

Sustainable Accounting and Social Finance

BUSI 2819
WINTER 2025

Dr. Leanne Keddie	Leanne.keddie@carleton.ca Office hours 2:30pm-3:30pm Tuesdays – book using the scheduler on Brightspace, Nicol 7028 Or by appointment if that time doesn't work
Dr. Tessa Hebb	TessaHebb@cunet.carleton.ca Office hours by appointment

TA: TBD
Office Hours: TBD
Email: TBD

Modality: In person

Class Times: Tuesdays 11:35 am to 2:25 pm. Students will be expected to read the relevant material and review the lecture videos each week (asynchronous) prior to class time.

In order to stay updated with important notifications and announcements from Carleton University, please download the Carleton University App. This will ensure you receive timely information regarding your courses and other university-related updates throughout the term.

Pre-requisites: Undergraduate 2nd Year Standing

Course Calendar Description:

This course offers different avenues for in-depth explorations in sustainability accounting, impact measurement and social finance for undergraduate students. Each module covers a special topic within responsible business, such as impact measurement, responsible finance, impact investing, responsible and ESG investing, sustainability accounting.



Course Description:

Impact Measurement (Week 2 and 3)

The course begins with an introduction to impact measurement standards and frameworks. It draws on the United Nations Sustainable Development Goals (SDGs). It provides a basic understanding of social purpose business and includes an impact measurement case study of a social enterprise in Canada.

Social Finance and Impact Investing

Students will gain a deeper understanding of social finance and impact investing in this module. Institutional investors are increasingly interested in ensuring their investments align with their missions and accord with broader principles such as the UN Sustainable Development Goals (SDGs). Many investors intentionally seek both positive social and or environmental impacts together with some financial return. This module provides an understanding of impact investing and examines the drivers of this trend over the past ten years. Students will examine the supply and demand for impact capital, the financial instruments used, and the intermediaries who serve this market. Students will explore the tensions that underpin the dual mandate inherent in impact investing.

Responsible Investing

This module will examine the burgeoning field of responsible investing (also termed sustainable finance). Students will learn how and why institutional and private investors are taking environmental, social, and governance (ESG) factors into account in their investment decision-making. Students will gain an understanding of how ESG factors can impact investment portfolios and why issues such as climate risk have come to dominate investors' concerns. Students will question whether investors should concern themselves with the environmental, social and governance (ESG) impacts of the companies they invest in? Is this just a new fad or a radical change in the financial system? Are investors concerned with risks in their investments or is this about their own reputations? The limitations imposed by fiduciary duties will also be explored. We will examine the role of ESG rating agencies, as well as other key actors in responsible investment. We will also delve into the various responsible investment strategies used by the world's largest institutional investors and debate the pros and cons of this investment approach and the dangers of 'greenwashing'.

Sustainability Accounting

Students will learn about how for-profit businesses go about measuring and reporting their impact on society and the environment. This will include coverage of relevant reporting initiatives like the Global Reporting Initiative (GRI) and the new International Sustainability Standards Board (ISSB). We will cover the challenges and potential of the various ways of reporting this information including how companies figure out what to report (materiality). Firm sustainability performance measurement will be an area of focus including how firms can incorporate these measurement systems into their companies and the current challenges faced by firms in this regard. Wherever appropriate, we will also discuss the differences between how

these concepts apply to larger, publicly traded for-profit business as compared to smaller, private for-profit businesses.

Responsible business

Students will learn about responsible business from a corporate governance perspective. We will cover critical issues such as ‘greenwashing’ as it relates to the for-profit sector. The use of ‘sustainable bonuses’ to encourage more sustainable actions from top management will be examined to understand how these may be useful but also when they may be abused.

This will include understanding current trends in how organizations are incorporating sustainability into the board of directors (for publicly traded companies) to make better decisions. Topics such as diversity in management may also be explored. Wherever appropriate, we will also discuss the differences between how these concepts apply to larger, publicly traded for-profit business as compared to smaller, private for-profit businesses.

Bringing it all together

All students will take the ‘Bringing it all together’ module at the end.

Tips for Success:

- 1) Get started on this course right away!
- 2) Schedule your time so you don’t fall behind.
- 3) Use all the resources!
- 4) Work through all work assigned and actively participate.
- 5) Actively participate through the available channels.
- 6) Recognize right away when you are struggling with the material and seek help immediately – don’t wait!

Drop Course Policy

The deadline for academic withdrawal follows the dates prescribed by Carleton University:

<https://calendar.carleton.ca/academicyear/>

The deadline to drop this course with full fee adjustment is January 31st, 2025. The last day to withdraw from full winter courses is March 15th, 2025.

Learning Outcomes:

1. Understand introductory impact measurement standards and frameworks in the context of sustainability and social impact for a variety of organizations.
2. Understand the Impact Management Project's (IMP) ABC framework for organizations.
3. Knowledge of the principles, instruments and good practices of social finance including an understanding of social enterprises.
4. Understanding of the emerging field of impact investing. This includes the goals and ambitions of investors, knowledge of the UN Sustainability Goals and how they are used in impact investing and how impact is measured.
5. Introduction to responsible investing. Knowledge of ESG (environmental, social and governance) standards and measurement. Addressing climate risk and the dangers of 'greenwashing'.
6. Understand, apply and analyze various aspects of ESG and sustainability accounting.
7. Knowledge of the practices of Responsible Businesses and the governance structures in which they operate.

Reading(s)/Textbook(s)/Required Materials:

All materials will be provided on Brightspace. Students are not required to purchase textbooks or other learning materials for this course.

A webcam and Internet access are also required should a move online be necessary. Webcams should be turned on during our meetings so that we can see each other, feel free to use professional backgrounds if you so choose. Students should register with Zoom with their Carleton student email addresses.

Methods of Evaluation:

This course encompasses assigned readings, case analyses, discussion forums, assignments and quizzes. Students are expected to read all of the assigned material. The primary role of the instructor in this course is to **facilitate** student learning by helping students understand and apply key concepts. It should be emphasized that diligent **independent preparation** of material and **active participation** in class and forum discussions are crucial to the development of effective knowledge in these fields and to perform well in the course. Details and due dates of each element will be provided on Brightspace:

Participation/contributions (individual)	10%
Case Study	15%
Responsible Investing ICAP Report	20%
Sustainability Report Presentation	20%
Counter Accounting Assignment	15%
<u>Carbon Accounting Assignment (individual)</u>	<u>20%</u>
TOTAL	100%

Each component of your grade will be assigned a percentage score. Your final course grade will be a weighted average of each of these components. All submissions must be made in Brightspace on the day the assignment is due.

- Participation/contribution: Participation/contribution will be evaluated using a combination of your attendance **and** high-quality contributions to the pre-scheduled sessions.
- Case Study. Due Monday January 20th, 2025 (week 4). Work in a group of 3. "Set Strategy" for your case enterprise (see week 3 for case options) using the 5 Steps identified in the course videos. As a group, write an additional page that identifies what the case enterprise should do next, and the limitations of the work. Please submit one file as a Word file (e.g., .docx) for your submission; make sure you have a cover page that identifies the assignment and your group number and members.
- Investor Climate Action Plans (ICAPs) Report. Due week 7, February 25th, 2025. Using the Ceres ICAP Expectation Ladder and Guidance each student will analyze three major Canadian pension funds' approach to climate risk in their investment portfolios. Using CPPIB, CDPQ, and University Pension Plan, evaluate each plan using the Ceres ICAP Expectations Ladder. Where does each plan fall on this ladder? What evidence is provided? How does each plan measure success? How effective is their climate risk strategy? How do these three pension plans compare with each other? What other considerations should each plan take into account in addressing climate risk. Is there a danger of 'greenwashing' in these three ICAPs? Minimum page requirement is 7 double-spaced pages. Cover page does not count in the page requirement. Provide a reference list. More detail provided in class on Week 6.
- Sustainability Report Presentation: Students will select a company that prepares a comprehensive sustainability report (e.g., minimum 50 pages) to examine (week 8). Students will then examine the report in the context of the provided questions (see Brightspace). Presentations will be evaluated against the rubric provided (see Brightspace). More details will be provided in week 7 in class.
- Counter Accounting Exercise: Students will select a company that prepares a comprehensive sustainability report (e.g., minimum 50 pages) and has been associated with some controversies. Students will then prepare a counter account for this company using high-quality news articles, NGO information, etc. Submissions will be evaluated against the rubric provided (see Brightspace). More details will be provided in week 7 in class. The counter account will be due in week 10.
- Carbon Accounting Assignment: Students will submit the recipes of their favourite meals of the day (breakfast, lunch, dinner & snack) (Week 8). Students will then calculate the carbon emissions using one of the calculators provided. Students will perform a comparative calculation using a different calculator and compare the results to a benchmark. Differences will be investigated and reconciled with explanations provided in the report. These results will be presented in a brief report. Submissions will be evaluated against the rubric provided (see Brightspace). More details will be provided in week 7 in class. The assignment is due in week 11.

Late Assignments:

To ensure fairness for all students, penalties will be applied to late assignments: Failure to submit an assignment on time will result in an initial penalty of ten (10) percentage points, followed by an additional ten (10) percentage points per day thereafter. For example, an assignment that would normally merit a grade of 80% would receive a grade of 70% if submitted after the deadline on the due date, 60% if submitted the following day, and so on. Requests for extension will be considered in cases of illness, family emergency, or other exceptional circumstances and must be requested and approved before the assignment due date.

Preparation and Participation:

In addition to the assignments, students are expected to watch the lecture videos and read the assigned material each week prior to the class start time. Attendance is expected each week during the scheduled session(s). **The continual and frequent use of Brightspace is a must.** All course material and resources, communication, assignment submission and collaboration will be done through Brightspace. It is important that you log on to Brightspace right away and start to be comfortable with using it. To access your courses on Brightspace go to <http://carleton.ca/brightspace>.

Course Schedule:

A detailed course schedule will be provided on Brightspace. Here is a listing of topics which will be covered during the term.

Topic	Week	Instructor	Deliverable
Introduction to sustainable accounting and social finance <ul style="list-style-type: none"> Know/Wonder Activity 	Week 1	Leanne & Tessa	None
Impact Measurement	Weeks 2-3	Leanne	
Week 2: Impact Strategy <ul style="list-style-type: none"> Social Finance and Impact Strategy 			Reading, videos and discussion
Week 3: Impact Measurement <ul style="list-style-type: none"> Impact Investing Impact Measurement 			Reading, videos and discussion

Social Finance: Impact Investing and Responsible Investing	Weeks 4-6	Tessa	
<p>Week 4: Social Finance</p> <ul style="list-style-type: none"> • Social Finance drivers • Impact investment • Impact measurement <p>Case Study: Raven Indigenous Capital Partners</p> <p>Resources: Provided on Brightspace – please read/watch materials <i>before</i> class</p>			<p>Reading, videos and discussion</p> <p>TBC: guest speaker</p> <p>Case study due by Monday January 20th 11:59pm (midnight)</p>
<p>Week 5: Responsible Investing</p> <ul style="list-style-type: none"> • ESG drivers • Responsible investment • ESG measurement <p>Managing ESG risks through Responsible Investing</p> <p>Case Study: Rockefeller Bros. Fossil Fuel Divestment</p> <p>Resources: Provided on Brightspace – please read/watch materials <i>before</i> class</p>			<p>Reading, videos and discussion</p>
<p>Week 6: How investors use ESG measurement in their investments. Issues of Climate Risk and Greenwashing</p> <p>Resource: Ceres ICAP Expectations Ladder/ TCFD Guidelines</p> <p>In class debate pro/con on ESG issues</p> <p>Resources: Provided on Brightspace – please read/watch materials <i>before</i> class</p>			

Sustainability Accounting, Measurement and Responsible Business*	Weeks 7 - 11	Leanne	
<p>Week 7: Sustainability accounting overview</p> <ul style="list-style-type: none"> • A broad overview of the various areas of sustainability accounting • Review of assignments <p>Resources: Provided on Brightspace – please read/watch materials <i>before</i> class</p>			ICAP assignment: due February 25 th by midnight
<p>Week 8: Sustainability Reporting and Materiality</p> <ul style="list-style-type: none"> • Sustainability Reporting Pairs (Activity) <p>Resources: Provided on Brightspace – please read/watch materials <i>before</i> class</p>			Recipes due for carbon accounting assignment – Monday, March 3 rd by 11:59pm (midnight)
<p>Week 9: Sustainability performance measurement</p> <ul style="list-style-type: none"> • Measuring and communicating firm performance • Sustainability report presentations <p>Resources: Provided on Brightspace – please read/watch materials <i>before</i> class</p>			Partner sustainability report presentations (virtual); slides submitted Monday March 10 th by 11:59pm (midnight)
<p>Week 10: Responsible Business</p> <ul style="list-style-type: none"> • Incorporating sustainability into the business • Trends, challenges and opportunities • What does the future hold? <p>Resources: Provided on Brightspace – please read/watch materials <i>before</i> class</p>			Counter accounting assignment due – by Monday March 17 th 11:59pm (midnight)
<p>Week 11: Emerging issues in sustainability accounting</p> <p>Resources: Provided on Brightspace</p>			Personal carbon budget assignment due – by Monday March 24 th by 11:59pm (midnight)
Week 12: Bringing it all together		Tessa & Leanne	

***Please note that we bring in guest speakers on occasion when available and if so, the structure of the class may change but all assignment due dates will remain the same.**

Contribution to Learning Goals of the Program ([BCom](#), [BIB](#)):

Program Learning Goal	Competencies Not Covered	Competencies Introduced (only)	Competencies Taught But Not Assessed	Competencies Taught and Assessed
BC1 Knowledge <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>			✓	
BC2 Collaboration <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>			✓	
BC3 Critical Thinking <i>Graduates will be discerning critical thinkers, able to discuss different viewpoints, challenge biases and assumptions, and draw conclusions based on</i>				✓

<i>analysis and evaluation.</i>				
BC4 Communication <i>Graduates will be effective and persuasive in their communications.</i>				✓

ADDITIONAL INFORMATION

Course Sharing Websites

Materials created for this course (including presentations and posted notes, labs, case studies, assignments, and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

Required calculator in BUSI course examinations.

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, followership, and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Grading

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52
F = Below 50			

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

Academic Regulations

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodation

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the *Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances*, are outlined on the Academic Accommodations website (students.carleton.ca/course-outline).

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy Accommodation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Academic Accommodations for Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made.

carleton.ca/pmc

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more

information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another’s ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated.

Process: If an alleged violation occurs, all relevant documentation will be forwarded to the Dean. If the allegation proves true, the penalties may include; a grade of Failure on the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others. **For a first offence, at a minimum, the penalty assigned will normally be a zero on the submitted work and at least a minimum full grade reduction of the final course grade. For a second offence, at a minimum, the penalty assigned will normally lead to a suspension from studies.**

Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <https://carleton.ca/registrar/academic-integrity/>.

Sprott Student Services

The Sprott Undergraduate Student Services Office offers program advising and overall student success support. Our team is available to discuss your academic goals and your program progression plans. We can also work with you to develop strategies for success, including study skills for Business. If you experience any difficulty this term or if you would like to access support, please contact our team at bcom@sprott.carleton.ca or at bib@sprott.carleton.ca.

Centre for Student Academic Support

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: carleton.ca/csas.

Important Information:

- Students must always retain a copy of all work that is submitted.
 - All final grades are subject to the Dean's approval.
 - For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, in order to respond to your inquiries, please send all email from your Carleton CMail account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://carleton.ca/its/get-started/new-students-2/>
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