

# **Lets have ENBUS 407 – Sustainability Accounting, Indicators and Reporting**

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## **Meetings**

Lectures on Thursday from 2:30 am -5:20 pm in Room EV3-4412

## **Office hours**

Thursdays from 1:00 pm-2:15 pm in Room EV3 4326, 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 class.
3. I will aim to put up the PowerPoint Presentations that I plan to use after the respective class. Please note that this does not provide ALL of the information that will be delivered in the lecture but can help guide you through the material.
4. I will also use the D2L system to deliver information to students in the course. I expect (assume) that you will be checking the course website regularly (at least every working day).

## **Tips for success**

1. Attend all sessions.
2. Come prepared for all sessions and follow up on all sessions.
3. Plan ahead: check when assignments are due, tests and examinations are scheduled.

## **Creating an effective learning environment in the lecture hall**

1. Please arrive on time.
2. I will get you out of the classroom in good time – please wait until I dismiss the class to prepare for your departure.
  - a. Please do not disturb your classmates' abilities to learn.
  - b. Please do not talk in class.
3. Laptops or other devices that enable you to connect with D2L and other sources in the internet will be used for some activities in class. Thus, bring you laptop, tablet, etc. Please type quietly.

4. Our time together is valuable. I will, however, work to make the lectures informative, relevant and interesting. Throughout term, I will welcome suggestions as to how the learning environment can be improved.

## Pre-requisite

3rd/4th year Environment and Business students.

## 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 <sup>1</sup>	20 %
First and Second tests <sup>2</sup>	20% per test <sup>3</sup>
Final Assignment <sup>4</sup>	20%
Participation / Activities <sup>5</sup> or Best Sustainability Report Competition <sup>6</sup>	20%

## 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). Submissions received between ONE AND TWO DAYS AFTER the due date and time indicated above will have a 20 per cent penalty applied to them (of the 100

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<sup>1</sup> In groups corporate sustainability reports will be presented. Details of the presentation can be found on the course website under Content – Activities and Assignments – Report Presentation 1.

<sup>2</sup> There will be two in-class tests. The first test will be held on Thursday 10 October; the second test will be held on Thursday 28 November. The test will consist of multiple-choice and open questions and will be ‘closed book’.

<sup>3</sup> If a student is unable to write the tests (due to extenuating circumstances, supported by appropriate documentation), an alternative test or assessment will be provided.

<sup>4</sup> Please consult the course website for the question and the due date for the final assignment.

<sup>5</sup> Please consult the course website for the question and the due date for participation / activities. Generally, activities will be started in class and will be submitted individually. Best 4 out of 5 activities.

<sup>6</sup> Optional a group of up to 8 students can participate in the Competition for Best Sustainability Report. Details will be presented in class.

available per cent for that assignment). Students not handing in their submissions within TWO DAYS of the due date and time will receive a mark of zero on that assignment. Exceptions will be made in extraordinary circumstances (usually related to medical emergencies supported by documentation). Students anticipating that their assignment will be submitted late are encouraged to contact the course instructor at the earliest possible time.

## 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'

- September 25 – Report Presentation due to drobox (submit electronically by 11:59 pm)
- September 26 – Report presentation (2:30 pm in class)
- October 10 –Test 1 (2:30 pm in class)
- November 28 – Test 2 (2:30 pm in class)
- See the course webpage for the due dates for the class activities (submit electronically)
- December 5 –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. <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. Readings that are not accessible through the library can be downloaded on the course website either under ‘Readings’ or in ‘Course Reserves’. All readings are identified in this course outline.

## 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 5<sup>th</sup>, 2019

#### 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/intruductionGNH.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 12<sup>th</sup>, 2019

#### 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 19<sup>th</sup>, 2019**  
**The Emergence of Sustainability Accounting**  
**Guest speaker: Jon Beale, SDSN Canada.**

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, September 26<sup>th</sup>, 2019**  
**The Purpose of Sustainability Accounting and Reporting**

**Group Presentations**

See Group Presentation 1 in this course outline and the course website

Lecture content:

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

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 3<sup>rd</sup>, 2019**  
**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
- Theory of change

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

**Lecture 6: Thursday, October 10<sup>th</sup>, 2019****Test 1: 2:30 – 4:00 PM.****Lecture content:**

- Global Reporting Initiative Framework

**Required Resources:**

[www.globalreporting.org](http://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.

**October 17<sup>th</sup>: No Classes****Lecture 7: Thursday, October 24<sup>th</sup>, 2019****Sustainability Accounting Tools****Guest Speaker: Alice Boa Manager, Sustainable Business Solutions, PwC Canada.****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.

Suncor CDP Report

[www.cdp.net](http://www.cdp.net)

## Lecture 8: Thursday, October 31<sup>st</sup>, 2019

### 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 7<sup>th</sup>, 2019

### Sustainability Rating

**Guest speaker: TD Bank, CSR and ESG Reporting Team.**

**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 14<sup>th</sup>, 2019

### Guest speaker: Brock Dickinson - Entrepreneur in Residence

#### Section 1: Key Performance Indicators, SASB

##### 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/>

#### Section 2: Measuring Impact: The IRIS approach

##### Required Resources:

[www.iris.thegiin.org](http://www.iris.thegiin.org)

[www.thegiin.org](http://www.thegiin.org)

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 21<sup>st</sup>, 2019

### Guest speaker: Chris Coulter – CEO GlobeScan

#### 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, November 28<sup>th</sup>, 2019**

**Test 2: 2:30 – 4:00 PM.**

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

