



University of  
**Strathclyde**  
Business  
School

## Department of Accounting and Finance

### AG409 Sustainability Accounting: Theory and Practice

2024/25 Semester 2

20 Module Credits

#### **Module Details**

##### **Module Description**

Sustainability has been increasingly focused on and integrated into accounting and financial practices over the past decade. In June 2023, the International Sustainability Standards Board (ISSB) issued its first two IFRS Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The new disclosure regulation has become effective for reporting periods beginning on or after 1 January 2024. Firms, accountants, and other market participants need to adjust to these shifts in reporting regimes.

##### **Syllabus overview**

- Financial vs. non-financial reporting
- Theoretical basis for sustainability disclosure
- Determinants of sustainability reporting
- Capital market effects of sustainability reporting
- Real effects of sustainability reporting

##### **Teaching Hours**

Lectures: All weeks, Friday 2-5pm.

##### **Prerequisites**

Honours entry requirements.

It would be helpful if you have some understanding of basic concepts and techniques in economics and statistics, such as supply and demand, and the interpretation of regression results. Students are encouraged to link academic coverage in class to practical issues.

#### **Contact Details**

Lecturer: Dr Sheng Li

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Office Hours: Tuesdays (15:00 – 17:00 in SW 331)

## **Module Learning**

### **Module Aims**

This module aims to help students develop an understanding of non-financial reporting and advanced tools to further self-learn skills in this area, in the context of the increasing demand for sustainability reporting. Students will develop a theoretical framework to critically evaluate the effectiveness and conduct cost-benefit analyses of sustainability reporting. Additionally, students will gain practical experience by exploring sustainability reports and other case studies.

### **Learning Objectives and Outcomes**

#### *Subject-specific knowledge and skills*

On completing this class students should be able to:

- A1 Articulate the importance of CSR reporting
- A2 Explain the theoretical foundations that underpin sustainability disclosure and reporting practices.
- A3 Identify the key determinants that influence sustainability reporting
- A4 Analyze the effects of sustainability reporting on users and capital markets
- A5 Examine the real-world impacts of CSR policies
- A6 Evaluate the methodologies and metrics used to measure sustainability practices in organizations

#### *Cognitive abilities and non-subject specific skills*

During the class you will:

- B1 Develop problem solving skills.
- B2 Develop communication and writing skills
- B3 Develop analytical skills in problem solving

## **Module Structure**

- Introduction to CSR and sustainability reporting (Week 1)
- Theoretical basis for sustainability disclosure (Week 2, 3)
- Measurement of sustainability practices (Week 4)
- Determinants of sustainability reporting (Week 5,6)
- Users and capital market effects of sustainability reporting (Week 7,8)
- CSR-specific real effects (Week 9)
- Revision, Q&A (Week 10)

## **Assessment and Feedback Details**

1. Group written report worth 40%. Due: Wednesday 9th of April 2025, 4pm. Marks/Feedback will be released on or before Friday 2<sup>nd</sup> of May 2025.

The group coursework will be related to the paper your group presents, with a word limit of 3,000 words, not including references. For the coursework, you are expected to (i) identify 3 papers related to your chosen core paper; (ii) write a referee report for the core paper; (iii) write about potential future work or gaps in the literature based on the topic of your core paper; (iv) link it to practice/real-world applications.

2. Final exam worth 60%. Date: During semester 2 exam diet.

This is a 2-hour written exam scheduled for April/May 2023.

Note: The lecturer is unable to answer questions such as “Which topics will not be included in the exam questions?”.

An overall weighted average mark of 40% is required to pass the module.

It is a requirement for course completion to submit all assessed coursework. Non-submission of any part will result in an overall mark of zero being awarded for the module.

The following forms of feedback will assist you in this module:



## **Artificial Intelligence**

AI tools are not a substitute for human critical thinking, nor can they replace the scholarly, evidence-based reasoning and subject knowledge that are fundamental to your university education.

While you may use generative AI tools (such as ChatGPT, Claude, Bing Chat, or Google Bard) to assist your academic development and support your work in this course, original thought and critical analysis remain essential. Continuously evaluating the accuracy and reliability of AI-generated content is crucial to ensuring these tools serve as helpful supplements to your learning, rather than replacements for your own critical thinking.

## **Reading List**

Related papers and course materials will be distributed on Myplace.

## **UG Module Manual (Honours)**

Please refer to the accounting and finance UG manual module for the following ([Honours Module Manual.docx](#)):

- Tutorial Attendance
- Useful Contacts
- Penalties for Late Submission
- Feedback
- Compensation Scheme
- Resit Policy – no resits in honours year
- Universal Marking Guide
- Useful Links