

Master of Science in Sustainability Management

Corporate Strategies for Implementing Sustainability - PS5370 **3 Credits**

Instructor: Todd Cort

Course Overview

This is an applied course designed to address some of the fundamental challenges in implementing a relevant sustainability strategy: What sustainability issues should we manage? How should we measure performance? How do we demonstrate financial value from our efforts? To answer these questions, this course focuses on methods to build out sustainability metrics and indicators using current tools in the trade.

For purposes of this course, we treat ‘corporate sustainability’ and ‘corporate responsibility’ as interchangeable (collectively termed ‘Sustainability’) as the strategies and management practices are essentially the same whether the goal is to be ‘sustainable’ or ‘responsible’. A strategically relevant sustainability program must seek to build on the values of sustainability to the business and the business’ stakeholders. Therefore, this course explores different tools that a corporation can use to build a sustainability program, but with constant focus on how these tools should be implemented to maximize value (for example reputation management, risk management, innovation, cost efficiency, access to capital, etc). The course also emphasizes the role of metrics to identify the appropriate sustainability aspect that need to be managed (materiality) as well as the role of metrics in measuring performance in sustainability against corporate and stakeholder expectations.

The course relies heavily on class discussions through case studies, debates, hypothesis testing, role playing and student presentations. The purpose of this course is to introduce students to the knowledge and tools used by practitioners in CR. Although this course explores details of the CR strategy implementation, it is designed to link CR to the overall business drivers and is therefore relevant for any potential corporate manager or consultant.

Learning Objectives

Sustainability is both a broad and detailed field of practice and so it can be overwhelming to even begin tackling these complex and inter-related issues. Students will emerge from this course able to break corporate sustainability challenges into discreet aspects, determine rational means to measure performance in these aspects, and then re-connect the aspects into a cohesive vision of the ‘sustainable company’. Students will also graduate with the ability to compare, in a meaningful way, the metrics of sustainability and the metrics of corporate financial performance.

At the end of the course, students will be able to:

- Develop sustainability metrics that measure performance against business and stakeholder value
- Use metrics, indicators and tools to create more effective management mechanisms
- Recognize and apply the pre-eminent tools used today in sustainability management and communications, and
- Apply different mechanisms available to control and/or influence sustainability performance along the company value chain.

Resources

Columbia University Library

Columbia’s extensive library system ranks in the top five academic libraries in the nation, with many of its services and resources available online: <http://library.columbia.edu/>.

SCE Academic Resources

The Office of Student Life and Alumni Relations (SLAR) provides students with academic counseling and support services such as online tutoring and career coaching: <http://ce.columbia.edu/student-life-and-alumni-relations/academic-resources>.

Master of Science in Sustainability Management

Course Requirements (Assignments)

Students will be evaluated based on three class deliverables:

1. Paper Analysis 20 points

This assignment involves a critical reading of the assigned article. Position Papers are to be no more than 3 pages in length and shall include a summary of the salient points of the article as well as an analysis of the strengths and weaknesses of the article in terms of methodology and application:

Ioannou, I., & Serafeim, G. (2017). The consequences of mandatory corporate sustainability reporting; https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1799589

- 8 Points: Summary of salient points from article
- 10 Points: Analysis of strengths and weaknesses of article
- 2 Points: Deliverable is presented within the length limits

2. Chevron Assurance Report 40 points

Based on a review of the Chevron Corporate Responsibility Report and role-playing interviews, students will form an opinion and set of recommendations for the company based on the AA1000 Assurance Standard. The deliverable is a Management Letter detailing these findings and recommendations in no more than 10 pages.

3. NS True Value Strategy 40 points

NS, the Dutch rail company, must use ESG data to value social and environmental externalities in order to develop a more meaningful corporate strategy. The deliverable will be a slide deck and presentation of no more than 30 minutes along with any supporting documentation to demonstrate rationale and citation.

Evaluation/Grading

Student deliverables will be evaluated based on the criteria presented below:

- Deliverable answers the assignment question
- Deliverable presents a clear logic to support the answer(s)
- Deliverable uses calculations, data and/or cited evidence to support the answer(s)
- Deliverable is presented within the length limits and in a manner that is appropriate to the intended audience

Course Policies

Participation and Attendance

Discussion in class is a critical element of the course and therefore attendance to each class is mandatory. Students are expected to come well prepared to discuss topics in class. While the class discussions are intended to be 'voluntary', we will rely on cold calling as necessary to determine student preparation and to address critical aspects of each topic. Discussions are expected to be challenging, yet civil and part of the evaluation is based on the student's ability to hear others before forming opinions.

Late work

There are 3 deliverables. Deliverables will be due at the beginning of class on the due date via email to the instructor and/or upload to the course Canvas web page. The instructor will respond to each submitted deliverable by email and it is the responsibility of the student to ensure that their deliverable has been received by the instructor. Deliverables may be submitted up to one day late for a 25% automatic reduction in score. No deliverables will be accepted over 24 hours after the due date/time.

School Policies

Copyright Policy

Master of Science in Sustainability Management

Please note—Due to copyright restrictions, online access to this material is limited to instructors and students currently registered for this course. Please be advised that by clicking the link to the electronic materials in this course, you have read and accept the following:

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials. Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

Academic Integrity

Columbia University expects its students to act with honesty and propriety at all times and to respect the rights of others. It is fundamental University policy that academic dishonesty in any guise or personal conduct of any sort that disrupts the life of the University or denigrates or endangers members of the University community is unacceptable and will be dealt with severely. It is essential to the academic integrity and vitality of this community that individuals do their own work and properly acknowledge the circumstances, ideas, sources, and assistance upon which that work is based. Academic honesty in class assignments and exams is expected of all students at all times.

SPS holds each member of its community responsible for understanding and abiding by the SPS Academic Integrity and Community Standards posted at <http://sps.columbia.edu/student-life-and-alumni-relations/academic-integrity-and-community-standards>. You are required to read these standards within the first few days of class. Ignorance of the School's policy concerning academic dishonesty shall not be a defense in any disciplinary proceedings.

Accessibility

Columbia is committed to providing equal access to qualified students with documented disabilities. A student's disability status and reasonable accommodations are individually determined based upon disability documentation and related information gathered through the intake process. For more information regarding this service, please visit the University's Health Services website: <http://health.columbia.edu/services/ods/support>.

Course Schedule/Course Calendar

Topic	Readings	Assignment Due
Introduction to the course	RECOMMENDED	
What is 'corporate sustainability'	The business of sustainability: McKinsey Global Survey results; http://www.mckinsey.com/business-functions/sustainability-and-resource-productivity/our-insights/the-business-of-sustainability-mckinsey-global-survey-results	
Mega-Trends		
Internalization		
Stakeholder Engagement	RECOMMENDED	
Reputation Management	GIIRS Emerging Market Assessment Resource Guide: Stakeholder Engagement, http://bimpactassessment.net/sites/all/themes/bcorp_impact/pdfs/em_stakeholder_engagement.pdf	

Master of Science in Sustainability Management

Stakeholder Standards	<p>BSR (2012) Back to Basics: How to Make Stakeholder Engagement Meaningful for Your Company, Morris, J., Baddache, F., January 2012, https://www.bsr.org/reports/BSR_Five-Step_Guide_to_Stakeholder_Engagement.pdf</p> <p>UNEP (2005) The Stakeholder Engagement Manual Volume 2: The Practitioner's Handbook on Stakeholder Engagement, UNEP, AccountAbility, Stakeholder Research Associates, http://www.unep.fr/shared/publications/pdf/WEBx0115xPA-SEhandbookEN.pdf</p> <p>AccountAbility, AA1000 Stakeholder Engagement Standard 2011 – Basic, step-by-step</p> <p>guide to stakeholder engagement.</p> <p>http://www.accountability.org/standards/aa1000ses/index.html</p> <p>International Finance Corporation, Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, May 2007, Chapter on Stakeholder Consultation, pages 33-56</p>	
Materiality	<p>RECOMMENDED</p> <p>KPMG International (2014) Sustainable Insight: The Essentials of Materiality Assessment, https://assets.kpmg.com/content/dam/kpmg/pdf/2014/10/materiality-assessment.pdf</p> <p>Yilmaz, A.K. and Flouris, T. (2010) Managing corporate sustainability: Risk management process based perspective http://www.academicjournals.org/article/article1380703008_Yilmaz%20and%20Flouris.pdf (pp. 162-171)</p> <p>GEMI Quick Guide on Materiality, http://gemi.org/solutions/solutions-quick-guides/materiality/ (name and email address required to download)</p> <p>WBCSD (2017) Sustainability and Enterprise Risk Management: The First Step Towards Integration, http://www.wbcsd.org/Projects/Non-financial-Measurement-and-Valuation/Resources/Sustainability-and-enterprise-risk-management-The-first-step-towards-integration</p>	
Chevron Audit Interviews	<p>REQUIRED</p> <p>** https://www.chevron.com/corporate-responsibility</p>	<p>Assignment #1: Paper Analysis</p> <p>Ioannou, I., & Serafeim, G.</p>

Master of Science in Sustainability Management

		(2017). The consequences of mandatory corporate sustainability reporting. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1799589
Data	REQUIRED	
World of Metrics	Esty, D. and Cort, T. (2017) Sustainability Metrics: What Investors Need and Do Not Get”, J. Env. Investing 8(1). http://www.thejei.com/wp-content/uploads/2017/09/Journal-of-Environmental-Investing-8-No.-1.pdf	
Management System Metrics	REQUIRED	
SA8000	SA8000: Sections 2 (forced labor) and 5 (discrimination) http://www.sa-intl.org/index.cfm?fuseaction=document.viewDocument&documentid=563&documentFormatId=1166&vDocLinkOrigin=1&CFID=17270419&CFTOKEN=dd52623c7177858c-A6D4C3CD-1C23-C8EB-801BE014C6ECCBA0 RECOMMENDED BSI webpage on ISO 14001: https://www.bsigroup.com/en-US/ISO-14001-Environmental-Management/	
Greenlight Session	REQUIRED Kering sustainability disclosure: http://www.kering.com/en/sustainability	
Investors and CR	RECOMMENDED	Chevron Management Letter
Materiality and Financial Reporting	Gunnar Friede, Timo Busch and Alexander Bassen, “ESG and Financial Performance: Aggregated Evidence from more than 2000 Empirical Studies” J. Sust. Fin & Inv., 5,4, 2015, 210-213	
Integrated Reporting	Flammer, Caroline, Corporate Social Responsibility and Shareholder Value: The Environmental Consciousness of Investors (July 18, 2011). Available at SSRN: http://ssrn.com/abstract=1888742 or http://dx.doi.org/10.2139/ssrn.1888742 (29-page PDF)	
TCFD		

Master of Science in Sustainability Management

	<p>Eccles, R.G., Ioannou, I. and Serafeim, G. The Impact of Corporate Sustainability on Organizational Processes and Performance (24 pages)</p> <p>Reimsbach, D. and Hahn, R. (2013) (15 pages), The Effects of Negative Incidents in Sustainability Reporting on Investors' Judgments—an Experimental Study of Third-party Versus Self-disclosure in the Realm of Sustainable Development. <i>Bus. Strat. Env.</i>. doi: 10.1002/bse.1816</p> <p>W. Brooke Elliott, Kevin E. Jackson, Mark E. Peecher, and Brian J. White (2014) The Unintended Effect of Corporate Social Responsibility Performance on Investors' Estimates of Fundamental Value. <i>The Accounting Review</i>: January 2014, Vol. 89, No. 1, pp. 275-302. doi: http://dx.doi.org/10.2308/accr-50577</p> <p>Eccles, Robert G., Ioannis Ioannou, and George Serafeim. "The impact of corporate sustainability on organizational processes and performance." <i>Management Science</i> 60.11 (2014): 2835-2857.</p> <p>ADDITIONAL RESOURCES</p> <p>www.sasb.org</p> <p>http://www.theiirc.org</p> <p>https://www.fsb-tcfd.org</p>	
<p>Accounting Methods</p> <p>Environmental Profit and Loss</p>	<p>REQUIRED</p> <p>KPMG (2014) A New Vision of Value: Connecting Corporate and Societal Value Creation, (http://www.kpmg.com/Global/en/topics/climate-change-sustainability-services/Documents/a-new-vision-of-value-v1.pdf) (116 pages)</p> <p>RECOMMENDED</p> <p>EY (2017) Long Term Value and the Embankment Project, http://www.ey.com/uk/en/services/assurance/ey---long-term-value</p> <p>http://www.teebweb.org</p> <p>http://www.thesroinetwork.org/sroi-analysis (15-minute video)</p> <p>http://sixsigmabasics.com (1 page)</p> <p>http://www.epa.gov/sustainability/analytics/benefit-cost.htm (1 page)</p>	

Master of Science in Sustainability Management

	http://en.wikipedia.org/wiki/Life-cycle_assessment (1 page) http://www.ecosystemvaluation.org	
Sustainable Development Goals Science-Based Targets Context-Based Targets	RECOMMENDED DRAFT Science-based Target Setting Manual (WRI) http://sciencebasedtargets.org/2015/09/23/for-public-comment-science-based-target-setting-manual/ http://www.sustainablebrands.com/news_and_views/new_metrics/mark_mcelroy/science-vs_context-based_metrics-_what's_difference https://naturalcapitalcoalition.org/context-and-capitals-the-next-big-things-in-corporate-sustainability/ http://www.stockholmresilience.org/download/18.6d8f5d4d14b32b2493577/1459560273797/SOS+for+Business+2015.pdf OTHER RESOURCES http://sciencebasedtargets.org http://www.sustcontext.org/resources/	
NS Discussion and Presentations		NS True Value Strategy
NS Discussion and Presentation		
Wrap-up		