



University of
Strathclyde
Business
School

Department of Accounting and Finance

AG409 Sustainability Accounting: Theory and Practice

2025/26 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 in JA505 (subject to change).

Prerequisites

Honours entry requirements.

You are expected to have previous training in statistics and econometrics, as you will need to do a quantitative group project with data analytics on sustainability. It is important to know both the quantitative methods and the accounting and economic rationales behind the empirical analysis. It would also be helpful if you have some understanding of basic concepts and techniques in finance. 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)
- Measurement of sustainability practices (Week 3,4)
- 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 project worth 30%. Due: 4pm on Thursday 2nd of April 2026. Marks/Feedback will be released on or before Monday 27th April 2026, 4pm.
Students will conduct a quantitative group project with data analytics on sustainability. It is important to know both the quantitative methods and the accounting and economic rationales behind the empirical analysis.
2. Group presentation and discussion worth 10%. Each student is required to give one group presentation and to discuss one presentation by their peers. Presentations are expected to be delivered without a script. Due in each group's designated presentation week. Marks will be released on or before Wednesday 1st April 2026.
3. 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:

<i>Feedback category</i>	<i>Details for module</i>	<i>Colour</i>
Grades	Students will receive marks on their written essays and final assessment	Green
Written feedback	Students will receive written feedback on their reports with details of their strengths and potential areas for further development.	Green
Verbal feedback	Students can receive verbal feedback through weekly office hours and the Q&A session at the end of the course	Green
General feedback	A document will provide general tips on the final exam which will be shared via Myplace.	Green

Peer comments and discussion	Students are encouraged to engage in peer discussions and collaborations, exchanging insights from their independent thinking	Green
Use of personal response systems in lecture	Students are encouraged to vote for quizzes that appear during the lectures and discuss open questions in class	Amber
Responses to email	Questions related to the course material, when sent to the lecturer via email, will be addressed either through notices on Myplace or covered during the lectures. This approach helps ensure that all students receive equal support. Please refrain from sending questions for which answers can be easily found in textbooks or through a Google search. For such inquiries, I will respond by advising you to look up the answer	Green
Informal discussions	There are weekly drop-in sessions for any student wishing to discuss questions with teaching staff	Amber



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. Please refer to the AG409 Myplace page to access the reading list.

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