

# AC3390: ESG REPORTING AND DISCLOSURE

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## Effective Term

Semester A 2023/24

## Part I Course Overview

### Course Title

ESG Reporting and Disclosure

### Subject Code

AC - Accountancy

### Course Number

3390

### Academic Unit

Accountancy (AC)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

3

### Level

B1, B2, B3, B4 - Bachelor's Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Nil

### Precursors

Nil

### Equivalent Courses

Nil

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

Environmental, Social, and Governance (ESG) disclosure is becoming increasingly important as there is a global push to hold companies around the world accountable for their sustainability performance by governments, investors, and the

general public. Companies listed in Hong Kong are required in their annual reporting to comply with the ESG Reporting Guide issued by the Hong Kong Exchanges and Clearing Market Limited (HKEX). The "Big Four" accounting firms - Deloitte, PwC, EY, and KPMG - also announced a new reporting framework for environmental, social, and governance standards on September 23rd, 2021.

To better equip students for the latest changing environment in the audit and broad business profession, this course aims to provide a high-level overview and exploratory opportunities for students in understanding the full spectrum of sustainability, ESG (Environmental, Social and Governance) disclosure, and reporting, as well as green finance. Participants will also be equipped with the knowledge of internationally recognized standards and practices, including the Hong Kong Exchanges and Clearing's ESG Reporting Guide.

### Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	To understand ESG and how ESG is related to sustainability and green finance, and be familiar with specific applications of green finance in Hong Kong and other parts of the world.	15	x	x	
2	Identify ESG trends and commonly used ESG reporting guidelines/standards, with a particular focus on the HKEX ESG Reporting Guide.	25	x	x	
3	Understand work preparation before ESG Reporting, compilation of ESG report in accordance with HKEX ESG Reporting Guide, be knowledgeable about elementary GHG emissions accounting, and be familiar with ESG performance assessment.	25	x	x	
4	Critically evaluate the ESG disclosure and reporting performance of a given company of interest and provide constructive suggestions for improvement based on the course content.	20	x	x	
5	Develop competent communication and presentation skills in both verbal and written perspectives and good team works.	15	x	x	

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

**Teaching and Learning Activities (TLAs)**

TLAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Interactive lectures	Impart key knowledge about the ESG reporting regulations, practices, and academic literature regarding the regulatory framework, corporate characteristics, policy, and practices.	1, 2, 3, 4
2	Live incidence and case discussion	Contemporary live cases happened in Hong Kong and elsewhere around the world that merits detailed discussion and analysis on the ESG disclosure and reporting issues and the ways to meet regulators' and investors' demand by listed corporations and a discussion and comparison of the actually adopted way to ESG reporting with possible alternative solutions not otherwise adopted by the corporation in the actual scenario.	1, 2, 3, 4, 5
3	Group case analysis and presentation of a given listed company' s ESG disclosure and reporting*	Summarise and critically evaluate the disclosure and reporting performance of a given company listed in HK. Compare it with other leading companies in the same industry, highlighting the strengths and weaknesses, and provide constructive suggestions for improvement based on the course content.	2, 3, 4, 5

**Additional Information for TLAs**

\*DEC TLA element

**Assessment Tasks / Activities (ATs)**

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Mid-term test# : Students will be assessed via mid-term test their understanding of theories learned in class, their ability to identify accepted ESG disclosure/reporting practices, and their ability to apply theories to cases.	1, 2, 3, 4	20	
2	Class discussions and quizzes : Students are required to actively participate in class discussions on live ESG reporting issues and cases observed in Hong Kong and elsewhere and provide answers to class quizzes conducted from time to time during class.	1, 2, 3, 4, 5	10	
3	Group report and presentation# : Students will work in groups to critically evaluate the disclosure and reporting performance of a given company listed in HK. Compare it with other leading companies in the same industry, highlighting the strengths and weaknesses, and provide constructive suggestions for improvement based on the course content. Students are required to search on the web for international practices.	1, 2, 3, 4, 5	20	

**Continuous Assessment (%)**

50

**Examination (%)**

50

**Examination Duration (Hours)**

3

### **Additional Information for ATs**

# DEC AT element

Final examination [Open book examination] :

Students will be assessed via examination of their understanding of concepts and theories learned in class.

Students are required to pass both coursework and examination components to guarantee to pass the course. Failing either component may lead to failure in the course. The passing mark is generally 50.

### **Assessment Rubrics (AR)**

#### **Assessment Task**

Mid-term test; and Final examination

#### **Criterion**

Develop an attitude and the ability to identify the regulatory framework, theoretical and practical knowledge in ESG disclosure and reporting, and demonstrate applications of such knowledge in essay and business case questions.

#### **Excellent (A+, A, A-)**

High

#### **Good (B+, B, B-)**

Significant

#### **Fair (C+, C, C-)**

Moderate

#### **Marginal (D)**

Basic

#### **Failure (F)**

Not even reaching marginal levels

#### **Assessment Task**

Class discussion and quizzes

#### **Criterion**

- Provide active and sensible discussion and argument on various conceptual and practical topics in sustainability, ESG disclosure or reporting and green finance.
- Demonstrate ability in solving essay and simple case questions in the class quizzes.

#### **Excellent (A+, A, A-)**

High

#### **Good (B+, B, B-)**

Significant

#### **Fair (C+, C, C-)**

Moderate

#### **Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

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**Assessment Task**

Group written report and presentation

**Criterion**

Develop the ability to provide direction to the Board of Directors with regard to the preparation, evaluation, and improvement of ESG reporting.

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

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**Part III Other Information****Keyword Syllabus**

ESG disclosure, ESG reporting, Sustainability reporting, green finance, HKEX ESG Reporting Guide, GHG emissions accounting, ESG performance assessment, Future trend of ESG disclosure and reporting.

**Reading List****Compulsory Readings**

	Title
1	Esty, Daniel C., and Todd Cort, eds. Values at Work: Sustainable Investing and ESG Reporting. Springer Nature, (2020).
2	The KPMG Survey of Sustainability Reporting, (2020)
3	White, Gwendolen B. Sustainability reporting: Getting started. Business Expert Press, (2015).

**Additional Readings**

	Title
1	Kaplan, Robert S., and Karthik Ramanna. "How to Fix ESG Reporting." SSRN Working Paper, (2021).
2	Kaplan, R., and D. McMillan. "Reimagining the Balanced Scorecard for the ESG Era." Harv. Bus. Rev, (2021).
3	HKEX, Risk Management and Internal Control, ESG Reporting
4	Hopkins, Michael. CSR and Sustainability: From the Margins to the Mainstream - A Text Book, (2016).
5	Gbangbola, Kye, and Nicole Lawler. Gold Standard Sustainability Reporting: A Step by Step Guide to Producing a Sustainability Report. Routledge, (2020).

6	Baldarelli, Maria Gabriella-Baldo, Mara Del-Kiosseva, and Ninel Nesheva. "Environmental Accounting and Reporting." CSR, Sustainability, Ethics & Governance, Springer, (2017).
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