



COURSE SSM1020H – Decision Making for Sustainability Management

Fall 2019

Innovation Complex, Room L1230

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Course Objectives:

This course explores corporate sustainability reporting practices and the usefulness of sustainability performance information to investors, managers, and non-profit stakeholders. The course will also examine decision-making tools in contemporary sustainability management and sustainability performance indicators in different business and industry contexts.

After taking the course, students are expected to

1. Gain a solid understanding of theories and key concepts underlying corporate sustainability management and sustainability reporting
2. Develop familiarity with existing sustainability reporting frameworks and contemporary sustainability reporting practices
3. Apply relevant sustainability management and decision-making tools
4. Evaluate corporate sustainability performance and the quality of sustainability reports in different industrial contexts.

Course Materials:

This course is of a multi-disciplinary nature. It will examine contemporary sustainability reporting practices and sustainability management issues from different stakeholder perspectives. The course readings consist of academic papers, research reports, government publications, case studies, and chapters from various sources. I will do my best to post the relevant readings and web links (URL) in the course portal on a timely basis. Please visit the course web site and relevant web links to download readings and reference materials.

For students who do not have any accounting background, it is recommended that they obtain the following book in order to develop a basic knowledge about accounting reporting framework and financial analysis.

How to Keep Score in Business: Accounting and Financial Analysis for the Non-accounting, by Robert Follett, second edition, 2012, Pearson Education, ISBN-10: 0-13-284915-9.

Instructional Approach:

This course will be delivered via lectures, case analysis, class discussions, group research projects, and a comprehensive case competition at the end of the course. I may also invite industry experts to deliver guest lectures on certain topics whenever appropriate. Students are required to read the assigned readings prior to coming to the class and participate actively in each class.

Course Evaluation:

The course evaluation consists of the following components:

Component	Evaluation	Weight (%)
1. Research Project Report	Group	25
2. Integrated Case Competition	Group	15
3. Class Participation	Individual	15
4. Final Examination	Individual	45
Total		100

Group Research Project (25%)

Each group will choose one industry sector (such as mining, oil and gas, chemicals, pulp and paper, transportations, steel and metals, utilities, etc.) and conducts independent research to examine the current sustainability reporting practice in this industry. The groups should obtain the sustainability (or CSR) reports of the sample firms in the industry and explore other relevant information sources from industry associations, business press, and academic research journals if necessary. The final research report should discuss the following;

1. Applicable and relevant sustainability reporting standards or frameworks for the industry
2. Degree of compliance with the existing sustainability reporting standards or frameworks by the companies included in the study
3. Key stakeholder groups (intended readers of the CSR reports) and the degree and mechanisms of stakeholder engagement as disclosed in the sustainability reports
4. Usefulness of the information disclosed in the sustainability (CSR) reports with respect to assessing a firm's progress in sustainability management over time and relative to its industry peers
5. Usefulness of the sustainability reports to investors
6. Mechanisms employed by the firms to enhance the credibility and reliability in their sustainability (CSR) reports and the effectiveness of these mechanisms
7. A critical assessment of the sustainability reporting practice in the industry and implications /

recommendations for managers, investors, sustainability reporting standard setters, non-profit stakeholders (i.e. the key take-aways from the research study).

For industry sectors with a large number of firms, it is acceptable to focus on the ten largest companies only.

Each group will submit a written report for the research project at the beginning of the class on November 25. The final research report should not exceed 25 pages excluding annexures; using 1.5 line-spacing, 11 font size, 2 cm margins on all four sides, and it should be prepared professionally with a cover page, an executive summary, a table of contents, subtitles, conclusions, and a list of the references, etc.

Integrated Case Competition (15%)

There will be an Integrative Case Competition on December 5, 2019. Specific case materials will be distributed in due course. Each group will prepare a presentation on how the group intends to solve the sustainability (environmental management) problem(s) in the case. The case competition allows students to apply theories/concepts/techniques from all four courses during the first semester in an integrated manner to solve real sustainability problems. Further details to follow as the course progresses.

Class Participation (15%)

Students are expected to participate actively in class. Class participation will be evaluated based on individual contributions to class discussions. In addition, I may take class attendance from time to time.

Final Examination (45%)

The final exam will reflect all the materials covered in the course. At the end of each lecture, I will prepare some review questions to capture the key issues and concepts covered in the class. The final exam will consist of questions that are either related to or build upon these review questions.

Academic Misconduct:

Students should note that copying, plagiarizing, or other forms of academic misconduct **will not be tolerated**. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site.

Course Schedule

Week	Week starting (MM/DD/YY)	Topic
1	09/09/19	<p>Sustainability Management and Environmental Accounting: how accounting reporting framework relates to sustainability practice</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. Introduction to the issues – an overview by Martin Houldin in <i>Accounting for the Environment</i>, edited by Rob Gray, PCP Ltd, 1993. 2. Business and the Environment: the Challenge for Accounting and Finance, Chapter 1 in <i>Accounting for the Environment</i>, edited by Rob Gray, PCP Ltd, 1993. 3. The Accounting Framework, Financial Statements and Some Accounting Concepts, in <i>Accounting for Managers: Text and Cases</i>, third edition by William J. Bruns, JR., Thomson/Southwestern, 2005.
2	09/16/19	<p>Financial Statement Analysis and Sustainability</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. Environmental Issues in Financial Accounting and Reporting, Chapter 7 in <i>Contemporary Environmental Accounting: Issues, Concepts and Practice</i>, by Stefan Schaltegger and Roger Burritt, Greenleaf Publishing, 2000. 2. Introduction to Financial Ratios and Financial Statement Analysis, in <i>Accounting for Managers: Text and Cases</i>, third edition by William J. Bruns, JR., Thomson/Southwestern, 2005. 3. “An Empirical Examination of Factors Affecting the Timing of Environmental Accounting Standard Adoption and the Impact on Corporate Valuation,” Li, Y. and B. McConomy, <i>Journal of Accounting, Auditing, and Finance</i>, Vol. 14, No. 3, Summer 1999, pp. 279-313.
3	09/23/19	<p>Cost Behavior, Product Costing, and Full Cost Accounting for Sustainability</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. Green Ledgers: an Overview, by Daryl Ditz, Janet Ranganathan and R. Darryl Banks, in <i>The Green Bottom Line: Environmental Accounting for Management, Current Practice and Future Trends</i>, Edited by Martin Bennett and Peter James, Greenleaf Publishing, 200. 2. Cost Behavior and Using Costs in Decision Making, Chapter 3. 3. Accumulating and Assigning Costs to Products, Chapter 4

4	09/30/19	<p>Managerial Accounting and Relevant Cost Analysis for Sustainability</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. An Introduction to Environmental Accounting as a Business Management Tool: Key Concepts and Terms, U. S. Environmental Protection Agency, 1995. 2. ABC and Life-Cycle Costing for Environmental Expenditures, by Jerry G. Kreuze and Gale E. Newell, in Reading in Management Accounting, fifth edition, edited by S. Mark Young, Pearson Prentice Hall, 2007
5	10/07/19	<p>Capital Budgeting Decisions and Sustainability Management</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. Capital Investment Decisions, Chapter 11 in Management Accounting, Canadian Sixth Edition, Hansen, Mowen, Senkow and Pollanen, Thomson, 2004. 2. Integrating Environmental Impacts into Capital Investment Decisions, Chapter 4, in the Green Bottom Line: Environmental Accounting for Management, Current Practice and Future Trends, Edited by Martin Bennett and Peter James, Greenleaf Publishing, 200. 3. Guidelines for Life Cycle Cost Analysis, Stanford University Land and Buildings, 2005
6	10/14/19	Thanksgiving Holiday, University closed.
7	10/21/19	<p>Corporate Social Responsibility, Sustainability and Business Innovation</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders, Archie B. Carroll, Business Horizons, July-August 1991, pp. 39-48. 2. Description, development and explanation of social, environmental and sustainability accounting and reporting, Chapter 4, in Accountability, Social Responsibility and Sustainability: Accounting for Society and the Environment, B. Gray, C. Adams and D. Owen, Pearson, 2014.
8	10/28/19	<p>Principles and Standards of Sustainability Reporting for Different Stakeholders</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. A Starter's Guide to Sustainability Reporting, CPA Canada, 2013. 2. How to read a Corporate Social Responsibility Report: a User's Guide, Institute for Responsible Investment, Boston College, 2010. <p>Guest lecture: Matthew Zarmati, Sr. Coordinator, Corporate Social Responsibility, Loblaw Companies Limited.</p>

9	11/04/18	<p>Measuring sustainability performance and key performance indicators</p> <p>Guest Speaker: Dr. Bob Willard</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. Environmental Key Performance Indicators: Reporting Guidelines for UK Business, Department for Environment, Food and Rural Affairs, U. K., 2006
	11/11/19	<p>Life Cycle Costing and Life Cycle Assessment</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. Life Cycle Assessment: Principles and Practice, Scientific Applications International Corporation, 2006 2. Comparative LCA of treatment options for US scrap tires: material recycling and tire-derived fuel combustion, Rebe Feraldi, Sarah Cashman, Melissa Huff and Lars Raahauge, <i>International Journal of Life Cycle Assessment</i> (2013) 18:613 – 625.
11	11/18/19	<p>Carbon Accounting</p> <p>Readings:</p> <ol style="list-style-type: none"> 1. “Carbon footprint: current methods of estimation” 2. “The Greenhouse Gas Protocol” 3. “The valuation Relevance of Greenhouse Gas Emissions under the European Union Carbon Emissions Trading Scheme,” Peter Clarkson, Yue Li, Matthew Pinnuck, and Gordon Richardson, forthcoming, <i>the European Accounting Review</i>.
12	11/25/19	<p>Implementing Environmental Accounting and Stakeholder Engagement</p> <p>Readings: TBD</p> <p>Group Research Reports due today</p>
13	12/04/19	<p>Integrated Group Case Competition (No class on Monday, Dec 3)</p>