

Spring 2-1-2018

## BGEN 445.01: Sustainability Reporting

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# BGEN 445 – Sustainability Reporting

Spring Semester 2018

College of Business

The University of Montana - Missoula

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**Section 01 (37392)      2:00 – 3:20 PM      TR      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.
- Monday, April 2<sup>nd</sup> 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  
e-mail: [kent.swift@business.umt.edu](mailto:kent.swift@business.umt.edu)

**Office hours:**

Monday: 1:00 – 3:00  
Tuesday: 10:00 – 11:00; 3:30 – 4:30  
Wednesday: 1:00 – 3:00  
Thursday: 10:00 – 11:00; 3:30 – 4:30

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:**

*Coca Cola Bottling in Rajasthan, India: Tragedy of the Commons*, Case 1-429-391, 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:   |            |
| Coca Cola (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<br>Sustainability Reporting (G): |            |
| Report  | 40         |
| Class Presentation  | <u>20</u>  |
| Total Possible Points   | <u>320</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.

**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 23 T Introduction – Making the Case for Sustainability Reporting  
25 R Introduction to Sustainability Reporting

Reading: (Starke, 2013), *Is Sustainability Still Possible?* **Chapters 1-3**  
(Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 5, pages 70-75**

Articles: *94% of U.S. tap water contaminated by plastic fibers*, USA Today, September 6, 2017  
*The U.S. Is Where the Rich Are the Richest*, Bloomberg, January 16, 2017

Assignment: Online quiz

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Jan 30 T Development of Sustainability Reporting  
Feb 1 R 10-K Annual Reports

Reading: (Unerman, Bebbington, & O'Dwyer, 2007), *Sustainability Accounting and Accountability*, **Chapter 3**  
*The State of Disclosure, An Analysis of the effectiveness of sustainability disclosure in SEC filings*, **Executive Summary**, SASB, 2017.

Articles: *SEC Probes Exxon over Accounting for Climate Change*, The Wall Street Journal, September 20, 2016  
*Businesses no longer have an excuse not to disclose their climate risks*, The Guardian, December 29, 2016

Assignment: 10-K Annual Report Analysis Project  
Online quiz

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Feb 6 T **Current State of Sustainability Reporting**  
8 R **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

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Feb 13 T **Greenwashing**  
15 R **Greenwashing – Case Study**

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

Articles: *The beef with sustainable beef*, The Guardian, January 2015  
*The troubling evolution of corporate greenwashing*, The Guardian, August 2016

Assignment: Case Study: *Coca Cola Bottling in Rajasthan, India: Tragedy of the Commons*

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Feb 20 T **GRI – Overview**  
22 R **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*, **Chapter 5**

Reference: *G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures*, **pages 1-51**, GRI, 2013

Articles: *The new bottom line: money is no longer a dirty word in sustainability*, The Guardian, February 23, 2016  
*Bullying Tactics: brands can't squeeze suppliers if they're serious about sustainability*, The Guardian, November 18, 2015

Assignment: Online quiz

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Feb 27 T **GRI – Measuring Greenhouse Gas Emissions**  
Mar 1 R **GRI – Measuring Greenhouse Gas Emissions**

Reading: (Herriott, 2016), *Metrics for Sustainable Business*, **Chapter 6, pages 102-116**  
(Grant, 2008), *Your Carbon Footprint*, **Chapter 1**

Reference: *G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures*, **pages 52-63**, GRI, 2013

Articles: *Changing opinions on climate change, from a CNN meteorologist*, August 24, 2016  
*2017 is set to be among the three hottest years on record*, Popular Science, November 8, 2017  
*How air pollution affects your health*, The Guardian, July 5, 2016

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

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Mar 6 T **GRI – Environmental Disclosures**  
8 R **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: *G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures*, **pages 52-63**, GRI, 2013

Articles: *Cotton production linked to images of the dried up Aral Sea basin*, The Guardian, October 1, 2014  
*Nestlé, if you care about the environment what's with your disposable coffee cups?*, The Guardian, June 9, 2016

Assignment: Online quiz  
Personal Carbon Footprint Assignment

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**Mar 13 T GRI – Social Disclosures**  
**15 R GRI – Social Disclosures**

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

Reference: *G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures*, **pages 64-83**, GRI, 2013

Articles: *Hitachi and Canon not doing enough to tackle forced labour, says new report*,  
The Guardian, June 23, 2016  
*U.S. accuses Google of underpaying female workers*, AP, April 9, 2017

Assignment: Online quiz

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**Mar 20 T 3<sup>rd</sup> Party Certifications**  
**22 R NO CLASS**

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

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**Mar 27 T SPRING BREAK**  
**29 R SPRING BREAK**

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**Apr 3 T 3<sup>rd</sup> Party Certifications – Presentations**  
**5 R 3<sup>rd</sup> Party Certifications – Presentations**

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**Apr 10 T Other Reporting Frameworks**  
**12 R 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: *Samarco Dam Collapse*, The Guardian, October 21, 2016  
*Prada found wanting in assessment of forced labour safeguards*, The Guardian,  
December 8, 2016

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

**Apr 17 T Carbon Markets, Carbon Taxes, and Carbon Offsets**  
**19 R Carbon Markets, Carbon Taxes, and Carbon Offsets**

Reading: (Clark, 2014), *A complete guide to carbon offsetting*

Articles: *Can the aviation industry finally clean up its emissions?* The Guardian,  
September 27, 2016  
*Can solar cookstoves help reduce greenhouse emissions in developing  
countries?* The Guardian, November 2016

Assignment: Online quiz

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**Apr 24 T Group Presentations – Sustainability Report Analysis**  
**26 R Group Presentations – Sustainability Report Analysis**

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**May 1 T Group Presentations – Sustainability Report Analysis**  
**3 R Group Presentations – Sustainability Report Analysis**

**Final Exam – 1:10 – 3:10 PM, Monday May 7<sup>th</sup>**

## 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.
- Clark, D. (2011, September 16). A complete guide to carbon offsetting. *The Guardian*.
- Eccles, R., & Krzus, M. P. (2015). *The Integrated Reporting Movement*. Hoboken, New Jersey: Wiley.
- G4 Sustainability Reporting Guidelines: Implementation Manual*. (2013). Retrieved from Global Reporting Initiative: [www.globalreporting.org](http://www.globalreporting.org)
- G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures*. (2013). Retrieved from Global Reporting Initiative: [www.globalreporting.org](http://www.globalreporting.org)
- 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.
- Horiuchi, R., Schuchard, R., Shea, L., & Townsend, S. (2009). *Understanding and Preventing Greenwash: A Business Guide*. BSR and Futerra. Retrieved from [www.bsr.org](http://www.bsr.org)
- KPMG. (2017). *The KPMG Survey of Corporate Responsibility Reporting 2017*. KPMG International Cooperative.
- Starke, L. (Ed.). (2013). *Is Sustainability Still Possible?* Washington, DC: Island Press.
- 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 <http://www.umt.edu/vpesa/Dean%20of%20Students/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 Statements and Assurance of Learning**

The University of Montana's College of Business is a collegial learning community dedicated to the teaching, exploration, and application of the knowledge and skills necessary to succeed in a competitive marketplace.

As part of our assessment process and assurance-of-learning standards, the College of Business has adopted the following learning goals for our undergraduate students:

Learning Goal 1: SoBA graduates will possess fundamental business knowledge.

Learning Goal 2: SoBA graduates will be able to integrate business knowledge.

Learning Goal 3: SoBA graduates will be effective communicators.

Learning Goal 4: SoBA graduates will possess problem solving skills.

Learning Goal 5: SoBA graduates will have an ethical awareness.

Learning Goal 6: SoBA graduates will be proficient users of technology.

Learning Goal 7: SoBA graduates will understand the global business environment in which they operate.