

Syllabus

ACCTG 490 – Business Sustainability Reporting & Analysis

Spring 2025

<i>Professor:</i>	Sarah McVay	<i>Class Time:</i>	T/H, 10:30 – 12:20
<i>Email:</i>	smcvay@uw.edu	<i>Location:</i>	Dempsey 102
<i>Office:</i>	PCAR 553	<i>Office Hours:</i>	Tuesday 12:30-1:30 and by appointment

Course Overview:

As the demand for sustainability reporting grows, so too does the need for those that can produce the information (preparers), validate the information (auditors, regulators), and use the information in their decision-making (employees, suppliers, customers, investors, analysts, creditors, journalists, etc.). This course is designed to help you understand sustainability reporting, what it is intended to communicate, and what it is actually able to communicate, given frictions related to both measurement challenges and disclosure guidelines.

Sustainability reporting provides a lens into the resources used to generate corporate profits, including resources that are not accounted for in traditional financial reports (e.g., the impact on air quality). Like with traditional financial accounting, sustainability reporting relies on key measurement principles (i.e., relevance and faithful representation). This course provides a critical analysis of current practices in business sustainability reporting and analysis. Traditional financial accounting (the foundation of this course and the “language of business”) measures the profits a company generates for their shareholders but ignores many externalities. Business sustainability reporting is relevant for both those providing capital (for example, helping investors and creditors to assess potential future litigation or remediation costs) and a broader set of stakeholders—anyone who wants to understand how the company’s activities impact our society.

As we delve into the complexities of sustainability reporting using real world cases, you will see there are often no easy answers. Instead, there are many ways to view any given decision, and many ways to measure a corporation’s “impact.”

What is the objective of this course?

Overall, the learning objectives of the course parallel those of financial accounting (which is a pre-requisite for this course). The overarching objective is to (1) understand underlying economic events and whether/how these events are conveyed in financial accounting,

sustainability accounting, or both, (2) understand the sustainability reporting disclosure environment and incentives that influence it, (3) become aware of the discretion and judgment inherent in sustainability reporting, such as which metrics to disclose, as well as whether/how those metrics are measured and validated, and (4) how to sustainability reporting is used by decision-makers.

Upon successful completion of this course, students will be able to:

1. Analyze and critically evaluate a corporate sustainability report.
2. Identify the material sustainability issues impacting a business.
3. Understand the role of NGOs, ESG rating companies, and activist investors.
4. Describe and critically evaluate popular approaches to sustainable investing.
5. Begin to incorporate sustainability information into traditional financial and valuation analyses.

Course Structure:

Course Format:

The class format combines interactive lectures with case studies. You are expected to have attempted the cases prior to class as the in-class time will be spent discussing the cases and learning more about the topics that are covered in the current and subsequent cases. To this end, there will often be short canvas quizzes due before class to assess your preparation (over the case or previously-covered material). To further assess your understanding of the material, there will be a mid-term exam and capstone group project and presentation.

I have designed our course and every individual session based on the following principles:

- **Relevance.** I will demonstrate the relevance of the topics we will cover by associating them with real firms and current events.
- **Interaction.** Active participation facilitates learning; passive listening does not. With this in mind, I design each session to be an active learning experience, one that requires you to integrate the material covered with your prior knowledge, and to participate in your classmates' learning. Your participation is expected and greatly appreciated.
- **Application.** Relevant and well-organized content, both at the course and individual session levels, facilitates your ability to apply what you have learned, which you will demonstrate throughout the course in various capacities (discussions, quizzes, an exam, and a team project).

Textbook:

Business Sustainability Reporting and Analysis, 1e by Dechow and Sloan
ISBN 978-1-61853-655-6 The print version is available at the UW bookstore, there is also an e-book available for purchase at: myBusinessCourse.com.

Canvas:

Course materials, announcements, etc. will be administered through Canvas: <https://canvas.uw.edu>.¹ If you have any problems, please contact the Foster IT help desk at bacshelp@uw.edu or at 206-543-8003.

Communication Policy/Getting Help

I am available for office hours. Please reach out to me early in the quarter if you need help; do not wait until the last minute! Email me through Canvas or directly at smcvay@uw.edu. Be sure to use your UW email account (non-UW email accounts will often go to spam).

Canvas is the official means of communication for this class. Be sure to check Canvas (including Announcements) regularly. You should receive UW email alerts when I message in Canvas, but it's always best to check Canvas regularly. Please use these email communications as a chance to practice professionalism, with communication being polite but succinct. Due to the Family Educational Rights and Privacy Act (FERPA), I am not allowed to discuss grades via email.

Check-in Quizzes

The Check-in Quizzes (due before class) are designed to allow you to test your understanding of the topics that have been introduced in each session. These will typically include questions related to the required preparation for the day, as well as prior topics.

Individual and Group Assignments

The assignments will be posted to Canvas. Answers to case questions should be complete, well-reasoned and well-written. There is often not a clear-cut answer to the case questions, your grade will largely be based on the clarity and accuracy of how you support your answer.

Teams will be assigned in the second week of class. All team members are expected to contribute to all assignments (although the degree of contribution might vary across assignments). Please submit your solutions via Canvas (one submission per team). All group members should be prepared to speak about the case during our class discussion.

Note that the purpose of the Quizzes and Assignments is to keep you actively involved in the learning process. Please note that I avoid "busy work." Each case question is intended to further your learning of a particular topic.

Capstone Group Project

The purpose of the Capstone Group Project is to allow you to use your knowledge of business sustainability reporting to analyze a company and make decisions. You will complete this project with your teammates and present your analysis to the class as a team.

¹ If you have not used Canvas in the past, the student guide at <http://guides.instructure.com/s/2204/m/4212> provides a helpful introduction.

Exam

The purpose of the exam is to test your ability to interpret and critically evaluate a business's sustainability reporting. You will complete the exam on your own. If you are unable to take the exam at the scheduled time due to an excused reason (e.g., medical, funeral, etc.), please see me about scheduling a make-up exam. To qualify for a make-up exam, you must contact me at least 24 hours before the scheduled exam, except for unexpected emergencies.

Grading Policies

Submitted Assignments

Instructions for submitting assignments are included with the assignment descriptions within the Canvas course site. Due dates for all graded work are included in the Course Calendar below, and in Canvas.

Late or Missed Assignments

Notify the instructor BEFORE an assignment is due if an urgent situation arises and the assignment can't be submitted by the due date. Published assignment due dates are firm. Please follow the appropriate University policies to request an accommodation for religious observances.

Grading Procedure

Grades reflect your performance on assignments and adherence to deadlines. Grades will be posted in the gradebook on the course site.

Professionalism/Participation

Preparing you for business careers entails developing certain skills that are necessary to be an effective employee/manager. Thus, a portion of your grade will depend on two skills important to your professional development – professionalism and participation.

- **Professionalism:** Conducting yourself in a professional manner means behaving in class the way you might in a business meeting. This means coming to classes prepared and on time, informing me if you will not be in attendance or will be leaving early, respecting your colleagues, taking turns when speaking, not interrupting each other, turning off cell phones, limiting side conversations, etc.
- **Missed Classes:** Attendance in class is not required; however, professionalism would require you to let me know the reason for your absence. In addition, because participation accounts for a portion of your grade (and one cannot participate if one is not in class), frequent absences will affect your grade. It is your responsibility to “catch up” on the missed class.
- **Class participation:** Class participation is extremely important. Some required participation will be outside of class time (e.g., surveys, peer evaluations). During class,

please keep in mind that the class should be a common learning experience. Thus, I want you to take ownership and initiative for the success of the class. It is critical that you arrive for each class fully prepared to lead the discussion if called upon. You should be able to demonstrate your understanding of the relevant issues and problems in the assigned readings and cases. Share your knowledge and help others understand your point of view. Some of the criteria we will use to judge the effectiveness of your participation include:

- ✓ Are you willing to participate?
- ✓ Do your comments show evidence of appropriate, insightful analysis of the material?
- ✓ Are your comments relevant to the class discussion?
- ✓ Are you a good listener as well as speaker? Can you play off of the comments of others?
- ✓ Are you willing to test new ideas? Or are all of your comments “safe”?
- ✓ Do you work well with others during group projects?

Graded Material Overview

Your grade will be determined by your performance on:

Activity:	Percentage
Midterm	25%
Canvas Quizzes	20%
Capstone Group Project and Presentation	15%
Individual Assignments	20%
Group Assignments	10%
Professionalism/Participation	10%
Total:	100%

Incompletes

An Incomplete may be given only when the student has been in attendance and has done satisfactory work to within two weeks of the end of the quarter and has furnished proof satisfactory to the instructor that the work cannot be completed because of illness or other circumstances beyond the student’s control.

Tentative Course Calendar (subject to change)

DATE	TOPICS	PRIOR TO CLASS	DUE AND SUBMIT
Module 1			
<i>April 1</i> Session 1	<ul style="list-style-type: none"> ▪ Course Introduction ▪ Capital Market Environment 	<ul style="list-style-type: none"> ▪ Read the syllabus ▪ Read Chapter 1 	Due before 10:30 am on April 1: <ul style="list-style-type: none"> ▪ Fill out the welcome survey on Canvas
<i>April 3</i> Session 2	<ul style="list-style-type: none"> ▪ Overview of Business Sustainability 	<ul style="list-style-type: none"> ▪ The KPMG Survey of Sustainability Reporting (see Canvas; browse pages 1-37) ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on April 3: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>April 8</i> Session 3	<ul style="list-style-type: none"> ▪ Overview of Sustainability Disclosure Frameworks and Standards ▪ Environmental Issues 	<ul style="list-style-type: none"> ▪ Skim Chapter 2 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on April 8: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>April 10</i> Session 4	<ul style="list-style-type: none"> ▪ Identifying Environmental Issues, Continued 	<ul style="list-style-type: none"> ▪ Read Chapter 3 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on April 10: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>April 15</i> Session 5	<ul style="list-style-type: none"> ▪ Identifying Social Issues 	<ul style="list-style-type: none"> ▪ Read Chapter 6 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on April 15: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>April 17</i> Session 6	<ul style="list-style-type: none"> ▪ Reporting on Environmental Issues 	<ul style="list-style-type: none"> ▪ Read Chapter 4 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on April 17: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>April 22</i> Session 7	<ul style="list-style-type: none"> ▪ Reporting on Social Issues 	<ul style="list-style-type: none"> ▪ Read Chapter 7 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on April 22: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>April 24</i> Session 8	<ul style="list-style-type: none"> ▪ Workday (group projects) 	<ul style="list-style-type: none"> ▪ See Canvas 	Due before 10:30 am on April 24: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>April 29</i> Session 9	<ul style="list-style-type: none"> ▪ Governance 	<ul style="list-style-type: none"> ▪ Read Chapter 8 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on April 29: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload

<i>May 1</i> Session 10	<ul style="list-style-type: none"> ▪ External Assurance 	<ul style="list-style-type: none"> ▪ Read Chapter 9 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on May 1: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>May 6</i> Session 11	<ul style="list-style-type: none"> ▪ Catch-up and review 	<ul style="list-style-type: none"> ▪ Review, study, attempt sample exam. 	Due before 10:30 am on May 6: <ul style="list-style-type: none"> ▪ Canvas quiz
<i>May 8</i> Session 12	In Class Exam		

Module 2

<i>May 13</i> Session 13	<ul style="list-style-type: none"> ▪ Non-Government Organizations (NGOs) 	<ul style="list-style-type: none"> ▪ Chapter 11 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on May 13: <ul style="list-style-type: none"> ▪ Canvas quiz
<i>May 15</i> Session 14	<ul style="list-style-type: none"> ▪ ESG Ratings 	<ul style="list-style-type: none"> ▪ Chapter 12 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on May 15: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>May 20</i> Session 15	<ul style="list-style-type: none"> ▪ Asset Managers 	<ul style="list-style-type: none"> ▪ Chapter 13 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on May 20: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>May 22</i> Session 16	<ul style="list-style-type: none"> ▪ Activist Investors 	<ul style="list-style-type: none"> ▪ Chapter 14 ▪ Attempt Assignment (see Canvas) 	Due before 10:30 am on May 22: <ul style="list-style-type: none"> ▪ Canvas quiz or assignment upload
<i>May 27</i> Session 17	Guest Speaker		Due before 10:30 am on May 27: <ul style="list-style-type: none"> ▪ Canvas quiz
<i>May 29</i> Session 18	<ul style="list-style-type: none"> ▪ Group Project Presentations 	<ul style="list-style-type: none"> ▪ Show up on time, have your name tent out, be prepared to ask questions 	<ul style="list-style-type: none"> ▪ Audience members will be rated on participation
<i>June 2</i> Session 19	<ul style="list-style-type: none"> ▪ Group Project Presentations 	<ul style="list-style-type: none"> ▪ Audience members will be rated on participation 	<ul style="list-style-type: none"> ▪ Audience members will be rated on participation
<i>June 4</i> Session 20	<ul style="list-style-type: none"> ▪ Workday (group projects) 	<ul style="list-style-type: none"> ▪ See Canvas 	
<i>June 9</i>	Capstone Group Project Due		

Administrative Matters:

Religious Accommodations

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at [Religious Accommodations Policy](#). Accommodations must be requested within the first two weeks of this course using the [Religious Accommodations Request form](#).

Grade guidelines

As a faculty member, I want to make sure that I accurately assess what students have learned in my course as well as be able to stay within suggested Foster School median grade guidelines. Therefore, I peg the median student to the median grade and then distribute grades around that point.

Access and Accommodations:

Your experience in this class is important. If you have already established accommodations with Disability Resources for Students (DRS), please communicate your approved accommodations to me at your earliest convenience so we can discuss your needs in this course.

If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you can learn more here: <http://depts.washington.edu/uwdrs/>

Inclusive Classroom

The University of Washington supports an inclusive learning environment where diverse perspectives are recognized and respected. In this course, I will strive to create welcoming spaces where everyone feels included and engaged. If you do not experience an inclusive learning environment in my class, please provide your feedback for me to learn and improve. You can either do that by talking to me in office hours or completing the various surveys in class.

Academic Integrity

By being a student in this course, you acknowledge that you are part of a learning community at the Foster School of Business that is committed to the highest academic standards. As part of this community, you pledge to uphold the fundamental standards of honesty, respect, and integrity, and accept the responsibility to encourage others to adhere to these standards. The Student Conduct Code outlines the expectations of academic conduct and the consequences of misconduct. My ultimate goal is for you to grow and learn, and as part

of that, I need to ensure that students are treated fairly and that we all uphold and build the reputation of the university.

AI Usage

I expect you to use AI (e.g., ChatGPT and image generation tools) in this class. Learning to use AI is an emerging skill, and I welcome the opportunity to meet with you to provide guidance with these tools during office hours or after class. Keep in mind the following:

- AI tools are permitted to help you brainstorm topics or revise work you have already written. If you provide minimum-effort prompts, you will get low-quality results. You will need to refine your prompts to get good outcomes. This will take work.
- Proceed with caution when using AI tools and do not assume the information provided is accurate or trustworthy. If it gives you a number or fact, assume it is incorrect unless you either know the correct answer or can verify its accuracy with another source. You will be responsible for any errors or omissions provided by the tool. It works best for topics you understand.
- AI is a tool, but one that you need to acknowledge using. Please include a paragraph at the end of any assignment that uses AI explaining how (and why) you used AI and indicate/specify the prompts you used to obtain the results and what prompts you used to get the results. Failure to do so is a violation of academic integrity policies.
- Be thoughtful about when AI is useful. Consider its appropriateness for each assignment or circumstance. The use of AI tools requires attribution. You are expected to clearly attribute any material generated by the tool used.

Please ask me if you are unsure about what constitutes unauthorized assistance on an assignment, or what information requires citation and/or attribution.

- Collaboration. In this class, you are expected to submit work that demonstrates your individual mastery of the course concepts.
- Group work. Unless specifically designated as a 'group project,' all assignments are expected to be completed individually.
- Computer programs. Plagiarism includes the submission of code written by or obtained from someone else.

If found responsible for an academic violation, students may be assigned university outcomes, such as suspension or expulsion from the university, and grade penalties, such as a failing grade on the assignment, exam, and/or in the course.

Undergraduate Code of Conduct

I will uphold the fundamental standards of Honest, Respect, and Integrity, and I accept the responsibility to encourage others to adhere to these standards.

HONESTY: I will be truthful with myself and others.

RESPECT: I will show consideration for others and their ideas and work.

INTEGRITY: I will be a leader of character. I will be fair in all relations with others.