

Lets have ENBUS 407 – Sustainability Accounting, Indicators and Reporting

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Meetings

Synchronous online Lectures on **Bongo** Thursdays 2:00 pm to 3:00 PM. Links to the lectures will be posted on LEARN.

Office hours

Thursdays from 11:00 am to 12:00 pm on Bongo/LEARN and by appointment via email.

Delivery of course material

1. Material for this course will be delivered by the D2L system. Go to <https://learn.uwaterloo.ca/>
2. The course outline is available on the course website (through the D2L system). We will discuss it in our first synchronous class.
3. I will also use the D2L system to deliver information to students in the course. I expect that you will be checking the course website regularly (at least every working day).

Tips for success

1. Try to join all synchronous classes and follow up on the asynchronous course material.
2. Come prepared for all sessions and follow up on all synchronous sessions, which will be recorded and posted on LEARN as well.
3. Plan ahead: check when assignments are due, tests and examinations are scheduled.

Creating an effective learning environment

1. We will agree on the communication protocol on our first class.
2. Our time together is valuable. I will work to make the lectures informative, relevant and interesting. Throughout term, I will welcome suggestions as to how the learning environment can be improved. Learning should be a joyful process!

Course description

The course focuses on theory and practice of corporate sustainability accounting and reporting. It offers insights about corporate sustainability, the emergence and purpose of sustainability accounting, accounting frameworks and tools, and sustainability ratings. Furthermore, trends and quality assurance of sustainability reporting will be discussed.

Course Website

Course information will be delivered through the D2L system (<https://learn.uwaterloo.ca>).

Course assessment

Report Presentation 1 ¹	20 %
First Assignment – CSR Concept Map	20 %
Quizzes	20 % (10% each)
Second Assignment- Final Report	25 %
Participation on Discussion Boards or Best Sustainability Report Competition	15 %

Policy on late submissions

Submissions received up to ONE DAY AFTER the due date and time indicated above will have a 10 per cent penalty applied to them (of the 100 available per cent for that assignment).

Note on digital submission

Only digital submissions will be accepted. All assignments must be submitted through the respective drop box on the course website.

Summary of ‘due dates’

- October 8th –Presentations due to drobox (submit electronically by 11:59 pm)
- October 22nd – First assignment due (submit electronically by 11:59 pm)
- October 29 – Quiz 1 (On LEARN)²
- December 2nd – Quiz 2 (On LEARN)
- See the course webpage for LEARN discussion boards format (max 150 words)³
- December 8 –Final assignment due (submit electronically by 11:59 pm)

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility.

¹ Individually corporate sustainability reports will be presented on LEARN. Details of the presentation can be found on the course website under Content – Activities and Assignments – Report Presentation 1.

² If a student is unable to write the mid-term tests (due to extenuating circumstances, supported by appropriate documentation), an alternative test or assessment will be provided.

³ Engage in 3 of the posted discussion boards or optional a group of up to 10 students can participate in the Competition for Best Sustainability Report (FSI) competition, details will be provided on LEARN.

<http://www.uwaterloo.ca/academicintegrity/>. Students who are unsure what constitutes an academic offence are requested to visit the on-line tutorial at: <http://www.lib.uwaterloo.ca/ait/>

Research Ethics: Please also note that the ‘University of Waterloo requires all research conducted by its students, staff, and faculty which involves humans as participants to undergo prior ethics review and clearance through the Director, Office of Human Research and Animal Care (Office). The ethics review and clearance processes are intended to ensure that projects comply with the Office’s Guidelines for Research with Human Participants (Guidelines) as well as those of provincial and federal agencies, and that the safety, rights and welfare of participants are adequately protected. The Guidelines inform researchers about ethical issues and procedures which are of concern when conducting research with humans (e.g. confidentiality, risks and benefits, informed consent process, etc.)’ (<http://www.research.uwaterloo.ca/ethics/human/>). Recognise, however, that students are instructed NOT to contact any ‘outside organisations’ to complete their written assignments for this course.

Note for students with disabilities: The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.

Religious Observances: Please inform the instructor at the beginning of term if special accommodation needs to be made for religious observances that are not otherwise accounted for in the scheduling of classes and assignments.

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>. When in doubt, please contact your Undergraduate Advisor for details.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offence, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offense, or who needs help in learning how to avoid offenses (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. For information on categories of offences and types of penalties, students should refer to Policy 71, Student Discipline, <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>.

For typical penalties, check Guidelines for Assessment of Penalties, <http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm>

Appeals: A decision made, or penalty imposed under Policy 70 - Student Petitions and Grievances (other than a petition) or Policy 71 – (Student Discipline) may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to Policy 72 (Student Appeals). See: <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>

Consequences of Academic Offences: ENV students are strongly encouraged to review the material provided by the university’s Academic Integrity office (see: <http://uwaterloo.ca/academicintegrity/Students/index.html>).

Course readings

All readings are listed in the respective section in the D2L system. All readings are identified in this course outline. I will add some industry reports on LEARN throughout the term.

Introduction/Objective

The course explores methods and tools of sustainability accounting and reporting. General and corporate sustainability indicators will be introduced and discussed to create a basis for sustainability accounting and reporting. Students will learn the theoretical background of corporate sustainability accounting and reporting. Additionally, they will conduct critical analyses of corporate accounting and reporting.

Course outline

Lecture 1: Thursday, September 10th, 2020

Introduction to General Sustainability Indicators and Assessment

Lecture content:

- Introduction to environmental, economical, and societal sustainability indicators

Required Resources:

<http://hdr.undp.org/en/statistics/hdi/>

Social Progress Index

- <http://www.socialprogressimperative.org/data/spi>

Gross National Happiness (GNH)

- <http://www.grossnationalhappiness.com/gnhIndex/introductionGNH.aspx>

OECD's Better Life Index

- <http://www.oecdbetterlifeindex.org>

Kates, R. W., Parris, T. M., & Leiserowitz, A. A. (2005). What is sustainable development? *Environment: Science and Policy for Sustainable Development*, 47, 8-21.

Lecture 2: Thursday, September 17th, 2020

Introduction to Corporate Sustainability

Lecture Content:

- Weak and strong sustainability
- Triple-bottom line
- De-growth
- Eco-efficiency
- Shared value

Required Resources:

Dietz, S., & Neumayer, E. (2007). Weak and strong sustainability in the SEEA: Concepts and measurement. *Ecological Economics*, 61(4), 617-626. doi: <http://dx.doi.org/10.1016/j.ecolecon.2006.09.007>

Martínez-Alier, J., Pascual, U., Vivien, F.-D., & Zaccai, E. (2010). Sustainable de-growth: Mapping the context, criticisms and future prospects of an emergent paradigm. *Ecological Economics*, 69(9), 1741-1747.

Porter, M. E., & Kramer, M. R. (2011). Creating Shared Value. *Harvard Business Review*, 89(1/2), 62-77.

Ehrenfeld, J. R. (2005). Eco-efficiency: Philosophy, Theory, and Tools. *Journal of Industrial Ecology*, 9(4), 6-8. doi: 10.1162/108819805775248070

Lecture 3: Thursday, September 24th, 2020
The Emergence of Sustainability Accounting

Guest speaker: Joe Battikh (Ericsson)

Sustainability Reports: What and how do they report?

Lecture content:

- What is corporate sustainability?
- External pressure
- Cost management
- Reputation management
- The history of sustainability accounting and reporting

Required Resources:

Schaltegger, S., & Burritt, R. L. (2000). Contemporary environmental accounting: issues, concepts and practice. Sheffield: Greenleaf Publishing, pp. 30-42 (e-book)

Herzig, C., & Schaltegger, S. (2011). Corporate sustainability reporting. In J. Godemann & G. Michelsen (Eds.), Sustainability communication (pp. 151-169). New York: Springer (e-book)

Lecture 4: Thursday, October 1st, 2020
The Purpose of Sustainability Accounting and Reporting

Lecture content:

- Outside-in vs. inside-out sustainability.
- The business case for sustainability vs. the sustainability case of business
- Stakeholders vs. shareholders

Required Resources:

Schaltegger, S., & Burritt, R. L. (2010). Sustainability accounting for companies: Catchphrase or decision support for business leaders? *Journal of World Business*, 45(4), 375-384. doi: 10.1016/j.jwb.2009.08.002

Schaltegger, S., & Burritt, R. L. (2000). *Contemporary environmental accounting: issues, concepts and practice*. Sheffield: Greenleaf Publishing, pp. 43-57 (e-book).

Lecture 5: Thursday, October 8th, 2020
The Sustainability Accounting Framework

Lecture content:

- Sustainability induced impacts (risks and benefits) vs. Impacts of business on sustainability
- Environmental and carbon accounting and reporting
- Social accounting and reporting

Required Resources:

Lamberton, G. (2005). Sustainability accounting—a brief history and conceptual framework. *Accounting Forum*, 29(1), 7-26. doi: <http://dx.doi.org/10.1016/j.accfor.2004.11.001>

Schaltegger, S., & Burritt, R. L. (2010). Sustainability accounting for companies: Catchphrase or decision support for business leaders? *Journal of World Business*, 45(4), 375-384. doi: 10.1016/j.jwb.2009.08.002

October 15th: No Classes

Lecture 6: Thursday, October 22nd, 2020**Lecture content:**

- Global Reporting Initiative Framework

Guest speaker: Eliana Fleifel (SDSN Canada)**Required Resources:**

www.globalreporting.org

Global Reporting Initiative. (2013). G4 Sustainability Reporting Guidelines (pp. 94). Amsterdam: Global Reporting Initiative.

The Global Reporting Initiative. (2011). Sustainability Reporting Guidelines & Financial Services Sector Supplement. Amsterdam, The Netherlands: The Global Reporting Initiative.

Brown, H. S., de Jong, M., & Lessidrenska, T. (2009). The rise of the Global Reporting Initiative: a case of institutional entrepreneurship. *Environmental Politics*, 18(2), 182-200. doi: 10.1080/09644010802682551

Dingwerth, K., & Eichinger, M. (2010). Tamed Transparency: How Information Disclosure under the Global Reporting Initiative Fails to Empower. *Global Environmental Politics*, 10(3), 74-96.

Lecture 7: Thursday, October 29th, 2020**Sustainability Accounting Tools****Guest Speaker: RBC Sustainability Team****Lecture content:**

- Sustainability Balanced Scorecard
- Carbon Disclosure Project

Required Resources:

Kaplan, R. S., & Norton, D. P. (1996). Using the balanced scorecard as a strategic management system. *Harvard Business Review*, 74(1), 75-85.

Figge, F., Hahn, T., Schaltegger, S., & Wagner, M. (2002). The sustainability balanced scorecard - Linking sustainability management to business strategy. *Business Strategy and the Environment*, 11, 269-284.

Check Suncor CDP Report on LEARN

www.cdp.net

Lecture 8: Thursday, November 5th, 2020**Social Return on Investment****Guest speaker: Dr. Sean Geobey****Lecture content:**

- Social Return on Investment

Required Resources:

<http://www.socialvalueuk.org/app/uploads/2016/03/SROI%20IMPACT%20MAP%20TEMPLATE.xlsx>

Nicholls, J., Lawlor, E., Neitzert, E., & Goodspeed, T. (2012). Guide to social return on investment (pp. 108): SROI Network.

Rotheroe, N., & Richards, A. (2007). Social return on investment and social enterprise: transparent accountability for sustainable development. *Social Enterprise Journal*, 3(1), 31-48.

Lecture 9: Thursday, November 12th, 2020.**Sustainability Rating****Guest speaker: *Khaled Ammar* (Thomson Reuters Innovation Lab)****Lecture content:**

- Types and methods of sustainability ratings

Required Resources:

Delmas, M., Etzion, D., & Nairn-Birch, N. (2013). Triangulating environmental performance: What do corporate social responsibility ratings really capture? *The Academy of Management Perspectives*.

Sadowski, M., Whittaker, K., & Buckingham, F. (2010). Rate the Raters Phase One Look Back and Current State (pp. 8). New York: SustainAbility.

Sadowski, M., Whittaker, K., & Buckingham, F. (2010). Rate the Raters Phase Two Taking Inventory of the Ratings Universe (pp. 20). New York: SustainAbility.

Sadowski, M., Whittaker, K., & Ayars, A. (2011). Rate the Raters Phase Three Uncovering Best Practices (pp. 34). New York: SustainAbility.

Lecture 10: Thursday, November 19th, 2020**Section 1: Key Performance Indicators, SASB, and TCFD****Lecture content:**

- Why Key Performance Indicators?
- What are Key Performance Indicators in different sectors?

Required Resources:

Adams, C. A., & Frost, G. R. (2008). Integrating sustainability reporting into management practices. *Accounting Forum*, 32(4), 288-302. doi: 10.1016/j.accfor.2008.05.002

Hesse, A. (2010). *SD-KPI Standard 2010 – 2014*. Muenster, Germany: Dr. Axel Hesse.

Sustainability Accounting Standards Board (SASB). (2017). SASB Conceptual Framework (p. 1-25). San Francisco, CA: Sustainability Accounting Standards Board. <https://library.sasb.org/sasb-conceptual-framework-2/>

Global Impact Investing Network. (2011). Getting started with IRIS (pp. 40). n.d.: Global Impact Investing Network (see D2L).

Optional: Emerson, J. (2003). The Blended Value Proposition: Integrating social and financial returns. *California Management Review*, 45(4), 35-51.

Lecture 11: Thursday, November 26th, 2020.

Guest speaker: Alice Boa (PWC)

Section 1: Quality Assessment of Sustainability Reporting

Lecture content:

- Motivations for assurance
- Audit criteria
- Assurance guidelines
- Audit challenges

Required Resources:

- Kolk, A., & Perego, P. (2010). Determinants of the adoption of sustainability assurance statements: an international investigation. *Business Strategy and the Environment*, 19(3), 182-198. doi: 10.1002/bse.643
- O'Dwyer, B., & Owen, D. L. (2005). Assurance statement practice in environmental, social and sustainability reporting: a critical evaluation. *The British Accounting Review*, 37, 205-229.
- Manetti, G., & Becatti, L. (2009). Assurance Services for Sustainability Reports: Standards and Empirical Evidence. *Journal of Business Ethics*, 87(1), 289-298. doi: 10.1007/s10551-008-9809-x
- AccountAbility. (2008). AA1000 Assurance Standard 2008 (pp. 28). London, Washington, DC: AccountAbility.
- Fédération des Experts Comptables Européens (FEE). (2002). Providing assurance on sustainability reports (pp. 68). Brussels: Fédération des Experts Comptables Européens.

Section 2: Trends in Sustainability Reporting

Lecture content:

- Integrated Reporting

Required Resources:

- Ernst & Young. (2013). 2013 Growing Trends in Corporate Sustainability (pp. 36): Ernst & Young.
- Mehallow, C. (2014, February 20). 4 Top Sustainability Reporting Trends for 2014. Retrieved from <http://www.greenbiz.com/blog/2014/02/20/top-sustainability-reporting-trends-2014>
- Eccles, R. G., & Saltzman, D. (2011). Achieving sustainability through integrated reporting. *Stanf Soc Innov Rev, Summer 2011*, 56-61.
- Frank, R. (2010). Success Factors for Integrated Reporting: A Technical Perspective. In R. G. Eccles, B. Cheng & D. Saltzman (Eds.), *The Landscape of Integrated Reporting Reflections and Next Steps* (pp. 226-233). Cambridge, MA: The President and Fellows of Harvard College. (available on D2L)

Lecture 12: Thursday, December 3rd, 2020

Course wrap-up, discussion of final assignment, course evaluation.