



GLOBAL SUMMER PROGRAMME 2025

ACCT4331 SUSTAINABILITY ACCOUNTING AND REPORTING

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COURSE DESCRIPTION

Sustainability reporting is the practice of disclosing an organization's environmental, social, and governance (ESG) performance. It helps organizations communicate the impacts of their actions on the environment, society as well as economy. This course presents a review and analysis of the theoretical foundations of sustainability accounting and its reporting issues in practice. The course will focus on existing and emerging frameworks for developing corporate environmental, social, and governance (ESG) performance metrics, assessing their reliability, reporting to stakeholders, and incentivizing managers based on ESG metrics. Specifically, the course will focus on the practical application of sustainability reporting which enables individuals and organizations to make more informed decisions, drives positive impact on the environmental and social aspects to contribute towards a more sustainable and responsible society.

The course will focus on the real world via case studies and live examples. You will be organized into groups to research and analyze case studies and present team research projects. There are several reading assignments before each class and each individual is expected to actively contribute.

LEARNING OBJECTIVES

Through the lectures, company visits, and project engagements, the course aims to improve students' knowledge and understanding about sustainability accounting and the global reporting standards and requirement.

After successfully completing this course, students will be able to:

1. Disciplinary and Multidisciplinary Knowledge
 - Define sustainability and describe the trends driving demand for the disclosure of sustainability.
2. Intellectual and Creative Skills
 - Critically evaluate CSR or impact reports from organizations of varying legal types.
 - Explain why sustainability information is increasingly important to investors for investment decisions.
3. Global Citizenships
 - Discuss the sustainability reporting requirement in different regulatory regimes around the world.

PRE-REQUISITES / REQUIREMENTS / MUTUALLY EXCLUSIVE COURSE(S)

This course does not have any prerequisites.

ASSESSMENT METHODS

Class Participation (Individual)	20%
In-Class Quiz (Individual)	30%
In-class Case Analyses (Group)	20%
Final Project Presentation (Group)	30%
TOTAL	100%
<i>Important Note: No questions verbatim from past year papers or published test banks will be used for the graded continuous assessments and examinations in this course.</i>	

INSTRUCTIONAL METHODS AND EXPECTATIONS

There will be formal lectures, company visits and presentations by students throughout the 12 sessions.

Evaluation methods will be as follow:

Class Participation: You are encouraged to actively participate in the discussions and activities that take place in physical class. Good class participation involves actively listening to your instructor and other students during class, joining class discussions, asking questions which are thoughtful and helpful, and being a good team member during classroom group work, if any. Merely speaking in class will not earn you full marks for class participation.

In-Class Quiz: There will be one to two short quizzes to assess your understanding and knowledge of the material.

In-class Case Analyses: We will work on several cases throughout the duration of the course and each team will be assigned one case to present during the four weeks. The non-presenting teams are expected to ask questions or raise counter arguments.

Final Project Presentation: A final group project presentation is required. The project will require each team to analyze a firm's sustainability report from the perspective of an ESG investor. Final presentation date will be on the last day of the course.

Classroom Policies:

1. Each seminar session can divided into:
 - (a) Baseline lecture that aims to provide a structured approach to literature and conceptual parameters for the week's theme
 - (b) Student-led discussions about the main questions of the week and the assigned case where you are encouraged to share your comments, questions, and thoughts on the readings, lecture, and the broader theme of the week within your group.
 - (c) Case presentation with Q&A facilitated by the instructor – this serves as an opportunity for you to present your analyses and share your comments and questions about the presentation to the whole class. The instructor will use this opportunity to clarify doubts and offer constructive critiques.
2. Face to face lectures/discussions/presentations will last approximately 3 hours.

3. Your attendance and active participation in class will contribute significantly towards your class participation marks.
4. You will refrain from talking over your classmates, unless in a group discussion. You will make use of the different tools and platforms to participate in class.
5. There will be no make-up quizzes unless a valid reason is determined by the instructor.
6. You should feel free to ask questions at any point of the session.

CONSULTATIONS

Set up and appointment by email, either Face-to-Face or via Zoom

RECOMMENDED TEXT AND READINGS

This syllabus may change slightly over the course of the term; when in doubt, please approach the instructor for the most updated version.

UNIVERSITY POLICIES

Academic Integrity

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences.

All work (whether oral or written) submitted for purposes of assessment must be the student's own work. Penalties for violation of the policy range from zero marks for the component assessment to expulsion, depending on the nature of the offense.

When in doubt, students should consult the instructors of the course. Details on the SMU Code of Academic Integrity may be accessed at <https://smu.sharepoint.com/sites/oasis/SitePages/DOS-WKLSWC/UCSC.aspx>.

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Accessibility

SMU strives to make learning experiences accessible for all. If you anticipate or experience physical or academic barriers due to disability, please let me know immediately. You are also welcome to contact the university's accessibility services team if you have questions or concerns about academic provisions: accessibility@smu.edu.sg. Please be aware that the accessible tables in our seminar room should remain available for students who require them.

LESSON PLAN		
LESSONS	TOPICS	RECOMMENDED TEXT / READING LIST / CASE STUDIES LIST
LESSON 1	Course Overview and Introduction to Sustainability Accounting	<p>Read: “Accountants play crucial role in sustainability: Grace Fu” Straits Times (Aug 2021)</p> <p>“The future of ESG is...Accounting?” HBR (Dec 2020)</p> <p>“How to understand and measure environmental sustainability: Indicators and targets” Ecological Letters (June 2012)</p> <p>“Five ways that ESG creates value” McKinsey Quarterly (Nov 2019)</p> <p>Watch: “The social responsibility of business” by Alex Edmans (May 2015)</p>
LESSON 2	Mandatory Reporting Vs. Voluntary Disclosure	<p>Read: “Mandatory CSR and sustainability reporting: Economic analysis and literature review” by Christensen, Hail, and Leuz (May 2021)¹</p> <p>Watch: “Sustainability Reporting: Academic Keynote Briefing” by Christian Leuz (Dec 2020)²</p> <p>*Team Debates: Should sustainability reporting be mandatory?</p>
LESSON 3	Materiality and Externalities	<p>Read: “The double materiality concept: applications and issues” GRI (May 2021)</p> <p>“SEC to allow businesses more flexibility in disclosing risk, legal information” WSJ (Aug 2020)</p>
LESSON 4	Carbon Accounting (Guest Lecture)	<p>Read: “Companies are buying large numbers of carbon offsets that don’t cut emissions” WSJ (Sept 2022)</p> <p>“Accounting for climate change” HBR (Nov/Dec 2021)</p> <p>Watch: “How do carbon markets work?” (Oct 2021)</p> <p>“Why tracking carbon emissions is suddenly a billion dollar opportunity” (Sept 2021)</p>

¹ Read sections 1, 2, and 3.

² Watch the keynote, which begins around 34:00.

LESSON 5	Sustainability Disclosure Standards and Reporting Frameworks	<p>Read: “Measuring what matters: The scramble to set standards for sustainable business” Financial Times (May 2021) “ISSB delivers proposals that create comprehensive global baseline of sustainability disclosures” IFRS (March 2022) “SGX Practice Note 7.6 Sustainability reporting guide” (Jan 2022) Recommendations of the Task Force on Climate-related Financial Disclosures, TCFD³ SEC Proposes Rule on Climate-Related Disclosure, SEC (March 2022)⁴ IFRS S1 Exposure Draft, ISSB IFRS S2 Exposure Draft, ISSB</p> <p>Browse these websites (embedded links): Sustainability Accounting Standards Board (SASB) International Sustainability Standards Board (ISSB) Global Reporting Initiatives (GRI) Task Force on Climate-related Financial Disclosures (TCFD) Carbon Disclosure Project (CDP)</p> <p>Watch: “Briefing on SEC proposed climate disclosure rule” Ceres (April 2022) *DBS Sustainability Report</p>
LESSON 6	Sustainability Disclosure Standards and Reporting Frameworks (Continued)	
LESSON 7	Assurance, Internal Controls, and Enforcement of Sustainability Disclosure	<p>Read: Frequently asked questions on external assurance of sustainability reporting, AICPA/GRI “ESG reports and ratings: What they are, why they matter” Corporate Governance Advisor (Sept/Oct 2017) “The COSO internal control framework and sustainability reporting” CPA Journal (July 2019) “Audit and consulting firms at odds over who should verify climate data” WSJ (July 2022)</p> <p>Watch: “State of play in sustainability assurance” IFAC (Dec 2021) “ESG ratings are not what they seem” Bloomberg (Dec 2021)</p>

³ Read the Executive Summary, Climate-related risks, opportunities, and financial impacts, and the Recommendations and guidance.

⁴ Click on “proposed rule” and download the report.

LESSON 8	Linking Sustainability Metrics to Executive Compensation	<p>Read: “More companies link executive pay to sustainability targets,” WSJ (June 2019)</p> <p>“Sustainability matters – The rise of ESG metrics in executive compensation” Sullivan & Cromwell (March 2020)</p> <p>Listen: “Can businesses really marry profit and purpose?” Financial Times (Sept 2021)</p>
LESSON 9	FIELD TRIP: details to be confirmed	
LESSON 10	ESG Metrics and Impact Investing	<p>Read: SGX Core ESG Metrics (Dec 2021)</p> <p>“From why to why not: Sustainable investing as the new normal” McKinsey (Oct 2017)</p> <p>“The Big Three and corporate carbon emissions around the world” by Azar et al. (May 2021)</p>
LESSON 11	Real Effects of Sustainability Disclosure and Other Issues	<p>Read: “The troubling evolution of corporate greenwashing” Guardian (Aug 2016)</p> <p>“Board diversity for resilience and sustainability” Business Times (Dec 2021)</p> <p>“Rise of sustainability reporting brings questions of motivation, agenda” NYSSCPA (Sept 2019)</p> <p>“Overselling sustainability reporting” HBR (May 2021)</p> <p>*Team debates: Shareholder primacy vs. Stakeholder capitalism</p>
LESSON 12	Final Project Presentation	Submit hard copies of PowerPoint slides in beginning of class.