls invulnerable, which isn't feasible. An integral control system should be designed to be effective –not limiting, not costly– and, clearly, useful for management.

The risks in organizations have increased, and this is the environment in which directors must make them grow and prosper. Thus, understanding, managing and controlling risks have become issues of social responsibility.

FINANCIAL MANAGEMENT

As far as finances are concerned, we believe it's very clear when one acts without social responsibility: hiding information, distorting financial status, diverting resources, etc. And while we should not overlook that it is the values of the people who are responsible for the actions that can be judged as ethically correct or not, and not the financial tools, in the end people's actions impact the company.

During the Walmart case study session, we analyze the financial model of payment to suppliers, which lends itself to a rich discussion about social responsibility.

The cases of Enron and Lehman Brothers will be studied for a deep analysis of the causes of the world financial crisis. The course invites participants to review these cases as investors, as speculative bubbles have been a constant throughout history. The causes may be different, but there are always at least two common factors: greed and bad memory. As businesspeople and directors, we can learn from the "Lehman" experience: the pressure for expansion and obtaining results in the short term was combined with employees' greed, the investment bank's own transnational competitiveness and incentive systems, which made them take positions that translated into company's bankruptcy.

It is also emphasized that financial tools, such as derivatives, are useful as long as they are used to measure risks. Yet, it is when they are used for the objective of increasing the profit margin that irresponsible speculation begins, which puts the company's health at risk.

OPERATIONS MANAGEMENT

The course deals with the main elements of procedure analysis. In regards to capacity analysis, the course proposes that human participation in productions procedures

cannot be considered as a resource or as a means of operation, but rather as the beginning and end of value creation. A second fundamental element refers to the responsibility the manager has in procedure definition and optimization. The course suggests that this definition seeks greater value creation for the customer, the shareholder, and society, as well as for the people who directly or indirectly participate in the procedure. This responsibility does not end in the efficiency of the production procedure, but rather it begins there, seeking to stretch the manager's creativity toward identifying creative forms of human development.

To include aspects of ethical and social responsibility, it's proposed that linking the company to the width of the value chains it participates in is not limited to an effective grade of "transactionality"; rather it's about expanding concepts of responsibility in value creation (seen in the first course) toward a connected vision of the company.

At other points, the course seeks to identify the characteristics of service operations management, focusing on management design from the customer's viewpoint. Its concept is the model called the "S" of Service. Within the cases analyzed, there are three high social content experiences. The notion of added value, employee participation and the definition of "service" are different in each of them. To a large extent they are experiences in social entrepreneurship.

The aim is to identify tendencies, feasibility of implementation and impacts of assimilation. It's interesting to highlight experiences or applications to segments of poverty (base of the pyramid) or to non-profit operations. It's also important to recognize the potential of the connections and shared responsibility that new technologies offer (social networking).

HUMAN RESOURCE MANAGEMENT

This course is directed toward promoting personal knowledge and, above all, seeks a way to find balance between what's wanted and what can and should be done with skills and opportunity areas. To do this, it's important to keep in mind the knowledge of the company and the position that is intended to be covered.

It's also important to identify with optimum sites in order to develop and maximize both the professional and personal abilities with the social responsibility that a productive entity entails, and to be charged with decision-making that not only affects the organization's operation, but also the lives of the actors who are involved with it.

Justice and equity are some of the main values taken into account when providing for the organization and also, as a manager, when attending to employees' input. The

session “Planning for Professional Development,” presents material for participants to find their professional essence and identify with the organization that they wish to work with, not forgetting the primary fundamentals like good faith and knowledge of moral commitment attained with the responsibility and commitment that must be met.

ECONOMIC ENVIRONMENT

The ability to make decisions with an economic sense based on the formal analysis of a business situation implies the need to develop a concrete method in order to ensure the best use of scarce resources and causes the maximization of profits, the value of the company at the time, without losing its social sense.

The course has the objective of integrating an accessible reference framework from microeconomic analysis that is consistent and serves a practical model for decision-making, a routine management function, with an economic and social sense, that has been developed by professors from the Economic Environment Department over a number of years with consideration for maximizing logic in the context of a global, competitive and interdependent economy.

The course “Economy and National Environments” deals with the comprehension and performance of the economic environment, a government’s central economic policy tools and the analysis of different economic development models, as well as the conditions they impose on organizations to be able to evaluate their impact on the different economic agents that interact in a society and their impact on well-being.

Economic resources are limited in comparison with the needs human beings must satisfy. The scarcity of resources has caused society to constantly face the dilemma of how to assign them in an efficient way in order to satisfy needs with the least negative secondary impact. In this context, there is the huge challenge of resolving the great obscurity of how to accomplish the transformation of economies from their foundations to achieve greater levels of social well-being through the healthy generation of productive and well-paid jobs, which help to combat poverty.

SOCIAL AND POLITICAL ENVIRONMENT

IPADE’s functional ideology assumes that leaders are the ones who can create change in organizations. This course aims to establish that social changes are peaceful and powerful when they are made from the top down, driven by leaders who are capable of changing the structures that also shape the people.

In the course, necessary elements are taught for understanding the social and political

variables that have an effect on adequate decision-making in companies.

Countries' models of social and political transition and the development strategies that are the most representative in their systemic and functional dimension are analyzed.

Moreover, it seeks to create future scenarios that, based in political reality and daily social life, bring businesspeople to achieve a healthy balance in the mutual influences that occur between environment and business.

Justice is the fundamental value that guides this course. The objective is to identify what system is the most efficient according to human nature, as the social market economy is inherently related to the human being because it's a system that seeks justice, not in terms of equity but in terms of merit. One of the most representative sessions for this topic is that case study of China, where the effectiveness of an authoritarian government, which achieves great economic benefits but with high social costs, is measured.

Next, the company's impact on the social and political environment is analyzed; learning about the criteria of corporate governance for a sustainable environment, and considering the responsibility and social function of corporate governance.

The sessions take on cases in which the company has direct social participation in intersecting chains of different types of organizations, like foundations, business associations or social enterprises. We try to clarify that social responsibility is an integrated issue of the entire organization; it has to be part of the business model because, by any other way, it's only philanthropy.

Participants will learn to conceive the actions of the company's director as politically natured tasks; it's like an art of trying to do things fairly and efficiently in the company and in its environment. That is, we see the company's director as a "governor," not only as an administrator. During the sessions, elements of ethics and justice are presented, which the future leader needs to make adequate decisions. We define the organization, not only as a means of production, but also as a human community in which people can change its actions and decisions.

ORGANIZATIONAL BEHAVIOR

The Organizational Behavior Department is in charge of the study of the elements involved in improving the understanding of subjects' individual and collective behavior within an organization. It is based on the conviction that people are the most

important part of a company.

In the Organizational Behavior course, the individual is based in a humanist vision of the company, in which man is considered to be the center and end. Based on this vision, students reinforce their ethical and social values. In this subject, we analyze the ability to direct, lead and develop those who are under our leadership. We also analyze how an individual's personal style of communicating, dealing with conflicts and finding motivation influences the company's operation and results generation and thus puts an employee's human development into question.

This course focuses on analysis and discussion of the problems related to the integration, internal dynamics and evolution of groups. We revise theories, ideas and concepts that strengthen managerial work and leadership. The objective is that the participant is aware of the need to reconcile the interests of individuals with those of the organization, an approach that directly relates to social ethics and responsibility.

Leadership that is focused on the common good is identified with a responsible director, given that it encourages the positive growth and development of a company.

A thorough analysis is done of the person's character and his or her natural tendencies for communicating and relating, above all, in the dimensions of integration, affection and control. We analyze behavior's impact on the family and the importance of developing a greater social conscious in relation to the attention to the needs of others and of society.

PHILOSOPHY AND BUSINESS

The course "The Director and Man" is designed to foster a humanist posture of management activity within the business context. The purpose is to be able to enhance participants' viewing range in a way that can establish fundamental connections between technical and ethical acts with the fundamental structure of the human being creating the possibility of maximizing his or her potential in accordance to the various facets of his or her life.

This approach tries to lead participants to understand the complexity of man, gradually deepening in its nature. It's composed of foundations of philosophical anthropology, giving reason to the daily operations of man.

The course "Ethics and Business" places the bases of an ethical vision of managerial activity on an ethic of virtues that promotes the individual's development in a business world that focuses on business ethics as a procedure catalogue that solves the problems

in doubt.

The course “Social Responsibility, Sustainability and Compliance” offers participants a deep understanding of some of the most novel theories and interpretations of Corporate Social Responsibility and Compliance. Participants will be able to recognize business as something more than a simple means of enrichment. Both social responsibility and compliance place business at the center of change and improvement of life in society, making private organizations the catalyst of change that allows for the development of individuals in society.

Some of the different tools that are analyzed and that will allow the participant to lead a socially responsible company in the future are: (1) recognition of the impact of immoral leadership on a company, (2) the consequences of structural immorality, (3) corruption, (4) the creation of codes of ethics that promote good performance within the company, (5) sustainability, (6) climate change, etc.

GENERAL MANAGEMENT

Analyze General Management (objectives, roles, the “synthesis action,” strategy) and the Purpose of the Company (wealth generation, needs satisfaction, human value added, the continuousness of time). The director’s actions are presented under Michael Porter’s scheme; it’s important to clarify that, before the director’s actions, are his or her values.

Throughout the course, we study the work of those who govern companies, called the vertex, whose differential characteristic is that they concentrate the responsibility (and the power) above the present and future of the organization. Based on the assumption that companies are communities of people that participate in a shared project for their own initiatives, the work of company policy consists of building true institutions that promote individual commitment with the good of the company, obtaining increasingly more effective and fairer results from the work and resources of all of its members.

Principle 3: Method — *We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.*

IPADE is distinguished as an institution for bringing together the adequate infrastructure for case methodology, suitable professors and participants with the experience necessary to approach the methodology.

Regarding the issue of social responsibility, we have developed a number of our own cases that are taught in different departments, although those from the Social and Political Environment and Philosophy and Business Departments stand out. Some of the representative cases are detailed below.

1. Social Responsibility in Business: Philanthropy or Social Responsibility?

Case EPS 10 C 05/A Fundación Bancomer. From Philanthropy to Social Responsibility (A)

Case EPS 10 C 05/B Fundación Bancomer. From Philanthropy to Social Responsibility (B)

2. Social Responsibility in Business: Social Action of the Businessperson and the Citizen.

Case EPS 99 C 02 Fundación del Empresariado Chihuahuense.

Case EPS 05 C 02 Fundación del Empresariado Chihuahuense 2005.

3. Community Foundations

Case EPS 11 C 03 Corporate Foundations: Professionalizing Organizations, Strengthening Society

4. Personal Foundations

EPS 10 C 04 Casas de Cuidado Diario, A.C.

Coverage and Growth or Quality and Development?

5. Developing the Social Sector

(P)EPS-175 UNIDOS

6. Social Leadership

EPS 10 C 01/ A Eufrosina Cruz

EPS 10 C 01/B Eufrosina Cruz

7. Stakeholders and Sustainability

(P)FE-139 Clean Energy, from Trash

8. Corporate Social Responsibility

FE-71 Merck & Co., Inc (a)

Value Creation for Shareholders as the Sole Objective of the Company
Responsibilities

9. Social Responsibility in the Value Chain

FE 08 C 02 Toks y la Miel de la Sierra

10. Climate Change and Social Entrepreneurs

FE 08 C 01 TosepanTitataniske

Principle 4: Research — *We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value*

IPADE is part of various international efforts. In 2010, we joined efforts with the **Global Business School Network (GBSN)** to contribute to academic and leadership development in some of the least favorable regions of the world, and thus assist in the creation of globally reaching leadership with social responsibility. For our students, this is an opportunity to collaborate in development initiatives of schools in countries with emerging economies.

Since May 2010, we have been members of the **Global Compact**, the world's biggest social responsibility initiative, which is led by the UN's **Organization for Economic Cooperation and Development (OECD)**, and of the **Principles for Responsible Management Education (PRME)**, the branch of business schools attached to the treaty.

Additionally, in Mexico we are active members of the Global Compact Committee and its Dialogue and Training Committee.

Finally, IPADE's Center for the Study of Institutional Governance (*CEGI*, for its initials in Spanish) that was mentioned at the beginning of this document, plays a leading role in research of social responsibility issues.

An example of the CEGI is the **Transparency in Corporate Sustainability Index (ITSC)**, for its initials in Spanish), coauthored with *GESOC A.C.*, which was published in December 2011. The following gives a brief summary of this study.

The Index responds to the central objective of identifying, analyzing and recognizing companies with operations in Mexico that, based on public information, have demonstrated comprehensive incorporation of sustainable management actions into their business strategy.

Accordingly, the Index considered the universe of companies with operations in Mexico that publically and proactively report information about their strategy, management and corporate results in economic, social and environmental matters. It understands sustainability as the deliberate efforts that companies carryout on three analytical levels (strategy, management and results), to harmonize their financial objectives with the public interest of the societies in which they operate, based on the premise that this places them in a better position than their competitors for generating returns that

are sustained over time.

It sought to identify a set of variables and indicators that reflected the deliberate efforts to harmonize objectives for private and public interest in:

- 1) The analytical levels of company strategy, management and results;
- 2) References to the company's economic, social and environmental dimensions; and
- 3) From the company's deliberate efforts to exchange information.

This Index is not based on an established measuring methodology. It's derived from what the companies do in practice and report in regards to these three elements (analytical levels, dimensions, information) in the Mexican context.

An initial list was compiled of the 500 de *Expansión* for 2011, the companies that were distinguished in 2011 by the Mexican Center for Philanthropy (CEMEFI, for its initials in Spanish) as Socially Responsible Companies (ESR, for its initials in Spanish), the Global Compact member companies in Mexico as of May 2011, the companies that have adopted the guidelines of the Global Reporting Initiative, and the companies that are listed in the Mexican stock exchange (*Bolsa Mexicana de Valores, BMV*) and reported their operations through the month of May 2011. Eliminating duplications among those listed, it arrived at a total of 903 companies. After a meticulous search, it was found that only 83 of these 903 companies located in Mexico offer public reports about their operations in Mexico on the three analytical levels of strategy, management and results.

Subsequently, of this set of 83 companies, the companies were identified that offer information referenced in a manner that is explicit to their economic, social and environmental dimensions. It was found that 48 publically report using the method also known as the Triple Bottom Line.

In order for the Index to reflect the companies' most up-to-date positions and information, it was decided to only select those whose public reports had been released between January 1, 2009 and October 28, 2011 with information for operations that took place from 2009 onward. Companies with public reports for 2008 or previous years were discarded. After applying this final filter, the number of companies was reduced to 33.

28 of the 33 companies considered demonstrated that they followed the guidelines of the Global Reporting Initiative; the degree of adherence to this observed model varied notably among the sample companies. However, it is worth pointing out that the 10 highest-ranking companies followed the guidelines to a significant extent.

Regarding the companies ascribed to the Global Compact, 18 of the 33 companies

analyzed elaborate their Communication on Progress (documents presented annually before the Global Compact to report on advances related to the adoption of the 10 precautionary principles). It's important to highlight that, with the exception of the dimension of Corporate Governance (that the Global Compact does not observe, as it focuses on company behavior and on some management aspects, but not necessarily on their leadership), the companies that adopted this model consistently demonstrate a greater average than the rest of the ratings.

Subsequently, in January of 2012, the *ITSC* presentation was given to the companies in IPADE's facilities, with 30 of the 33 listed companies present. Our guests included directors of *Gestión Social y Cooperación, A.C. (GESOC)*, with whom the index was presented, and as panelists we welcomed Dr. Jacqueline Peschard, President Commissioner of Mexico's *Instituto Federal de Acceso a la Información (IFAI)*, Javier Romero Río, Director of Sustainability and Climate Change Practice of Deloitte and Eduardo Bohorquez, Executive Director of *Transparencia Mexicana*.

Principles 5 and 6: Partnership and Dialogue — *We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.*

We will facilitate and support dialog and debate among educators, students, business, government, consumers, media, civil society organisations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Being faithful to its spirit of social transformation, IPADE and its network of graduates created *Fundación El Peñón*, a rural school where more than 300 low-income students study.

Also, to obtain the financing necessary for its optimal performance, among other campaigns, a golf tournament is organized in which professors, directors and employees of the Institute participate. This tournament not only creates income for the social project, but has also become a setting for dynamic dialogue amongst participants. In addition to the annual Mexico City event, tournaments are also held in Monterrey and Guadalajara, two of the country's major cities.

In addition, social work activities are carried out at *El Peñón*. What's more, the edible leftover food is given to a religious group offers aid to homeless people.

Social impact events are frequently held. For example, in 2010, an event called "Changing Trends in Philanthropy: The New Face of Social Charity," was organized by IPADE's Center for the Study of Institutional Governance (*CEGI*), the Social Strategy Fund (*FES*, for its initials in Spanish), and the MBA program's Sectoral Club for Social Responsibility.

The **Social Entrepreneurs Forum** is also held annually, organized by the *CEGI* and the Social and Political Environment Department, with diverse themes such as "Differentiating Capacities of the Social Sector" or "Good Governance of Organizations," which representatives of diverse civil society organizations attend to bolster their leadership skills.

For IPADE, the organization of these forums is fundamental for helping to strengthen organized civil society as well as for promoting social responsibility in Mexico.

We believe that there has recently been a significant evolution of the organizations that aim to consolidate structures, processes, vision and strategic objectives, whose success

depends on good governance. We believe that these forums have fostered dialogue about the characteristics of the CSOs and their action and governance structures that are necessary for their sustainability and success in creating a social impact. At the same time, this tendency responds to a dynamic of social responsibility that is increasingly being developed in leading organizations and companies.

Finally, IPADE has distinguished itself through the International Week of the Executive MBA (*MEDEX*), that is annually organized with the theme “Competing with Social Responsibility,” in which participants are invited from business schools from other countries that, together with our participants, dedicate an intensive week to the analysis of issues and cases related to social responsibility.

Company directors, philanthropists and international figures participate in this week by promoting responsibility within organizations. For example, our last guest, Jil Van Eyle, presented the “Teaming” initiative, which is positioned in Spain as an excellent social responsibility campaign and has become a worldwide success.

IPADE is committed to the six values that the PRME promotes to strengthen social responsibility in business schools and thus in the leaders that we impact. Our foundational and current values allow us to be coherent with PRME’s values, and present and future challenges obligate us to be increasingly more efficient in the social improvement of our participants.