



**UNIVERSITY OF PUERTO RICO
RIO PIEDRAS CAMPUS
COLLEGE OF BUSINESS**

I. TITLE	SUSTAINABILITY ACCOUNTING
II. CODIFICATION	CONT 5015
III. NUMBER OF HOURS/CREDITS	45 Hours / 3 credits
IV. PRE-REQUISITE	CONT 4002
V. PROFESSOR	

Marisela Santiago Castro, PhD.

Office: AMO 300, #16

Phone: 87226, 87225

Email: marisela.santiago1@upr.edu

Office hours: M and W: 11:30 a.m. – 12:00 p.m.; 2:30 – 3:00 p.m.; Tuesdays: 1:00 – 3:00 p.m.

VI. DESCRIPTION

This seminar is about corporate sustainability development and reporting and its implications. It addresses the different ways in which organizations provide information about their environmental, social and economic performance, either voluntary or mandatory. This course is hybrid/blended. This concept means that some face-to-face time lecturing is replaced with online teaching experiences.

VII. OBJETIVES

At the end of the course, the student will:

1. understand what is sustainability and sustainable development in the business context.
2. understand the accountant's responsibility to manage ethical aspects of business issues related to corporate governance, globalization and sustainability.
3. understand the role of sustainability information in the capital markets.
4. explain the motivations and determinants that companies will have to consider in any new developments in accounting for sustainability and their effects over decision making in such organizations.
5. discuss what sustainability is in the accounting context, what is the role of the CPA in sustainability reporting and what types of reports are companies issuing and why.
6. discuss and apply techniques to integrate sustainability reporting in financial reporting system (*i.e. triple bottom line reporting*).
7. compare sustainability reporting between the United States and other countries.
8. discuss assurance, audit and technological issues related to sustainability reporting.
9. apply information management skills to made research using appropriate electronic databases.

VIII. TEXT

There is no textbook for this course. Readings are all available online or in the Library's databases; and are selected and organized to correspond with the different topics of the course. All assigned readings should be completed before class.

The instructor may use a supplemental text throughout the course. The reference will be provided to students the first week of classes.

IX. TOPICS¹

		Time:
A.	Introduction to the course and discussion of requirements and evaluation	1.5
B.	Sustainable development- conceptual bases	7.5
C.	Trends: Motivations and determinants for adopting sustainability disclosures	6.0
D.	Accounting and sustainability reporting	9.0
E.	Assurance & Attestation	6.0
F.	Capital Market	6.0
G.	Sustainability beyond corporations	6.0
H.	Oral presentations	3.0
Total		45 Hrs.

X. LEARNING STRATEGIES AND RESOURCES

In general, this course will be conducted through self-guided lectures, discussions of articles and research papers, and analysis of problems and cases. A learning approach that allows students to develop interpersonal skills, team-work and communication skills will be used. In addition, the cases and problems used in the course will have elements of analysis that will enable students to continue becoming information literate by applying methods for locating and evaluating sources, and by creating effective search strategies.

XI. EVALUATION

1. Individual essays	30%
2. Quizzes	20%
3. Online discussions (forums and debates)	10%
4. Other individual assignments	10%
5. Oral presentations	10%
6. Final project (group)	<u>20%</u>
	100%

¹ This syllabus is subject to changes.

*** Participation and professionalism.** Learning in this class will not be passive; thinking, creativity and mutual engagement with the ideas of others are expected. Therefore, participation is a key component of the learning experience. I will evaluate participation using all information I can collect about how much spirit and energy you have invested in the course. Specifically, the degree to which your comments in class reflects the real thinking about the issues and the readings we are exploring is crucial; this is more important than how often you speak or how much you say. Conciseness, tact and staying on topic are also hallmarks of quality participation. If you are having difficulty fully participating in the course, for any reason, you should see me as soon as possible to discuss your situation.

Punctuality, adherence to timetables, and mutual respect are important facets of professional behavior.

XII. GRADING SYSTEM

100-90 – A 89-80 – B 79-70 – C 69- 60 – D 59- 00 – F

XIII. IMPORTANT INFORMATION

LEY 51 DE 1996 (LEY DE SERVICIOS EDUCATIVOS INTEGRALES PARA PERSONAS CON IMPEDIMENTOS)

Students who receive services from Vocational Rehabilitation (*Rehabilitación Vocacional*) must communicate with the professor at the beginning of the semester to plan a reasonable accommodation and the necessary equipment according to the recommendations of the *Oficina de Asuntos para las Personas con Impedimento (OAPI)* of the office of the Dean of Students. In addition, those students with special needs that require some type of assistance or accommodation must communicate with the professor.

CERTIFICACIÓN 13, (2009-10) JUNTA DE GOBIERNO Y ARTÍCULO 6.2 DEL REGLAMENTO GENERAL DE ESTUDIANTES – ACADEMIC INTEGRITY

The University of Puerto Rico (UPR) promotes the highest standards of academic and scientific integrity. Article 6.2 of the General Bylaws of Students of the UPR (Certificación Núm. 13, 2009-2010, de la Junta de Síndicos) establishes that *“la deshonestidad académica incluye, pero no se limita a: acciones fraudulentas, la obtención de notas o grados académicos valiéndose de falsas o fraudulentas simulaciones, copiar total o parcialmente la labor académica de otra persona, plagiar total o parcialmente el trabajo de otra persona, copiar total o parcialmente las respuestas de otra persona a las preguntas de un examen, hacienda o consiguiendo que otro tome en su nombre cualquier prueba o examen oral o escrito, así como la ayuda o facilitación para que otra persona incurra en la referida conducta. Cualquiera de estas acciones estará sujeta a sanciones disciplinarias en conformidad con el procedimiento disciplinario establecido en el Reglamento General de Estudiantes de la UPR vigente.”*

CERTIFICACION 30 (2018-19) SENADO ACADEMICO – DISCRIMINATION

The University of Puerto Rico prohibits discrimination based on sex, sexual orientation, and gender identity in any of its forms, including that of sexual harassment. According to the Institutional Policy Against Sexual Harassment at the University of Puerto Rico, Certification Num. 130, 2014-2015 from the Board of Governors, any student subjected to acts constituting sexual harassment, must turn to the Office of the Students Ombudsperson, the Office of the Dean of Students, and/or the Coordinator of the Office of Compliance with Title IX for an orientation and/or formal complaint.

XIV. TEXTS AND REFERENCES

Sustainability history and development:

Eccles, B. (2016, May 3). What the world needs now: Sustainability accounting Standards, *Forbes*.

Lamberton, G. (2005). Sustainability accounting-a brief history and conceptual framework, *Accounting Forum*, 29, 7-26.

Trends: Motivations and determinants

Caprar, D., & Neville, B. (2012). 'Norming' and 'Conforming': Integrating Cultural and Institutional Explanations for Sustainability Adoption in Business. *Journal of Business Ethics*, 110(2), 231-245.

Finch, Nigel, The Motivations for Adopting Sustainability Disclosure (August 2005). MGSM Working Paper No. 2005-17. Retrieved from <http://dx.doi.org/10.2139/ssrn.798724>

Global Reporting Initiative (2015). Sustainability and reporting trends in 2025 – Preparing for the future. Retrieved from: <https://www.globalreporting.org/resourcelibrary/Sustainability-and-Reporting-Trends-in-2025-1.pdf>

Greco, G., Sciulli, N. & D'Onza, G. (2012). From Tuscany to Victoria: Some Determinants of Sustainability Reporting by Local Councils. *Local Government Studies*, 38(5), 681-705. DOI: 10.1080/03003930.2012.679932.

Husted, B. W. (2005). Culture and Ecology: A Cross-National Study of the Determinants of Environmental Sustainability. *Management International Review (MIR)*, 45(3), 349-371.

Jensen, Julia C. & Berg, Nicola (2012). Determinants of Traditional Sustainability Reporting Versus Integrated Reporting. An Institutional Approach. *Business Strategy and the Environment*, 21(5), 299-316. DOI: 10.1002/bse.740

Kolk, A., & Perego, P. (2010). Determinants of the adoption of sustainability assurance statements: an international investigation. *Business Strategy & The Environment (John Wiley & Sons, Inc)*, 19(3), 182-198. doi:10.1002/bse.643.

Strategy

Cam Campbell, T., Fisher, J. G., & Stuart, N. V. (2012). Integrating sustainability with corporate strategy: A maturity model for the finance function. *Journal of Corporate Accounting & Finance (Wiley)*, 23(5), 61-68. doi:10.1002/jcaf.21785.

Hoffelder, K. (2012). The Value of Sustainability. *CFO*, 28(9), 17-18.

Hopkins, M. S. (2009). 8 Reasons Sustainability Will Change Management (That You Never Thought of). *MIT Sloan Management Review*, 51(1), 27-30.

Napal, G. (2013). Incorporating CSR and Sustainability in the Business Strategy. *Annual International Conference on Enterprise Marketing & Globalization*, 189-195. doi:10.5176/2251-1970_BizStrategy13.35.

Nidumolu, R., Prahalad, CK. & Rangaswami, MR. (2009). Why sustainability is now the key driver of innovation. *Harvard Business Review*, 9, 3-10.

Salzmann, O., Ionescu_somers, A. & Steger, U. (2005). The Business Case for Corporate Sustainability: Literature Review and Research. *Options European Management Journal*, 23(1), 27–36.

Palma, N. & Visser, M. (2012). Sustainability creates business and brand value. *Journal of Brand Strategy*, 1(3), 217-222.

Ross, L. (2010). Accounting for sustainability. *Financial Management (14719185)*, 31-32.

Sustainability Now Integral Part of Retailers' Strategy. (2012). *MMR*, 29(9), 90.

The value of sustainability. (2009). *Candy Industry*, 174(5), 12.

Accounting and sustainability reporting

Pounder, B. (2011). Trends in sustainability reporting. *Strategic Finance*, 93(6), 21-23.

Freedman, M. & Jaggi, B. (2005). Global warming, commitment to the Kyoto protocol, and accounting disclosures by the largest global public firms from polluting industries, *The International Journal of Accounting*, 40, 215 – 232.

Kolk, A. (September 01, 2003). Trends in sustainability reporting by the Fortune Global 250. *Business Strategy and the Environment*, 12, 5, 279-291.

Norman, W. & MacDonald, C. (2004). Getting to the Bottom of "Triple Bottom Line", *Business Ethics Quarterly*, 14(2), pp. 243-262.

Slaper & Hall (2011). The Triple Bottom Line: What it is and How Does it Work? *Indiana Business Research Center, Spring*, 4-8.

Assurance and attestation

Manetti, G. & Becatti, L. (2009). Assurance Services for Sustainability Reports: Standards and Empirical Evidence, *Journal of Business Ethics*, 87:289–298.

O'Dwyer, B. (2011). The Case of Sustainability Assurance: Constructing a New Assurance Service, *Contemporary Accounting Research* 28(4), 1230–1266.

Ridley, J., D'Silva, K. & Szombathelyi, M. (2011). Sustainability assurance and internal auditing in emerging markets, *Corporate Governance*, 11(4), 475-488.

International reporting issues and sustainability

Negash, M. (2012), IFRS and environmental accounting, *Management Research Review*, 35(7), 577 – 601.

Şenol, H. & Özçelik, H. (2012). The importance of Environmental Accounting in the Context of Sustainability Development and Within IFRS Evaluation, *3rd International Symposium on Sustainable Development, Sarajevo*.

Capital markets-United States

Lourenco, I. C., Branco, M. C., Curto, J.D., et al. (2012). How Does the Market Value Corporate Sustainability Performance? *Journal of Business Ethics*, 108(4), 417-428. DOI: 10.1007/s10551-011-1102-8.

Mansdorf, Z. (2010). Sustainability and Return on Investment. *EHS Today*, 3(9), 49-52.

Phillips, J., & Phillips, P. (2013). Measuring the Return on Investment on Green Projects and Sustainability Efforts. *Performance Improvement*, 52(4), 38-52. doi:10.1002/pfi.21342

Przychodzen, J. & Przychodzen, W. (2013). Corporate sustainability and shareholder wealth. *Journal of Environmental Planning and Management*, 56(4), 474-493. DOI: 10.1080/09640568.2012.685927.

Shameek, K. & Cohen, M. (2001). Does the Market Value Environmental Performance? *The Review of Economics and Statistics*, 83(2), 281-289. <http://www.jstor.org/stable/3211606>.

Venkatesan, N. N. & Giridhar, T. R. (1998). Towards corporate sustainability--shareholder value model. *Chemical Business*, 12(3), IX.

Wai Kong Cheung, A. (2011). Do Stock Investors Value Corporate Sustainability? Evidence from an Event Study. *Journal of Business Ethics*, 99(2), 145-165. doi:10.1007/s10551-010-0646-3

Capital markets- International

Ameer, R. & Othman, R. (2012). Sustainability Practices and Corporate Financial Performance: A Study Based on the Top Global Corporations. *Journal of Business Ethics*, 108(1), 61-79. DOI: 10.1007/s10551-011-1063-y.

Anthony C. & Rezaee, Z. (2012). Sustainability Disclosures and Cost of Capital. Available at SSRN: <http://ssrn.com/abstract=2038654> or <http://dx.doi.org/10.2139/ssrn.2038654>

Apted, J., Wallbank, C., & Hilderson, P. (2006). Bottom-line values--a sustainability driver?, *Infinsia*, 120(4), 18-19.

Bachoo, K., Tan, R., & Wilson, M. (2013). Firm Value and the Quality of Sustainability Reporting in Australia. *Australian Accounting Review*, 23(1), 67-87. doi:10.1111/j.1835-2561.2012.00187.x

Berthelot, S., Coulmont, M., & Serret, V. (2012). Do Investors Value Sustainability Reports? A Canadian Study. *Corporate Social Responsibility & Environmental Management*, 19(6), 355-363. doi:10.1002/csr.285

Júnior, J. (2009). What is the Value of Corporate Social Responsibility? An Answer from Brazilian Sustainability Index. *Journal of International Business & Economics*, 9(3), 169-178.

Kajander, J., Sivunen, M., Vimpari, J., Pulkka, L., & Junnila, S. (2012). Market value of sustainability business innovations in the construction sector. *Building Research & Information*, 40(6), 665-678. doi:10.1080/09613218.2012.703893.

Kaspereit, T. & Lopatta, K. (2011). The Value Relevance of SAM's Sustainability Ranking and GRI Sustainability Reporting in European Stock Markets. Available at SSRN: <http://ssrn.com/abstract=1976224> or <http://dx.doi.org/10.2139/ssrn.1976224>

- Kongpunya, P. (2011). Building accounting sustainability of listed firms in Thailand: how does it affect accounting disclosure and disclosure quality? *Journal of Academy of Business and Economics*, 11(1), 34-47.
- Lackmann, J., Ernstberger, J. & Stich, M. (2012). Market Reactions to Increased Reliability of Sustainability Information. *Journal of Business Ethics*, 107(2), 111-128.
- Lameira, V., Ness, W. L. & Goncalves Quelhas, O., et al. (2013). Sustainability, Value, Performance and Risk in the Brazilian Capital Markets. *Revista Brasileira de Gestao de Negocios*, 15(46), 76-90. DOI: 10.7819/rbgn.v15i46.1302.
- Leszczynska, A. (2012). Towards shareholders' value: an analysis of sustainability reports. *Industrial Management & Data Systems*, 112(6), 911-928. doi:10.1108/02635571211238518.
- Lopatta, K. & Kaspereit, T. (2011). The World Capital Markets' Perception of Sustainability and the Impact of the Financial Crisis. *Journal of Business Ethics*, Forthcoming. Available at SSRN: <http://ssrn.com/abstract=1976222> or <http://dx.doi.org/10.2139/ssrn.1976222>
- Lourenço, I. C., Callen, J. L., Branco, M. C. & Curto, J. D. (2013). The Value Relevance of Reputation for Sustainability Leadership. *Journal of Business Ethics*, Forthcoming; Rotman School of Management Working Paper No. 2201998. Available at SSRN: <http://ssrn.com/abstract=2201998>
- Xiao, Y., Faff, R. & Gharghori, P., et al. (2013). An Empirical Study of the World Price of Sustainability. *Journal of Business Ethics*, 114(2), 297-310. DOI: 10.1007/s10551-012-1342-2.