

ENVIRONMENTAL, SOCIAL AND GOVERNANCE INITIATIVE

Funding Opportunities



FALL 2023





The strength of Wharton's faculty across its many departments has positioned the School to lead in Environmental, Social and Governance (ESG) research, education, and practice. The ESG Initiative at the Wharton School advances knowledge to inform the way investors, consultants, and executives value ESG factors in investments and business decisions.

Wharton's pioneering research and world-class education help businesses develop a deeper understanding of ESG factors.

The Wharton ESG Initiative unifies Wharton faculty, Penn students, and industry partners as leaders in ESG education, distinctly setting the institution apart from other business schools. Wharton is the first business school to offer both an ESG MBA major and undergraduate concentration, amplifying the strength of expert faculty and innovative curricula across a suite of academic departments.

Students choose Wharton because of the School's pioneering ESG focus, which is redefining the relationship of commerce to civilization and the natural world.

Wharton's broad network of industry professionals bridges ESG education across sectors, cultivating dynamic research and learning environments. Cocurricular programs bolster classroom education and provide unique real-world experience. A culture of exceptional inquiry cultivates a cycle of discovery, which in turn drives data-informed policy and business decisions.

33 UNDERGRADUATE COURSES

29 MBA COURSES

400+ APPLICANTS FOR COCURRICULAR PROGRAMS

19 FACULTY/DOCTORAL STUDENT RESEARCH PROJECTS FUNDED ANNUALLY

4 FACULTY-LED ESG PROGRAMS FOR EXECUTIVES



The Wharton ESG Initiative applies Wharton knowledge to inspire leaders who serve a world undergoing tremendous change. We are expanding the boundaries of business research and education to encompass Environmental, Social and Governance (ESG) factors in order to harness the power of business to 'solve the social problems incident to our civilization,' as our founder Joseph Wharton wrote more than a century ago."

WITOLD (VIT) HENISZ

*Vice Dean, Wharton ESG Initiative
Deloitte & Touche Professor of Management in Honor
of Russell E. Palmer, former Managing Partner*



MISSION AND VISION

The economic impact of ESG factors is mounting. The number of executives, board members, and investment managers who consider climate risk, racial justice, and governance issues to be material to their business decisions has doubled over the last decade. As demands for action and increased scrutiny of business operations grow, firms are examining company valuations and seeking talented leaders to navigate the complexity of ESG objectives and outcomes.

The goal of the ESG Initiative is to harness the power of Wharton’s faculty, alumni, students, and stakeholders to respond to the demands of ESG integrators with new research, training for future and current practitioners, and practical insights in a manner that aligns with the evolving business environment and emerging policies.

The Impact of ESG Research

Helping industry leaders and policymakers put stronger environmental guidelines in place

Regulating Untaxable Externalities: Are Vehicle Air Pollution Standards Effective and Efficient?

Professor Arthur van Benthem coauthored this study which found that local air pollution emissions from vehicles in the United States — consisting of carbon monoxide, hydrocarbon, and nitric oxide — have fallen by more than 99 percent since 1967 under standards first imposed by the Clean Air Act. In fact, the average vehicle built today releases about 200 times less pollution than a car built in the 1960s.

The five-year study revealed that most of the vehicle emissions decline is caused by vehicle emission standards — validating existing government policy. Additionally, the study uncovered a steep increase in emissions from cars as they age due to the deterioration of their pollution control systems.

The research team recommends that the formal standards be supplemented with incentives to remove “super-polluters” from the road.

— Adapted from Angie Basiouny’s Analytics at Wharton article
[“Measuring Vehicle Exhaust Over Time”](#)

GOALS



Position students and alumni as sought-after leaders dedicated to redefining business practices and informing public policy.



Conduct rigorous, practically-relevant research that investigates when, where, and how ESG factors impact business.



Increase the volume and quality of practitioner-facing tools and research on ESG topics across asset classes and geographic regions.



Develop a dynamic network for Wharton students and faculty to discover innovative approaches and insights to help organizations address ESG factors.

Philanthropic support will create far-reaching impact as the ESG Initiative fully realizes its goals. The following pages provide details on the strategic priorities that will immediately benefit from funding.



RESEARCH CENTERS AND LABS

A centrally administrated leadership structure guides the ESG Initiative's work across focused risk and opportunity areas to coordinate activity and impact. Within each center or lab, faculty conduct groundbreaking research that investigates the intersection of ESG factors and business.

WHARTON CLIMATE CENTER

The center brings together stakeholders from academia, government, communities, and the private sector to conduct academically rigorous and relevant research on topics such as climate change, renewable energy, air and water pollution, waste disposal, biodiversity, and deforestation.



ARTHUR VAN BENTHEM

*Faculty Codirector
Associate Professor of Business
Economics and Public Policy*



SARAH E. LIGHT

*Faculty Codirector
Professor of Legal Studies &
Business Ethics*

POLITICAL RISK & IDENTITY LAB

This lab focuses on the relationship between political risk, migration, social identity groups, and corporate performance. Research provides auxiliary support to organizations translating political and social uncertainty into transformative strategies that create, preserve, and realize value for businesses.



WITOLD (VIT) HENISZ

*Faculty Codirector
Vice Dean, Wharton ESG Initiative*



EXEQUIEL (ZEKE) HERNANDEZ

*Faculty Codirector
Max and Bernice Garchik Family
Presidential Associate Professor*

IMPACT INVESTING RESEARCH LAB

This lab enables Wharton to advance academic research on impact investing. Wharton led the creation of the Impact Finance Database (IFD). The first of its kind, the IFD includes not only financial data, but also data on impact measurement, legal governance, organizational climate, and other critical aspects of impact investing.



KATHERINE KLEIN

*Faculty Codirector
Edward H. Bowman Professor
Professor of Management*



TYLER WRY

*Faculty Codirector
Associate Professor of Management*

ZICKLIN CENTER FOR GOVERNANCE & BUSINESS ETHICS

The center provides students, educators, business leaders, and policymakers with pioneering research to help them meet ethical, governance, and compliance challenges at a time of increased social activism by employees, customers, investors, and peer executives.



MARY-HUNTER ("MAE") MCDONNELL

*Faculty Codirector
Associate Professor of Management*



WILLIAM S. LAUFER

*Faculty Codirector
Julian Aresty Endowed Professor
Professor of Legal Studies & Business
Ethics, Sociology, and Criminology*

IMPACT OF PHILANTHROPY

The centers and labs within the Wharton ESG Initiative conduct academically rigorous research, create new curricular materials, and develop cocurricular experiences focused on specific ESG factors. Term funding between \$150,000 and \$1,000,000 will support the ESG Initiative in achieving one or more of the following outcomes:



Accelerate Faculty Research

The body of knowledge produced by Wharton faculty incubates new modes of discovery and creates the foundation for major advances in related ESG fields. Faculty research funding supports the exploration of bold ideas in the earliest phases of development and enables faculty to hire supporting assistance to achieve research objectives.



Enhance Cocurricular Activities

Robust activities outside of the classroom connect students with industry leaders and give them real-world experience putting theory into practice. To meet the rising demand of student interest, Wharton ESG will launch and facilitate cocurricular activities focused on individual ESG factors, such as climate.



Conduct Sponsored Research (Corporate Engagement)

The Wharton ESG Initiative partners with organizations to conduct practically-relevant research that investigates when, where, and how ESG factors impact business. Recent projects include Gas, Guns, and Governments: Financial Costs of Anti-ESG Policies; Walking the Talk: Valuing a Multi-Stakeholder Strategy; and The People Factor: How Investing in Employees Pays Off.

SPOTLIGHT ON THE INAUGURAL ESG INITIATIVE CONVENING

The ESG Initiative's annual convening, held on Penn's campus, assembles industry experts, faculty, and students from all corners of the ESG landscape. The invitation only event features panel discussions and presentations on topics most prevalent in business as organizations approach ESG integration. Participants engage in themed conversations to share insights, raise questions, and gain new knowledge from one another.

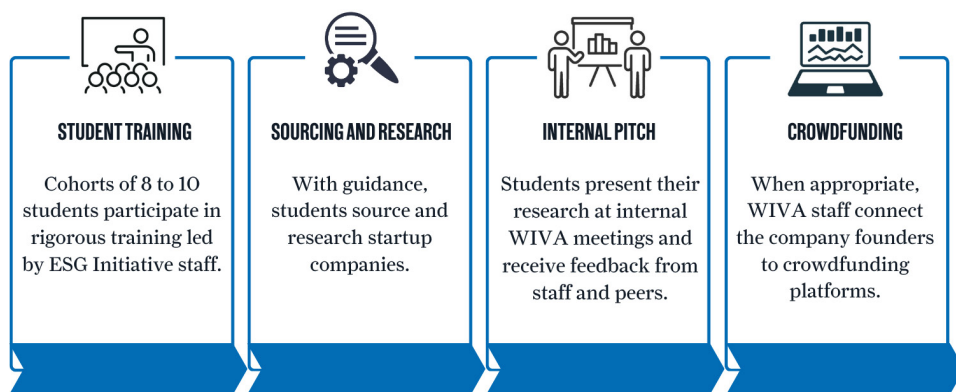


The 2022 convening hosted more than 30 speakers and panelists — Wharton faculty and students, faculty from other universities, and industry leaders — in a content-rich event. A day of compelling presentations included Mobilizing Investing for Impact; Improving Measurement of Impact and Value; and Shining the Light on Political Risk, Corporate Political Activity, and Human Rights.

WHARTON IMPACT VENTURE ASSOCIATES

Led by Wharton ESG Initiative staff and supported by alumni consultants, the Wharton Impact Venture Associates (WIVA) program immerses students in the fast-paced world of impact investing. Wharton and Penn undergraduate and graduate students gain invaluable experience and insights as they navigate impact investing through this cocurricular experience.

The WIVA student team sources early-stage companies that have both a compelling business model and the potential for significant social or environmental impact. Participating students learn cutting-edge impact management and measurement practices, hear from industry experts, and attend networking opportunities with top leaders in the community.



Please read the University's statement regarding WIVA on page 12.



"I've had the opportunity to shape an investment vehicle that builds upon the research of the ESG Initiative, deeply question what sectors should command our highest attention and time, and deliberate the age-old question: What standard should be used to measure impact?"

SAMANTHA BROWN, WG'20

IMPACT OF PHILANTHROPY

Demand for WIVA is at an all-time high. However, current funding limits the number of students who can participate in this best-in-class learning experience. Gifts between \$250,000 and \$1,000,000 can broadly support WIVA, or you can designate funding to help the ESG Initiative advance one or more of the following strategic priorities:

➔ Increase Access for More Students

Dedicated financial support will provide the program with the ability to sustain and scale its learning model to connect more students to impact investing, which in turn will shape a more ethical and sustainable world.

➔ Enrich Students' Experience

Broadening WIVA's capacity for programming will foster a more holistic journey for WIVA fellows, introducing them to organizations working across the spectrum of ESG factors that span geographic regions.

➔ Support a Climate Cohort

The WIVA Climate track supports students pursuing careers centered around sustainability or who want to gain a stronger understanding of the climate issues impacting traditional roles within the global business landscape.

WHARTON ESG INTEGRATION PROJECTS

Wharton ESG Integration Projects (WEIP) is an experiential consulting program where top-tier corporate partners — including asset owners, asset managers, corporations, and consulting firms — engage with Wharton undergraduates and MBA students to solve ESG and impact investing questions. These questions cover a range of topics, including ESG integration, ESG disclosure, ESG activist investing, impact and ESG measurement, and other related topics.

ESG Initiative staff work with a wide variety of organizations — from large corporations to nonprofits — to create short-term projects over one semester. WEIP student associates work in teams to conduct research related to an identified ESG problem and prepare a presentation of their findings at the end of the semester. Associates put their Wharton learning into practice to produce the highest quality of work for the projects.



IMPACT OF PHILANTHROPY

WEIP was piloted in the fall 2022 and very well-received by students and organizations. Dedicated funding will enable the ESG Initiative to confidently integrate the unique program into its cocurricular offerings each semester. Gifts between \$125,000 and \$500,000 will support the following:

➔ Formalize WEIP as a Cocurricular Program

Funding is critical to sustain and scale this new learning opportunity. Expanding program resources will support students as they focus on an industry question or problem. Each week students are expected to dedicate at least ten hours to their project, working directly with organizations to uncover valuable insights.

➔ Extend WEIP Learning beyond Participants

Building educational tools and models based on past engagements deepens student learning and provides a toolkit for new students. This work takes the project beyond the typical reporting back to the company.

INNOVATIVE PROGRAMS

The ESG Initiative expands the boundaries of the classroom through a suite of innovative programs and competitions that sharpen students' skills and hone their interests. The Initiative must expand and grow programs to keep up with increasing demand.

ANNUAL ESG CONVENING

Philanthropic support or corporate sponsorships enable the ESG Initiative to expand the convening into a two-day event that includes a keynote speaker, research presentations, thematic discussions, and evening networking dinners.

INNOVATOR-IN-RESIDENCE PROGRAM

These leading visionaries meet with and coach students individually, host small-group events, and lead large discussions or workshops during a multi-day campus visit. Philanthropic funding enables the ESG Initiative to model new programs after the Nazarian Social Innovator in Residence, with a focus on governance or environment.

ESG AND WHARTON INTERACTIVE

Wharton Interactive draws on games, simulations, experiential learning, active learning, and pedagogical research to create new kinds of learning experiences. With support, the ESG Initiative can launch a cutting-edge simulation to augment classroom learning for Wharton students and increase access to ESG education around the world.

STUDENT WORKSHOPS

Focused on particular industries or themes, the ESG Initiative can meet the student demand for a regular slate of workshops exploring specific conversations with expert faculty, alumni, and industry experts.

STUDENT ENGAGEMENT BEYOND PENN

Impact investing challenges allow MBA students across the United States and around the world to work on real-world problems to develop their skills in an exciting learning environment. Through competitions on campus and at peer institutions, students gain exposure to the field of social impact.

➔ **Turner Impact Portfolio Challenge (TIPC)**

TIPC equips aspiring wealth managers, portfolio managers, and investment advisors with the knowledge and practical skills to design and execute 100 percent ESG portfolios across asset classes.

➔ **Turner MBA Impact Investing Network & Training (MIINT)**

MIINT educates business school students on the fundamentals of impact investing, from online training modules and advisory sessions to a final pitch competition with the chance to win a \$50,000 investment.



TIPC and MIINT are supported by the generosity of Bobby and Lauren Turner. Wharton hosts the final rounds of each competition on campus. Additional funds are needed to sustain and grow the virtual components of these programs and enhance the on-campus events.

EXCLUSIVE NAMING OPPORTUNITIES

Endowed gifts to Wharton provide a stable source of income in perpetuity, ensuring generations of students, faculty, and business leaders benefit from Wharton's work. In recognition of your generosity, Wharton will name the area in a fashion that is agreed upon between you and the University.

→ **NAME THE WHARTON ESG INSTITUTE WITH AN ENDOWED GIFT**
\$50,000,000

Creating an Institute at Wharton demonstrates the School's definitive commitment and capacity to transform a specific business interest. The University supports an Institute's work by facilitating investigative collaborations across multiple disciplines to ensure the most cutting-edge research in the world today happens at Penn. The substantial increase of funding for an Institute enables faculty and students — pioneers in their fields — to generate ideas and technologies which can have a real-time impact on business practices or policies. A transformative gift from one of Wharton's most engaged champions fortifies the School's ability to provide rigorous curriculum, drive innovative research, and collaborate broadly and deeply with industry leaders.

→ **NAME A RESEARCH CENTER OR LAB WITH AN ENDOWED GIFT**
\$25,000,000

Endowing an individual area of study under the ESG Initiative allows Wharton to deepen its research commitment to one ESG factor and expand the reach by engaging more faculty. Moreover, this level of support provides the resources necessary to develop cocurricular programming to a specific field, such as climate. Students can confidently explore career pathways through hands-on, applied learning activities and events.

→ **NAME THE VICE DEAN POSITION WITH AN ENDOWED GIFT**
\$5,000,000

This prominent role provides the strategic vision for the ESG Initiative. The vice dean leads a robust team of staff and faculty, actively managing the resources for research, recruiting new faculty, helping advance curricular and cocurricular activities, and representing Wharton at national and global events.

→ **NAME A COCURRICULAR PROGRAM**
\$3,000,000 - \$5,000,000+

The ESG Initiative expands the boundaries of the classroom through a suite of innovative programs and competitions. Demand for these highly immersive experiences rises year after year. Endowed support sustains and expands these life-changing opportunities.

→ **ENDOW A PREDOCTORAL OR POSTDOCTORAL FELLOW**
\$2,000,000+

Predoctoral and postdoctoral fellows provide direct support to faculty and enable the development and dissemination of important research. Recipients of the fellowships will proudly carry the affiliated title throughout their career.



UNIVERSITY OF PENNSYLVANIA STATEMENT ON WIVA

Neither the University of Pennsylvania, the Wharton School, Wharton Impact Venture Associates (WIVA), nor any of their respective students, faculty, directors, officers, employees, representatives, affiliates, or agents (collectively, the "Penn Parties") (i) is acting as underwriter, broker-dealer, promoter, financial advisor, or other intermediary with respect to any offering of securities by any entity mentioned in this article, or (ii) has received or will receive any compensation from any person or entity as an incentive to publish of this article. In addition, the Penn Parties have not received and will not receive any compensation or other item of value in connection with any possible or future investment in any securities issued by any entity mentioned herein. Any research or diligence described above (i) was performed by WIVA solely for its own, limited, educational purposes, and not for the purpose of aiding any person in making any investment decision, and (ii) may be limited and incomplete, by its very nature, as a result of limited publicly available information and other limited information voluntarily made available to WIVA.

To learn more about supporting the Wharton ESG Initiative,
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+1.215.898.8479 or **external.affairs@wharton.upenn.edu**