

BGEN 445 (MBA 694-69) – Sustainability Reporting

Spring Semester 2020

College of Business

The University of Montana - Missoula

Section 01 (32886, 35015) 2:00 – 3:20 PM MW 119 Gallagher Business Building

Course Description:

This course provides students with an understanding of sustainability reporting by organizations. Topics include an overview of what organizations currently report about their environmental, social, and economic performance, and what organizations should be reporting about their sustainability performance. Regulation of sustainability reporting, greenwashing, and external assurance of sustainability reports are also covered. In addition, carbon trading, carbon taxes, and carbon offsets are covered.

Course Learning Goals:

Upon completion of this course students will understand:

- The importance of reporting on sustainability
- A history of, and the current state of, corporate sustainability reporting
- Regulation of corporate sustainability reporting
- Sustainability reporting frameworks with a focus on the Global Reporting Initiative and the Carbon Disclosure Project
- Understanding the different types of performance indicators used to measure sustainability performance
- How to find information on corporate sustainability reporting
- External assurance of corporate sustainability reports
- The future direction of sustainability reporting
- Greenwashing
- How to evaluate third party certifications of environmental and social performance
- The essential elements of carbon trading, carbon taxes, and carbon offset programs

Course Prerequisites:

Junior or senior standing. The course is also open to graduate students. Graduate students must complete additional work to receive graduate credit.

Additional Course Information:

- This course is only offered in the spring semester.
- March 24th is the last day to drop this course without a petition as specified in the University of Montana catalog.

Instructor:

Kent Swift, PhD, CPA
Office: 319 Gallagher Business Building
Phone: (406) 243-4182
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Office hours:

Monday:	11:00 – 12:00 and 3:30 – 4:30
Tuesday:	11:00 – 12:00 and 2:00 – 3:00
Wednesday:	11:00 – 12:00 and 3:30 – 4:30
Thursday:	11:00 – 12:00 and 2:00 – 3:00

Additional office hours by appointment

Required Course Materials:**Textbook:**

Herriott, S. R. (2016). *Metrics for Sustainable Business*. New York: Routledge.

Available in the UM Bookstore. The book is also available on Amazon.com in paperback and Kindle e-format.

Case Study Projects:

Volkswagen's Clean Diesel Dilemma, Case 1-430-484, WDI Publishing, University of Michigan.

Tea & Sustainability at Unilever: Turning Over a New Leaf, Case 1-429-423, WDI Publishing, University of Michigan.

Note: The cost of each case study is \$4.00 per student. You will need to purchase both cases during the semester.

Reports and Journal Articles:

Most of the materials for this course consist of reports from organizations involved in sustainability reporting, book chapters, and journal articles. These materials will be provided in electronic format on the Moodle site for this course.

Points and Grading:

Point Allocation:

Form 10-K Report Analysis Project (I)	15
Online Quizzes (I)	80
Case Studies:	
Volkswagen (I)	15
Unilever (I)	15
GHG Emissions at Big Sky Mountain Inn (G)	20
Personal Carbon Footprint Project (I)	15
Class participation (I)	30
Third Party Certification Presentation (G)	20
Final Exam (I)	50
In-Depth Analysis of Actual Organization Sustainability Reporting (G):	
Pre-Report Memos	10
Report	40
Class Presentation	<u>20</u>
Total Possible Points	<u>330</u>

Key: (G) is a group project; (I) is a short individual project

Grades will be assigned based on the total points accumulated in the course during the semester. Plus/minus grading will be used in this course to differentiate students who are close to a grade cutoff.

Final course grades are not negotiable.

Class Participation: Class participation is a function of preparation, skills, attitude, and a willingness to share one's ideas with the class. Frequent and ongoing evaluation will be made in this area, and credit will be given for progress over the term. A fundamental part of class participation is class attendance. **Absence from more than six class sessions will result in a failing grade in the course.** Note: For students enrolled in MBA 694-69, class participation will be measured based on responses to discussion questions posted in Moodle.

Incompletes: An incomplete grade for the semester is not an option to be exercised at the discretion of a student. In all cases it is given at the discretion of the instructor within the following guidelines. A mark of incomplete may be assigned students when (1) they have been in attendance and doing passing work up to three weeks before the end of the semester, and (2) for reasons beyond their control and which are acceptable to the instructor, they have been unable to complete the requirements of the course on time. Negligence and indifference are not acceptable reasons.

Assignments: Assignments must be completed and submitted when due to receive full credit. English grammar, spelling, and punctuation will be graded.

Cheating: Cheating on an exam or assignment will result in a score of zero on that exam or assignment. Cheating on more than one exam or assignment will result in a failing course grade.

Graduate Increment: Graduate students enrolled in the course are required to write up a short research assignment (group activity) and present an article to the class on a sustainability topic (individual).

Schedule

Jan 13 M Introduction – Making the Case for Sustainability Reporting
15 W Development of Sustainability Reporting

Reading: (Starke, 2013), *Is Sustainability Still Possible?* **Chapters 1-3**
(Unerman, Bebbington, & O'Dwyer, 2007), *Histories of and Rationales for Sustainability Reporting*, **Chapter 3**

Articles: *1,000 pieces of plastic found inside dead whale in Indonesia*, The New York Times, November 21, 2018
Top 26 billionaires own \$1.4 trillion – as much as 3.8 billion other people, CNN Business, January 21, 2019

Assignment: Online quiz

Jan 20 M Martin Luther King Jr. Day – No Class
22 W Introduction to Sustainability Reporting; 10-K Annual Reports

Reading: (Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 5, pages 70-75**
The State of Disclosure, An Analysis of the effectiveness of sustainability disclosure in SEC filings, **Executive Summary**, SASB, 2017.

Articles: *Shareholder value is no longer everything, top C.E.Os say*, The New York Times, April 19, 2019
Climate-related financial disclosure becoming more mainstream: G20 task force, Reuters, September 26, 2018

Assignment: 10-K Annual Report Analysis Project
Online quiz

Jan 27 M Current State of Sustainability Reporting
29 W Regulation of Sustainability Reporting

Reading: *The KPMG Survey of Corporate Responsibility Reporting*, KPMG, 2017

Articles: *More Plastics than Fish in Oceans by 2050*, CNN, January 19, 2016
Global Warming's Toll on Coral Reefs: As if They're 'Ravaged by War', NY Times, January 4, 2018

Internet

Resources: Global Reporting Initiative Sustainability Disclosure Database -
<http://database.globalreporting.org>

Assignment: Form Groups
Select a company or organization for comprehensive sustainability reporting analysis
Online quiz

Feb 3 M Greenwashing
5 W Greenwashing – Case Study

Reading: (Horiuchi, et. al, 2009), ***Understanding and Preventing Greenwash: A Business Guide***

Articles: *The troubling evolution of corporate greenwashing*, The Guardian, August 20, 2016
Clearing up the facts behind Trump’s ‘clean coal’ catchphrase, Factcheck.org, November 9, 2018

Assignment: Case Study: *Volkswagen’s Clean Diesel Dilemma*

Feb 10 M GRI – GRI Foundation and General Disclosures
12 W GRI – Economic Disclosures

Reading: (Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 1, pages 1-10, Chapter 9, pages 169-174**
(Brockett & Rezaee, 2012), *Corporate Sustainability: Integrating Performance and Reporting, Economic Vitality as a Component of Sustainability*
Chapter 5

Reference: *GRI 100 Standards Series and GRI 200 Standards Series*

Articles: *Corporate America is getting ready to monetize climate change*, Bloomberg, January 22, 2019
Making salary information public helps close the gender gap, Bloomberg, December 5 2018.

Assignment: Online quiz

Feb 17 M GRI – President’s Day – No Class
19 W GRI – Measuring Greenhouse Gas Emissions

Reading: (Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 6, pages 102-116**
(Swift, 2019), *Accounting for Greenhouse Gas Emissions. Management Accounting Quarterly*
(Grant, 2008), *Your Carbon Footprint*, **Chapter 1**

Reference: *GRI Standard 305*

Articles: *Carbon dioxide reaches record high in Earth’s atmosphere, scientists report*, USA Today, November 25, 2019

Feb 24 M GRI – Measuring Greenhouse Gas Emissions
26 W GRI – Measuring Greenhouse Gas Emissions

Articles: *There is more CO2 in the atmosphere today than any point since the evolution of humans*, CNN, May 13, 2019
Millions more Americans breathing dirty air as planet warms, study finds, The Guardian, April 24, 2019

Assignment: Online quiz
Personal Carbon Footprint Assignment

Mar 2 M GRI – Environmental Disclosures
4 W GRI – Environmental Disclosures

Reading: (Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 6, pages 120-123, Chapter 7, pages 127-134, and Chapter 8, pages 149-158**

Reference: *GRI 300 Standards Series (other than GRI Standard 305)*

Articles: *K-cups and coffee capsules: Is your quick java fix killing the environment?* USA Today, March 13, 2019
Common weed killer glyphosate increases cancer risk by 41%, study says, CNN, February 14, 2019

Assignment: Measuring GHG Emissions at Big Sky Mountain Inn – Case Study
Online quiz

Mar 9 M GRI – Social Disclosures
11 W GRI – Social Disclosures

Reading: (Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 9, pages 188-195**

Reference: *GRI 400 Standards Series*

Articles: *Equal pay day 2019: How to close the wage gap for good*, Forbes, April 2, 2019
Boeing's fired CEO could walk away with a \$60 million golden parachute, CNN Business, December 24, 2019

Assignment: Online quiz

Mar 16 M SPRING BREAK
18 W SPRING BREAK

Mar 23 M 3rd Party Certifications
25 W 3rd Party Certifications – Case Study

Reading: *Third Party Certification and Quality Standards*, Unite for Sight, 2014

Articles: *Behind the Label: Can we trust certification to give us fairer products?* The Guardian, March 10, 2016
Coffee from Rainforest Alliance farms in Brazil linked to exploited workers, The Guardian, January 6, 2017

Assignment: Third Party Certification Presentation

Mar 30 M 3rd Party Certifications – Presentations
April 1 W 3rd Party Certifications – Presentations

April 6 M Other Reporting Frameworks
8 W External Assurance of Sustainability Reporting

Reading: (Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 1, pages 10-23**
(Eccles, 2015), *The Integrated Reporting Movement*, **Chapter 2**

Articles: *Mondelez is buying enough solar power to produce 10 billion Oreo cookies per year*, CNN Business, June 27, 2019
Nature in worst shape in human history, with 1 million species at risk of extinction, UN report warns, USA Today, May 6, 2019

Assignment: Case Study: *Tea & Sustainability at Unilever: Turning Over a New Leaf*

April 13 M Carbon Markets, Carbon Taxes, and Carbon Offsets
15 W Carbon Markets, Carbon Taxes, and Carbon Offsets

Reading: (Broekhoff et al., 2019) *Securing Climate Benefit: A Guide to Using Carbon Offsets*.

Articles: *Dirty planet but a clean conscience? The truth about airplane carbon offsetting*, CNN, November 23, 2019
These countries have a price on carbon. Are they working? The New York Times, April 2, 2019

Assignment: Online quiz

April 20 M Group Presentations – Sustainability Report Analysis
22 W Group Presentations – Sustainability Report Analysis

April 27 M Group Presentations – Sustainability Report Analysis
29 W Group Presentations – Sustainability Report Analysis

Final Exam: 3:20 – 5:20, Wednesday, May 6th

- The final exam is an essay exam and requires the use of blue books.

Bibliography of Sustainability Reporting Resources

Bibliography

- Berners-Lee, M. (2011). *How Bad Are Bananas? The Carbon Footprint of Everything*. Vancouver: Greystone Books.
- Brockett, A., & Rezaee, Z. (2012). *Corporate Sustainability: Integrating Performance and Reporting*. Hoboken, NJ, USA: Wiley.
- Broekhoff, D., Gillenwater, M., & Cage, P. (2019). *Securing Climate Benefit: A Guide to Using Carbon Offsets*. Stockholm Environment institute & Greenhouse Gas Management Institute.
- Eccles, R., & Krzus, M. P. (2015). *The Integrated Reporting Movement*. Hoboken, New Jersey: Wiley.
- Global Reporting Initiative. (2016). GRI Sustainability Reporting Standards.
- Grant, N. S. (2008). *The Pocket Idiot's Guide to Your Carbon Footprint*. New York: Penguin Group.
- Herriott, S. R. (2016). *Metrics for Sustainable Business*. New York: Routledge.
- Hoffman, A. (2015). *How Culture Shapes the Climate Change Debate*. Stanford, CA: Stanford University Press.
- Horiuchi, R., Schuchard, R., Shea, L., & Townsend, S. (2009). *Understanding and Preventing Greenwash: A Business Guide*. BSR and Futerra. Retrieved from www.bsr.org
- KPMG. (2017). *The KPMG Survey of Corporate Responsibility Reporting 2017*. KPMG International Cooperative.
- Swift, K. D. (2019). Accounting for Greenhouse Gas Emissions. *Management Accounting Quarterly*, 20(2), 1-9.
- The Worldwatch Institute. (2013). *Is Sustainability Still Possible?* Washington DC: Island Press.
- Unerman, J., Bebbington, J., & O'Dwyer, B. (2007). *Sustainability Accounting and Accountability*. New York: Routledge.
- Unite for Sight. (2014). *Third Party Certification and Quality Standards*. Retrieved from Unite for Sight: <http://www.uniteforsight.org>

Expectations of Students

Personal Electronic Devices: All personal electronic devices should be turned off during class.

Class Attendance: Plan to arrive on time and prepared for each class. Arriving late or departing early is disrespectful to the instructor and your classmates. If you must leave class, please do not return during that class meeting. If you know in advance that you will need to leave class early, let the instructor know before class starts.

Student Conduct: All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. The University of Montana Student Conduct Code specifies definitions and adjudication processes for academic misconduct and states, "Students at the University of Montana are expected to practice academic honesty at all times."

It is the student's responsibility to be familiar the University of Montana Student Conduct Code. The Student Conduct Code is available at <https://www.umt.edu/student-affairs/community-standards/default.php>.

Students enrolled in courses offered by the College of Business are also expected to adhere to the College of Business Code of Professional Conduct. This is available at: <http://www.business.umt.edu/ethics/professional-conduct-code.php>.

Moodle: Information about class assignments, tests, etc. is posted on the Moodle site for this course. You are expected to check the Moodle site on a daily basis.

Exams: During exams everything should be cleared off the desk except calculators, pens and pencils, and extra blank sheets of paper for calculations. Cell phones must be put away.

Exams belong to the College of Business. Keeping exams and/or making copies of exams will be considered a violation of the University of Montana Student Conduct Code.

If a student is unable to take an exam or quiz on the assigned date, the instructor must be notified in advance to see if other arrangements can be made for completing the exam or quiz. Otherwise the student's grade on the exam or quiz will result in a score of zero.

Final Exam: A specific time and date for the final exam is assigned for this course. The final exam is an integral part of this course and students are expected to take the final exam on the scheduled time and date.

Students with Disabilities: Students with disabilities will receive reasonable modifications in this course. The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students. "Reasonable" means the University permits no fundamental alterations of academic standards or retroactive modifications. Your responsibilities are to request reasonable modifications from me with sufficient advance notice (**preferably the first week of class**), and to be prepared to provide current verification of your disability and its impact from Disability Services for Students. Please speak with me after class or during my office hours to discuss the details. For more information, visit the Disability Services for Students website at <http://www.umt.edu/dss/>.

College of Business Mission

Mission

The College of Business creates the opportunity for a better life for our students, faculty, and staff through transformative experiences in and out of the classroom.

Value Proposition

The College of Business at the University of Montana delivers transformative learning experiences, propelling our students to make immediate and sustained impact on business and society. Using the COB Method, we nurture the innate work ethic of our students to develop capable, confident problem solvers and ethical decision makers.

College of Business Brand Pillars

The following brand pillars drive our value proposition:

- Students first: We educate the whole person
- Experiential learning: We create experiences that matter
- Thought leadership: We create rigorous and relevant knowledge
- Stewardship: We value people, planet and profit