

# Sample\* Syllabi for Hybrid Module Course

## Sustainable Business

Each 5-week module will comprise of three 1.5 credit courses delivered over five weeks. The module will begin with two weeks of asynchronous work for all three courses. In the third week, classes will be held in person at Stern Monday through Saturday, from 9 AM until 4:30 PM with a break for lunch. Following the on-campus immersion, you will complete the Module with another two weeks of asynchronous work.

### March Module

Asynchronous work: Mar 10 - Mar 23, 2025

On-campus immersion: Mar 24 - Mar 29, 2025

Asynchronous work: Mar 30 - Apr 13, 2025

**Important note:** The on-campus immersion takes place during Spring Break. However, the four weeks of asynchronous work will overlap any other courses you take in the spring. Please plan your course load carefully.

### INTA-GB 3402.V1 Sustainable Business

#### BSPA-GB 2105 Sustainability for Competitive Advantage

**Instructor:** Alison Taylor

**Specializations:**

- Leadership and Change Management
- Supply Chain Management & Global Sourcing
- Sustainable Business and Innovation
- Strategy

#### FINC-GB 2160 Sustainable Finance

**Prerequisite of COR1-GB 2311**

**Instructor:** Cristiano Zazzara

**Specialization:**

- Finance
- Sustainable Business and Innovation

#### MKTG-GB 2103 Marketing & Sustainability

**Prerequisite of COR1-GB 2310**

**Instructor:** Raphael Bemporad

**Specializations:**

- Brand Management
- Marketing
- Sustainable Business and Innovation

\*These are sample syllabi taken from previous terms and may be from 3cr versions. The exact syllabi for each course will be shared closer to the start of the term.



Professor Alison Taylor (ajt10@stern.nyu.edu)

In person, Room KMC 2-80

Tuesdays and Thursdays 5 September to 12 December  
3pm-4.20pm

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### COURSE OVERVIEW

This course is designed to assist students in developing the knowledge, skills, and perspective they need to understand and address environmental and social challenges in business, so that as leaders they reduce risk, create competitive advantage, and develop innovative services, products, and processes, all while building value for society and protecting the planet.

Due to a rapidly changing global ecosystem, businesses are facing constraints on natural resources, a warmer climate, greater demands for transparency, and societal challenges related to growing inequity and focus on human rights. At the risk management level, leaders need to understand how these changing factors can impact their businesses, much as they do for civil conflict, financial panics, and political risk.

As is often the case, new risks create new opportunities: the business leaders who can manage such risks through effective innovation and collaboration will find solutions to these sustainability challenges that meet the needs of society while delivering returns to shareholders.

The format of the course is a combination of lecture and *discussion seminar*. Class sessions will span a variety of activities, including guest lecturers from the business community, discussion, role-playing, and other participatory exercises. These various activities will be designed and facilitated by the instructor in order to allow students to engage in reflective dialogue with each other. Given the rapidly evolving nature of this field in particular, we will also regularly warm up by discussing developing news stories and their implications for our work.

Course cases and readings will be posted on NYU Brightspace and students are expected to come to class ready to reflect upon their meaning with respect to the topics addressed in that class session. The course proceeds cumulatively so that all themes, cases and readings inform subsequent discussions.

### LEARNING OBJECTIVES

In this course, students will develop an effective leadership perspective through pursuit of the following *learning objectives*:



- 1) to become familiar with the key environmental and social issues affecting business today,
- 2) to understand the evolution of corporate responses, the history, current state, and emerging innovations
- 3) to develop some of the skills and become familiar with multi-stakeholder management, a key tool for leading in this new social and political environment
- 4) to explore the efficiencies and innovations being developed by corporate leaders in pursuit of sustainability
- 5) to explore developments and promising innovations in sustainable finance
- 6) to become familiar with the latest consumer insight research on sustainability
- 7) to explore emerging governance models and leading thinking on corporate political responsibility
- 7) be able to design an effective embedded sustainability strategy that will deliver competitive advantage.

In short, this course is multi-disciplinary, and seeks to integrate across the functions of the firm to arrive at an effective firm-wide leadership sensibility. Student group projects will enable them to act as management consultants and provide recommendations for developing and implementing a sustainability strategy for their chosen company.

#### **GRADING**

##### **Class Participation 30%**

Attendance in this course is mandatory. You will be graded on overall class participation, and we will have warm up discussion exercises every week on sustainability developments in the news. There are also a few assignments where I do not need to see anything in writing, but where I do expect you to prepare thoughts for live discussion. These are described in more detail below.

The policy on missed classes is as follows: The first two missed classes are excused, provided you submit notice for your absence for illness or otherwise. A third missed class will not be penalized if the student writes a short paper (2 pages, double-spaced) summarizing and analyzing the missed readings. After 3 missed classes, the overall participation grade for the course will be affected.

Every class will be recorded; recordings can be accessed in the NYU Brightspace portal, under the MediaSite tab on the menu on the left-hand side. Further details on participation grading can be found below.

### Group Projects 30%

During the course of the term, students will form groups, select from a list of companies, use these companies for exercises through each module and present a final management plan for how you think the company can be more strategic and impactful on sustainability. The list of companies is at the end of this syllabus, with a few more details, so you can decide what is of most interest to you.

- Meet with your group members regularly to discuss the relevance of each module's discussion to your company. We will also do live exercises in class to explore how the topic in question is treated by your company. At least 1 month before the final presentation is due, meet to plan and prepare your presentation.
- The presentation should be a PowerPoint, prepared by a team of management consultants for the C-suite of the company. **It can be no longer than 15 minutes and each team member needs to be part of the presentation.**

The class will provide feedback on your presentation, adding points they think you may have missed and explaining why they agree/disagree with your conclusions.

I will need all presentations to me over email by **Monday 4 December at 9pm.**

### Course Papers 40%

There will also be a few short written papers during the course of the term, more details in the syllabus below.

## SCHEDULE, READINGS AND ASSIGNMENTS

### Module 1: Introduction, History and Overview

This module introduces key themes and concepts from the course, and also grounds students in the history and current state of corporate sustainability strategy

Tuesday 5  
September

#### How are businesses approaching sustainability today and why?

- Introduction (pgs 1-24): [Net Positive: How Courageous Companies Thrive By Giving More Than They Take](#), Paul Polman and Andrew Winston, HBR Press, 2021
- TED Talk: [The Power of Purpose in Business](#) by Ashley Grice

Thursday 7  
September

#### Where are we, and how did we get here?

- McKinsey: [Does ESG Really Matter, and Why?](#), August 2022
- HBR: Creating Shared Value, Michael Porter 2011



- [Our Common Future](#), Chairman's Forward, 1987

**What's the problem we are trying to solve?**

Tuesday 12  
September

- NYT: ["CEOs are Qualified to Make Profits, Not Lead Society,"](#) by Gregory Mankiw, July 24, 2020
- HBR: "The Error at the Heart of Corporate Leadership, by Joseph L Bower and Lynn S Paine. May 2017
- NYT: "Timber Company Tells Town in California, Find Your Own Water" by Thomas Fuller

Plus **one** of the two following articles (to be assigned in class on 7 September):

- NYT: "The Extraordinary Science of Addiction to Junk Food" by Michael Moss
- NYT: "How the Twinkie Made The Superrich Even Richer" by Michael Corkery and Ben Protes

**Assignment:** Select which company you wish to work on for your group project by COB on Tuesday 12 September, so that groups can be finalized in Thursday's class. Survey to be emailed.

Thursday 14  
September

**Climate Change: Deep Dive**

- YouTube: ["Causes and Effects of Climate Change,"](#) National Geographic
- World Resources Institute: Sophie Boehm and Clea Schumer. ["10 Big Findings from the 2023 IPCC Report on Climate Change,"](#) March 2023.
- MBA Edge: ["Climate Change & Business: What Every MBA Needs to Know,"](#) 2021
- WSJ. ["How Much Carbon Comes from a Liter of Coke? Companies Grapple with Climate Change Math"](#) by Jean Eaglesham and Shane Shifflett

**Module 2: Understanding Materiality**

This module introduces materiality, a core concept in sustainability strategy, and starts to familiarize students with reporting frameworks and corporate strategy approaches.

Tuesday 19  
September

**Introduction to Reporting Standards**

There are global standards that define material environmental, social, and governance issues by industry, according to different philosophies. We will also discuss more recent regulatory developments and their implications.

**Readings:**

Material environmental, social, governance (ESG) issues by industry

- Sustainability Accounting Standards Board (SASB)
- Global Reporting Initiative (GRI)
- BSR: ["What Business Needs to Know about the EU Corporate Sustainability Reporting Directive"](#) Charlotte Bancilhon July 2022
- HBR: ["ESG Reports Aren't a Substitute for Real Sustainability,"](#) by Tensie

Whelan, 2022

Thursday 21  
September

### **Introduction to Corporations and Materiality**

In this class we will start to explore how corporations approach materiality, with an exercise using the company in your group project.

- NYU: "[Practitioners' Guide to Embedding Sustainability](#)," By Tensie Whelan and Chisara Ehiemere, March 2023. Pgs 1-22

Tuesday 26  
September

### **Introduction to Practical Stakeholder Engagement Tools and Real Life Examples**

- BSR: [Five Steps to Stakeholder Engagement](#)
- WSJ: "So Many Stakeholders. How do Companies Choose Who to Satisfy?"

In-class work on stakeholder mapping and analysis

### **Paper Due 9am, Thursday 28 September: Topic 1: UPS materiality reporting**

First, take the time to review material issues by industry on the SASB and GRI websites, before taking a close look at how UPS approaches these topics. UPS issues five separate reports to the guidelines of SASB, GRI and then to their own standards. Please write a 4-5 page response paper (12pt font, double spaced, Word format) articulating the differences between these reports.

Link to Reports: <https://about.ups.com/us/en/social-impact/reporting.html>

### **You must pick the GRI and SASB report and then a third report of your choosing.**

Given varying lengths, you can skim/peruse them as best you can to inform and guide answers to the following questions:

- Why do you think UPS issues a variety of reports? What do you think that suggests about its reporting strategy? What does it suggest about whether sustainability is embedded in their business strategy?
- Taken together, what do these reports tell you about UPS' sustainability priorities and impact? Where are they focusing on process (e.g. they have a climate policy) or performance impact (e.g. they reduced greenhouse gas emissions)
- Which reports and metrics do you find most compelling?
- Is there anything missing?
- What does this tell you about sustainability strategy overall?

### **Module 3: Stakeholder Mapping and Systems Thinking**

In this module we will explore what it means to think strategically about stakeholder impacts, corporate risks and opportunities, and use practical tools designed to help companies prioritize



Thursday 28 September	<b>Guest speaker</b>
Tuesday 3 October	<p><b>Exploring Systems Thinking</b></p> <ul style="list-style-type: none"> <li>• “Dancing with Systems,” Donella Meadows</li> </ul> <p>Live case study discussion on how to think systemically about corporate impact</p>
Thursday 5 October	<p><b>Materiality Team Presentations</b></p> <p>Assignment: Meet with your team to prepare and present in class</p>
Tuesday 10 October	<b>NO CLASS</b>
Thursday 12 October	<p><b>The Sustainable Development Goals: Pros and Cons for Corporate Strategy</b></p> <ul style="list-style-type: none"> <li>• UN Sustainable Development Goals – click on each goal to read the background behind it.</li> </ul> <p><b>Assignment:</b> Using the industry you have chosen for your group project, identify 1-2 SDGs of importance to that industry and how that industry can contribute to those SDGs, referring to the metrics in the UN SDG guidance. Come prepared to discuss.</p>
<p><b>Module 4: Supply Chains and Procurement</b></p> <p>In this module we will explore how corporations are approaching supply chain oversight, challenges with progress, and new developments</p>	
Tuesday 17 October	<p><b>Introduction to Supply Chains with guest speaker: Francesca Manta, BSR</b></p> <ul style="list-style-type: none"> <li>• Financial Times. “So You Think You Know Your Supply Chain?” by Sarah Murray, March 2023</li> </ul>
Thursday 19 October	<p><b>Challenges and Opportunities in Supply Chain Sustainability</b></p> <ul style="list-style-type: none"> <li>• GreenBiz: Terry F. Yosie. “A tectonic shift in supply chain governance,” May 2023</li> <li>• Washington Post: “Indigenous People are left Poor as Tech World Takes Lithium From Under their Feet” by Todd C. Frankel and Peter Whoriskey</li> <li>• IISD: Sara Elder, Vivek Voora, and Pierre Courtemanche. “<a href="#">Improving Visibility in Cotton Supply Chains to Achieve Transparency</a>,” February 2023</li> </ul> <p>We will discuss the IISD case study and review how your group company approaches/performs on supply chain oversight.</p>
<b>Module 5: Corporate Sustainability Strategy</b>	

To explore how companies manage and govern sustainability and learn to differentiate between risk, innovation opportunity and impact. To develop the business case and credible goals, and to explore what to do when single company action has limitations.

<p>Tuesday 24 October</p>	<p><b>How to (Really) be Strategic About Sustainability</b></p> <ul style="list-style-type: none"> <li>• BSR. “Redefining Sustainable Business: Management for a Rapidly Changing World”: please read the overview, executive summary and act section <a href="https://www.bsr.org/reports/BSR_Redefining_Sustainable_Business.pdf">https://www.bsr.org/reports/BSR_Redefining_Sustainable_Business.pdf</a></li> <li>• HBR: “The Evolving Role of Chief Sustainability Officers” by Robert Eccles and Alison Taylor, August 2023</li> <li>• Harvard Corp Gov Blog “<a href="#">What’s ESG Got to do With it?</a>”</li> </ul>
<p>Thursday 26 October</p>	<p>Guest speaker</p> <ul style="list-style-type: none"> <li>• HBR: “<a href="#">How to Talk to Your CFO About Sustainability</a>,” Tensie Whelan, Elyse Douglas. January 2021.</li> </ul>
<p>Tuesday 31 October</p>	<p><b>Hands on ROSI (Return on Sustainability Investment) Exercise in Class</b></p>
<p>Thursday 2 November</p>	<p><b>Goal Setting and Innovation, with Guest Speaker</b></p> <ul style="list-style-type: none"> <li>• BSR: Five Steps for Setting Bold Sustainability Goals <a href="https://www.bsr.org/en/our-insights/blog-view/five-tips-for-setting-bold-sustainability-goals-for-2020-and-beyond">https://www.bsr.org/en/our-insights/blog-view/five-tips-for-setting-bold-sustainability-goals-for-2020-and-beyond</a></li> <li>• BCG. Four Steps to Sustainable Business Model Innovation, 2021.</li> <li>• Sustainable Views: “<a href="#">Incentivizing ESG: What does it Really Take?</a>,” 2022</li> </ul>
<p>Tuesday 7 November</p>	<p><b>NO CLASS, ELECTION DAY</b></p>
<p>Thursday 9 November</p>	<p><b>Sustainability and Governance</b></p> <ul style="list-style-type: none"> <li>• MIT Sloan. “<a href="#">How Business Integrity can be a Strategic Response to Ethical Challenges</a>” by Daniel Malan, Alison Taylor, Anna Tunkel and Birgit Kurtz, July 2022</li> <li>• Quartz: “<a href="#">The Corporate Responsibility Façade is Finally Starting to Crumble</a>” by Alison Taylor, March 2020</li> <li>• Harvard Case Study: Governance and Sustainability at Nike PAGES 1-10 ONLY</li> <li>• The Guardian. “<a href="#">Nike lawsuit records allege culture of sexism, bullying and fear of retaliation</a>” by Edward Helmore December 2022</li> <li>• BBC: “<a href="#">Canada probes Nike, Dynasty Gold over Alleged Use of Uyghur Forced</a></li> </ul>



[Labor](#)" Chloe Kim July 2023

## Module 6: Sustainability and People: Exploring What Consumers and Employees Want

- Tuesday 14  
November
- Sustainability and Employees, with Guest Speaker Lorraine Wilson, Novata**
- HBR: "How Financial Accounting Screws Up HR," Peter Cappelli, 2023  
<https://hbr.org/2023/01/how-financial-accounting-screws-up-hr>
  - NYT: "How Did Walmart Get Cleaner Stores and Higher Sales?" by Neil Irwin
  - BCG: "Why is Diversity Lacking at the Top of Corporations," 2020.

- Thursday 16  
November
- Sustainability and Consumers**
- HBR: "[Research: How to Effectively Market Green Products](#)" by Tensie Whelan and Randi Kronthal-Sacco July 2023
- Assignment:** Survey 5 friends and family to determine their approach to purchasing of sustainable products. Survey questions to be provided. Be prepared to discuss findings in class. How do your interviews differ or support the research findings?

- Tuesday 21  
November
- Guest speaker and hands on exercise ON ZOOM**

- Thursday 23  
November
- NO CLASS, THANKSGIVING**

## Module 7: To understand the current state and likely future of ESG Investing

- Tuesday 28  
November
- Introduction to ESG Investing with Guest Speaker TBC**
- HBR: "[The Investor Revolution](#)" by Robert G. Eccles and Svetlana Klimenko. May-June 2019
  - Manning, T. CSB "[Financing Mechanisms to Support Sustainable Practices](#)" August 2021.

- Thursday 30  
November
- Exploring the ESG Backlash with Guest Speaker TBC**
- Harvard Corporate Governance Blog "[Turning Down the Heat on the ESG Debate: Separating Material Risk Disclosures from Salient Political Issues](#)," by Robert Eccles and Dan Crowley, 2022
  - Brookings: "[Gas, Guns and Governments: Financial Costs of Anti-ESG Policies](#)," 2022

- Financial Times: "[BlackRock Offers a Vote to Retail Investors in its Biggest ETF](#)" by Brooke Masters, July 2023

Tuesday 5  
December      **Strategy Group Presentations in Class**

Thursday 7  
December      **Strategy Group Presentations in Class**

Tuesday 12  
December      **Career Panel and Wrapping Up**

**Final paper: Due 19 December at 11pm Final Reflections**

Please submit a 5-7 page, double-spaced, paper.

Write guidance for a skeptical CEO, in a company and industry of your choosing, but not the same industry you chose for the group project. It is fine to write guidance for the CEO of a company you have worked for or work for. As part of your advice, explore what you have learnt from this class.

How would you go about making the case to this CEO that they should take sustainability seriously? What key evidence can you present?

What should this CEO prioritize in order to gain maximum competitive advantage?

Please anticipate their objections and provide evidence and arguments to counter them.

Please provide recommendations on next steps.

**COMPANIES FOR THE GROUP PROJECT**

Please select one of the following companies. I am hoping everyone can get their first or second choice!

**Uber Technologies Inc**

A well-known ride sharing company, listed on the New York Stock Exchange, and embroiled in a number of controversies over worker rights, political influence and carbon emissions.

**Victoria's Secret**



A lingerie brand which became an independent company in 2021, and has been subject to controversy over DEI issues. Other salient sustainability topics include sourcing and supply chain.

### **Medtronic**

A medical devices company, headquartered in Minnesota and listed in Ireland. Challenges include access, affordability and the environmental footprint of devices and operations.

### **Smurfit Kappa Packaging**

A paper and packaging company listed on the FTSE 100. Issues relate to the sustainability of its core product and emerging circular economy efforts.

### **Pernot Ricard**

Pernot Ricard is a French company, focused on wines and spirits. Issues relate to climate impacts, the agricultural supply chain, and consumer impacts.

### **Polaris**

Polaris makes utility and sport vehicles, including for the military, and is listed on NYSE. Issues relate to environmental impact, product and operational sustainability, and consumer demand.

### **Dole Foods**

Dole Foods is an Irish multinational food company, headquartered in Dublin. It's one of the world's largest producers of fruit and vegetables. Issues relate to packaging, environmental sustainability and worker rights on its farms, and previous controversies over corruption.

### **Spotify**

Spotify is a Swedish audio streaming and media services provider, listed on the NYSE. It is one of the largest music streaming service providers. Issues relate to DEI, renewable energy, and creator rights.

### **Teck Resources**

A junior mining company focused on copper, zinc and steelmaking, listed in New York, headquartered in Vancouver, with operations in Canada, Chile, Peru and the US. Issues relate to environmental sustainability, human rights and community relations.

### **Tullow Oil**

Tullow Oil is an independent oil and gas producer, listed on the London Stock Exchange. It has interests in over 30 production and exploration licenses in Africa and Latin America. Controversies relate to the emissions of its core product, human rights and political risk, and also how to support the energy transition in developing countries.

## NYU STERN POLICIES

Academic Integrity: Integrity is critical to the learning process and to all that we do here at NYU Stern. All students are expected to abide by the NYU Stern Student Code of Conduct. A student's responsibilities include, but are not limited to:

- A duty to acknowledge the work and efforts of others when submitting work as one's own. Ideas, data, direct quotations, paraphrasing, creative expression, or any other incorporation of the work of others must be clearly referenced.
- A duty to exercise the utmost integrity when preparing for and completing examinations, including an obligation to report any observed violations.

Grading Policies: At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have adopted a grading guideline for core courses with enrollments of more than 25 students in which approximately 35% of students will receive an "A" or "A-" grade. In core classes of less than 25 students, the instructor is at liberty to give whatever grades they think the students deserve, while maintaining rigorous academic standards. Please see [www.stern.nyu.edu/uc/codeofconduct](http://www.stern.nyu.edu/uc/codeofconduct) for more information.

Diversity and Inclusion: This course strives to support and cultivate diversity of thought, perspectives, and experiences. The intent is to present materials and activities that will challenge your current perspectives with a goal of understanding how others might see situations differently. By participating in this course, it is the expectation that everyone commits to making this an inclusive learning environment for all.

Students with Disabilities: Students whose class performance may be affected due to a disability should notify the professor early in the semester so that arrangements can be made, in consultation with the Henry and Lucy Moses Center for Students with Disabilities, to accommodate their needs. Please see [www.nyu.edu/csd](http://www.nyu.edu/csd) for more information.

## NYU Stern Course Policies

- Laptops, cell phones, smartphones, recorders, & other electronic devices may not be used in class unless advance permission is given by the instructor.



- Attendance is required. Absences will be excused only in the case of documented serious illness, family emergency, religious observance, or civic obligation. If you will miss class for religious observance or civic obligation, you must inform your instructor no later than the first week of class. Recruiting activities are not acceptable reasons for absence from class.
- Students are expected to arrive to class on time and stay to the end of the class period. Students may enter class late or leave class early only if given permission by the instructor and if it can be done without disrupting the class. (Note that instructors are not obliged to admit late students or readmit students who leave class or may choose to admit them only at specific times.)
- Late assignments will either not be accepted or will incur a grade penalty unless due to documented serious illness or family emergency. Instructors will make exceptions to this policy for reasons of religious observance or civic obligation only when the assignment cannot reasonably be completed prior to the due date and the student makes arrangements for late submission with the instructor in advance.

### RECOMMENDED BOOKS

Wirtenberg, J. (2014). *Building a culture for sustainability: People, planet, and profits in a new green economy*. Santa Barbara, CA: Praeger.

Williams, E. F. (2015). *Green giants: How smart companies turn sustainability into billion-dollar businesses*. AMACOM.

Browne, J., Nuttall, R., & Stadlen, T. (2015). *Connect: How companies succeed by engaging radically with society*. WH Allen.

Henderson, Rebecca. (2020). *Reimagining Capitalism in a World on Fire*. Penguin Business

Anderson, Elizabeth (2017). *Private Government: How Employers Rule our Lives (and Why We Don't Talk About It)*. Princeton University Press

Joly, Hubert (2021). *The Heart of Business*. Harvard Business Review Press.

Edmans, Alex (2020). *Grow the Pie: How Great Companies Deliver on Purpose and Profit*. Cambridge University Press

Sisodia, R., Sheth, J. N., & Wolfe, D. B. (2014). *Firms of endearment: How world-class companies profit from passion and purpose*. Pearson FT Press.

Mackey, J., & Sisodia, R. (2014). *Conscious capitalism: Liberating the heroic spirit of business*. Boston, MA: Harvard Business Review Press.

Polman, Paul and Winston, Andrew (2021). *Net Positive: How Courageous Companies Can Thrive by Giving More Than They Take*. Harvard Business Review Press

Stout, Lynn. (2012) *The Shareholder Value Myth*. Berrett-Koehler Publishers.

Meadows, D. H., & Wright, D. (2008). *Thinking in systems: A primer*. White River Junction, VT: Chelsea Green Pub.

Winston, Andrew S. *The Big Pivot: Radically Practical Strategies for a Hotter, Scarcer and More Open World*. Harvard Business Review Press. 2015

Zammit-Lucia, Joe (2022). *The New Political Capitalism: How Business and Societies Can Thrive in a Deeply Politicized World*. Bloomsbury Publishing



*Course Outline*

# Sustainable Finance: Innovation and Trends in Capital Markets

**FINC-GB.2360.30**

*(3.0 Credits)*

**Spring 2024**

Contact information:

Prof. Cristiano Zazzara  
Department of Finance  
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## Aims and Objectives

There is currently a deep rethinking of the purpose served by Companies and the birth of a genuine and expanding determination to place Finance at the service of the overarching long-term goals of Sustainable development. This issue becomes even more important in this period of economic and social uncertainty due to the COVID-19 pandemic.

Sustainability or Environmental, Social and Governance (ESG) factors are becoming relevant in getting greater insights into company risk and performance. Some of these factors include: climate change, carbon emissions, air and water pollution (E); labor standards, employee engagement, human rights, gender and diversity policies (S); board composition, executive compensation (G). The implications of these factors on companies' business models provide a new long-term perspective on the financial materiality of firms' sustainability dimensions. The challenges posed by the current COVID-19 pandemic are bringing to light the materiality of these non-financial factors, reinforcing the linkage between companies and their stakeholders (investors, employees, suppliers, communities, environment, and government).

In the past years, the number of companies reporting ESG information increased from fewer than 20 companies in the early 1990s to more than 13,000 in 2022.

Investors' interest in ESG data also grew rapidly. As of September 2022, the UN Principles for Responsible Investment (PRI) - launched in 2006, and committed to incorporating ESG issues into their investment analysis and practices - had about 5,200 signatories with total *Assets Under Management (AUM)* of about \$121 trillion.

In addition, a new ESG rating industry has emerged, with several external providers offering independent assessments of companies' sustainable risks based on data, analytics and judgmental factors.

Finally, Regulation is currently driving Investment Managers, Banks, Insurers, and Non-Financial Firms to invest in new capabilities to complying with ESG requirements.

The goal of the course is to analyze the interplay of Sustainability and Finance and the related new risks and opportunities. In fact, the intersection of ESG and Financial issues generates new risks over longer risk horizons, which should be factored into company valuation frameworks from fundamental analysis. This interplay will also take into account the current COVID-19 pandemic risk whose magnitude and systemic ramifications are unprecedented. However, understanding, measuring, and pricing these new sources of risk, and also assessing the related opportunities, presents challenges due to the wide breadth of ESG-related issues coupled with data limitations.

Examples on how ESG factors are incorporated into Investing, Lending and Insurance activities will be provided and discussed. A focus will also be given to ESG impact, via an



analysis of the UN Sustainable Development Goals (SDGs) that provide a sustainability framework for companies and investors. Finally, key Environmental, Social and Governance themes - *Climate Change, Water Risk, Gender Diversity and Corporate Governance* - will be analyzed in depth, highlighting the societal and financial impacts over longer term horizons.

In this exceptional context of a global pandemic outbreak, this course will provide future managers with the new business and analytical tools to understand how to create a sustainable business model in the long-run, and how to assess extra-financial risks impacting corporate and investment risk performances. COVID-19 now requires companies to move from theory to practice in incorporating societal factors into their business models. Tracking their response will be an important component of this Sustainable Finance course.

## Topics Covered

- The Relevance of Environmental, Social and Governance (ESG) Factors
- Pandemic Risks and implications on Financial Stability
- Market & Regulatory Trends
- How ESG Risk is measured
- Sustainable Investing (Equity, Bonds)
- ESG in Banking and Insurance Activities
- Integrated Financial & Sustainability Reporting
- Impact Investing and Sustainable Development Goals (SDGs)
- ESG and Credit Ratings
- Impact of Climate Change on Companies' Default Risk
- Water Risk and its financial impact
- Gender Diversity and Corporate Governance

## Reading Materials

There is no required text, due to the novelty of this topic. A basic knowledge of Finance, Risk Management, Accounting and Sustainable Finance would suffice to understand the links among these subjects.

The reading material for this course is based on the following combination of journal articles, working papers, industry analyses and regulatory reports (other references will be made available during classes):

- Bebachuk L. A. and Tallarita R. (2020), “*The Illusory Promise of Stakeholder Governance*”, Cornell Law Review, Volume, 106, 2020, pp. 91-178, February, [LINK](#)
- Chatterji A., D. Rodolphe D., Levine D., Touboul S. (2014), “*Do Ratings of Firms Converge? Implications for Managers, Investors and Strategy Researchers*”, Vol. 37, Issue 8, [Strategic Management Journal](#)
- CEPS and European Capital Markets Institute (2020), “*Derivatives in Sustainable Finance*”, September, [LINK](#)
- European Commission (2018), “*Action Plan: Financing Sustainable Growth*”, March, [LINK](#)
- Friede et al. (2015), “*ESG and financial performance, aggregated evidence from more than 2,000 empirical studies*”, [Journal of Sustainable Finance and Investment](#), 5:4, 210-233
- Friedman M. (1970), “*The Social Responsibility of Business is To Increase Its Profits*”, [The New York Times](#), September
- Giglio S., B.T. Kelly, J. Stroebe (2021), “*Climate Finance*”, [Annual Review of Financial Economics](#), Vol. 13, Issue 1, pages 15-36, November
- Global Sustainable Investment Alliance - GSIA (2021), “*Global Investment Review*”, March, [LINK](#)
- Khan M., Serafeim G., Yoon A. (2016), “*Corporate Sustainability: First Evidence on Materiality*”, Vol. 91, No. 6, [Accounting Review](#)
- PRI - Principle for Responsible Investment (2017), “*Shifting Perceptions: ESG, Credit Risk and Ratings - Part 1: The State of Play*”, July, [www.unpri.org](http://www.unpri.org)
- PRI - Principle for Responsible Investment (2018), “*Shifting Perceptions: ESG, Credit Risk and Ratings - Part 2: Exploring the disconnects*”, June, [www.unpri.org](http://www.unpri.org)
- PRI - Principle for Responsible Investment (2019), “*Shifting Perceptions: ESG, Credit Risk and Ratings - Part 3: From disconnects to action areas*”, January, [www.unpri.org](http://www.unpri.org)
- Schoenmaker D., Schramade W. (2019), “*Principles of Sustainable Finance*”, Oxford University Press





- Serafeim G., A. Amel-Zadem (2017), “*Why and How Investors Use ESG Information: Evidence from a Global Survey*”, Financial Analyst Journal, Vol. 74, Issue 3, pages 87-103
- S&P Global Ratings (2017), “*How Environmental And Climate Risks And Opportunities Factor Into Global Corporate Ratings - An Update*”, November
- S&P Global Ratings (2018a), “*How Social Risks and Opportunities Factor into Global Corporate Ratings*”, April
- S&P Global Ratings (2018b), “*How Management & Governance Risks And Opportunities Factor Into Global Corporate Ratings*”, November
- United Nations (2015), “*Transforming our world: the 2030 agenda for sustainable development*”, January, [LINK](#)
- Whelan T., U. Atz, T. Van Holt, and C. Clark (2020), “*ESG and Financial Performance: Uncovering the Relationship by Aggregating Evidence from 1,000 Plus Studies Published between 2015 – 2020*”, Center for Sustainable Business, NYU Stern School of Business, [LINK](#)
- World Bank (2021), “*The Convergence of Sovereign Environmental, Social and Governance Ratings*”, Policy Research Working Paper 2583, March, [LINK](#)

In addition to the above material, lecture slides will be provided for each class.

## Assessment

The grade for the course will be based on an intermediate assessment and a take-home final exam after the last session of the course that will determine 15% and 45% of the total grade respectively. There will also be 30% credit for class participation and bringing to the classroom discussion relevant themes from ongoing sustainability and financial risk issues at time of the course. The final 10% of the grade will be based on a project that will be carried by group of students with selected organizations (the list of companies will be posted on the course website after the 3<sup>rd</sup> session).

## Summary Outline

<b>Session</b> <i>(6:00 to 9:00 pm)</i>	<b>Topic</b>
<p>#1</p> <p><i>February 8, 2024</i></p>	<ul style="list-style-type: none"> <li>▪ The Evolution of Corporate Capitalism               <ul style="list-style-type: none"> <li>✓ Milton Friedman’s Doctrine</li> <li>✓ Rebalancing Corporate Priorities under Covid-19: From Shareholder to Stakeholder Value</li> <li>✓ Why Purpose &amp; Profit matter to Investors</li> </ul> </li> </ul>
<p>#2</p> <p><i>February 15, 2024</i></p>	<ul style="list-style-type: none"> <li>▪ Sustainable Finance               <ul style="list-style-type: none"> <li>✓ The Role of Capital in reaching ESG goals</li> <li>✓ ESG Factors across Asset Classes</li> <li>✓ ESG Derivatives</li> </ul> </li> </ul>
<p>#3</p> <p><i>February 22, 2024</i></p>	<ul style="list-style-type: none"> <li>▪ The Regulatory Landscape on Sustainability               <ul style="list-style-type: none"> <li>✓ EU and UK</li> <li>✓ USA</li> <li>✓ Emerging Markets</li> </ul> </li> </ul>
<p>#4</p> <p><i>February 29, 2024</i></p>	<ul style="list-style-type: none"> <li>▪ ESG Data and Analytics               <ul style="list-style-type: none"> <li>✓ Review of ESG Ratings Vendors</li> <li>✓ Key differences in ESG scoring methodologies</li> </ul> </li> </ul>
<p>#5</p> <p><i>March 7, 2024</i></p>	<ul style="list-style-type: none"> <li>▪ ESG Integration: Incorporating Sustainability factors into Equity and Credit Products               <ul style="list-style-type: none"> <li>✓ Active and Passive Investing</li> </ul> </li> </ul>
<p>#6</p> <p><i>March 14, 2024</i></p>	<ul style="list-style-type: none"> <li>▪ ESG in Lending and Insurance Activities               <ul style="list-style-type: none"> <li>✓ Material Factors and Potential Financial Impact</li> <li>✓ Stress Testing for Transition and Physical Risks</li> </ul> </li> </ul>
<p>#7</p> <p><i>March 28, 2024</i></p>	<ul style="list-style-type: none"> <li>▪ Integrated Financial and Sustainability Reporting               <ul style="list-style-type: none"> <li>✓ The Framework from IIRC</li> <li>✓ GRI Reporting Standards</li> <li>✓ The SASB’s Financial Materiality Approach</li> </ul> </li> </ul>



<p>#8 April 4, 2024</p>	<ul style="list-style-type: none"> <li>▪ ESG Impact Investing           <ul style="list-style-type: none"> <li>✓ The Role of the UN Sustainable Development Goals (SDGs)</li> <li>✓ How SDGs relate to Corporates and Investors</li> </ul> </li> </ul>
<p>#9 April 11, 2024</p>	<ul style="list-style-type: none"> <li>▪ ESG and Credit Ratings           <ul style="list-style-type: none"> <li>✓ How Environmental, Social, Governance factors are incorporated into External Ratings</li> <li>✓ <i>Case Studies</i></li> </ul> </li> </ul>
<p>#10 April 18, 2024</p>	<ul style="list-style-type: none"> <li>▪ Country and Sector view on Sustainability           <ul style="list-style-type: none"> <li>✓ ESG Factors and Sovereigns</li> <li>✓ Material Factors for some key sectors: Agriculture, Automotive, Oil &amp; Gas, Metal &amp; Mining, Food Retail, and Real Estate</li> </ul> </li> </ul>
<p>#11 April 25, 2024</p>	<ul style="list-style-type: none"> <li>▪ Thematic Focus (1) - Environmental Risks and their financial impact           <ul style="list-style-type: none"> <li>✓ Climate Change               <ul style="list-style-type: none"> <li>– Findings from the scientific community (IPCC report)</li> <li>– Physical and Transition Risks</li> <li>– <i>Case-Study: Energy Transition Scenarios and Credit Risk</i></li> </ul> </li> <li>✓ Water Risk around the world               <ul style="list-style-type: none"> <li>– Sectoral impact</li> <li>– <i>Case Studies</i></li> </ul> </li> </ul> </li> </ul>
<p>#12 May 2, 2024</p>	<ul style="list-style-type: none"> <li>▪ Thematic Focus (2) – Social &amp; Governance           <ul style="list-style-type: none"> <li>✓ Corporate Culture: The Business Dimension of Gender Diversity</li> <li>✓ Corporate Governance and Sustainability Strategy</li> <li>✓ The Response of Companies to COVID-19</li> </ul> </li> </ul>



MKTG-GB 2323: MARKETING AND SUSTAINABILITY  
Course Description and Syllabus  
Draft Version: August 19, 2022 – Subject to Change

Instructor:	Bryan Bollinger
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Phone:	212-998-0504
E-mail:	<a href="mailto:bryan.bollinger@stern.nyu.edu">bryan.bollinger@stern.nyu.edu</a>
Office Hours:	W 1:00-3:00 PM, or by appointment
Faculty Assistant:	Felicia Tam ( <a href="mailto:fyf205@stern.nyu.edu">fyf205@stern.nyu.edu</a> )
Teaching Assistant:	Steve Zhang ( <a href="mailto:sz1721@stern.nyu.edu">sz1721@stern.nyu.edu</a> ), Levin Zhu
Section:	MW 3:00 PM – 4:20 PM, Fall 2022, KMEC Room 2-70

## 1. Background and Objectives

The global economic system in 20th century had operated on a throughput take-make-waste model. As economic growth stretches global resources, however, consumers are becoming more and more conscious of the importance of sustainability practices.”

Marketing has a vital and unique role to play in creating a more sustainable society as most of consumers’ material needs and many of our psychological needs are met through marketing systems. Sustainable Marketing is the process of creating, communicating, and delivering value to customers in such a way that both environment and human capital are preserved or enhanced throughout.

This course aims to provide a broad range of tools and frameworks for understanding how business can interact with issues related to sustainability, taking a marketing perspective. In particular, we examine how traditional marketing strategies can be incorporated into and/or modified in domains in which sustainability is critical. By necessity, it is essential to not only account for the role of firms and customers, but of government, non-profit organizations, employees, and other stakeholders.

This course will draw upon cases, guest speakers, academic and industry research, and recent articles and events. The final course deliverable will be a marketing plan focused on a firm strategy that can increase the sustainability of the firm’s actions while also creating stakeholder value. This course counts towards both the Marketing and Business and Society concentrations.



## 2. Schedule Summary

Class	Topic	Date	Topic	Class Overview
<b><i>The Role of the Firm</i></b>				
1	1	W 9/7	Course Introduction	Lecture
2	2	M 9/12	Value through Sustainability	<b>Case: Unilever</b> , Lecture
3	3	W 9/14	Firm Incentives	Simulation: Fish Banks
4	4	M 9/19	Value for Stakeholders	<b>Speakers:</b> Frank Rue (AK Fish and Game) Anthony Mallott (Sealaska)
5	5	W 9/22	Corporate Activism	<b>Speaker:</b> Alison Taylor (NYU & Ethical Systems)
		M 9/26	<b>Rosh Hashanah – no class</b>	
6	6	W 9/28	Sustainable Marketing	Lecture
7	7	M 10/3	Firm Values	<b>Speaker:</b> Vincent Stanley (Patagonia)
8	8	W 10/5	STP & Marketing Plan Refresher	Lecture
		M 10/10	<b>Indigenous People’s Day - no class</b>	
9	9	W 10/12	Beyond Financial KPIs	<b>Case: Danone</b> , Lecture
<b><i>The Sustainable Consumer</i></b>				
10	10	M 10/17	Psychology of Sustainable Consumer Behavior	Lecture
11	11	W 10/19	Identity Signaling & Social Norms	Lecture
<b><i>4 Ps</i></b>				
12	12	M 10/24	Evaluating Sustainability	<b>Case (writeup due):</b> Shake Shack
13	13	W 10/26	Pricing	Lecture
14	14	M 10/31	Sustainable Products & Growth	<b>Speaker:</b> Randi Kronthal-Sacco (NYU)
15	15	W 11/2	Mainstream Appeal	<b>Case (writeup due):</b> Tesla
16	16	M 11/7	Marketing Sustainable Brands	<b>Speaker:</b> Craig Dubitsky (Colgate-Palmolive)
17	17	W 11/9	Technology & Platforms	Lecture
18	18	M 11/14	Impact Product Design	<b>Case:</b> Biolite <b>Speaker:</b> Jonathan Cedar (Biolite)
19	19	W 11/16	Selling Sustainable Products	<b>Case (writeup due):</b> Safeblend
<b><i>Distributional Impacts</i></b>				
20	20	M 11/21	Distributional Equity	Lecture/Discussion
21	21	W 11/23	<b>Thanksgiving – no class</b>	
22	22	M 11/28	Platforms & Waste	<b>Speaker:</b> Greg Lettieri (RTS)
23	23	W 11/30	Path to Net Zero	
<b><i>Wrap-up</i></b>				
23	23	M 12/5	Marketing Plans Presentations	
24		W 12/7	Marketing Plans Presentations	
25	24	M 12/12	Course Wrap-Up	

### 3. Materials:

- The website for this course will be NYU Classes. Most material will appear in either the folder entitled “Resources” or the one entitled “Assignments”.
- Digital course packets (required) with cases will be available on Brightspace.
- No textbook.
- Recommended books:
  - Polman, P. and Winston, A. (2021), *Net Positive*
  - B Barber, A. (2021), *Consumed: The Need for Collective Change: Colonialism, Climate Change, and Consumerism*.
  - Lejano, R. and Nero, S. (2020). *The Power of Narrative: Climate Skepticism and the Deconstruction of Science*
  - Bhattacharya, CB (2019). *Small Actions, Big Difference: Leveraging Corporate Sustainability to Drive Business and Societal Value.*
  - Lennox, M. and A. Chatterji (2018), *Can Business Save the Earth*
  - Apte, S. and J. Sheth (2016), *The Sustainability Edge*
  - Canty, Jeanine (2016). *Ecological and Social Healing*.
  - Williams, E. F. (2015), *Green Giants*
  - Keane, B. (2012), *Green is Good*
  - Ottman, J. (2011), *The New Rules of Green Marketing*
  - Hollender, J and Breen, B. (2010) *The Responsibility Revolution: How the Next Generation of Businesses Will Win*
  - Esty, D. and Winston, A. (2009), *Green to Gold*

### 4. Evaluation

The following table summarizes how your grades will be determined. The subsequent discussion elaborates upon each of these requirements.

Grading Element	Weight
Class Participation (Individual)	30%
Case Write-ups (Group)	30%
Marketing Plan (Individual)	40%

#### A. Participation

Participation and discussion are imperative to engender a collaborative learning environment in class. Without that participation, the learning experience is significantly degraded for all. Participation also enables you to develop the skills needed to present and defend your ideas. Participation skills are also invaluable in your career; those who are silent in meetings lose the opportunity to make a favorable impression and those who lead need to inspire others to their visions. As a result, participation points are reflected in the grading scheme.



When evaluating your contribution to case and class discussions, factors such as the following are considered:

- Is the comment accurate, reflecting case facts but not merely restating them?
- Does the comment add insight to our understanding of the problem situation?
- Is the comment timely and does it advance the comments recently made by others?
- Does the comment move the discussion along by yielding a new perspective?
- Does the comment reflect a concern for maintaining a constructive and comfortable classroom atmosphere?

The quality of your participation is a lot more important than the quantity. It is entirely possible that you can talk a lot and receive a low grade for class participation, for example, by taking the discussion off track, backtracking or substantially precluding other from the opportunity to participate. It is also important that you actively participate in your team discussions.

### **B. Cases**

Three cases will have a 2-3 page case writeup (single space, not including exhibits), addressing questions which are included in the syllabus. In some cases, there will be spreadsheet analyses required to address the case questions (e.g., break-even calculations, profitability analyses, income projections, etc.). These calculations should be included in your case writeup.

In addition to the case writeups, I will “cold call” questions in the case discussions. Cold calling means I will randomly select students at time to answer questions about the case. We will begin each case discussion with an executive summary. If called upon to provide this summary, you will need to provide a recommendation – consider the class the board of directors. The summary should cover the most relevant aspects of the case and provide support for your recommendation (relative to the alternatives). This task closely mimics common business practice – Steve Jobs famously engaged this tactic with marketing managers in the elevator at Apple. The class will then offer constructive feedback to help improve upon these summaries.

### **C. Simulations**

We will perform two simulations, one inside of class and one outside of class. In both simulations, you and your group will compete within a simulated marketplace with other groups in the class. These are not separately graded, but they will factor into participation.

### **D. Marketing Plan**

At the end of the term, each student will submit a marketing plan focused on a firm strategy that can increase the sustainability of the firm’s actions while also creating stakeholder value. Maximum length is 12 pages.

The marketing plan should include:

- The current state of the product, with regards to the 3 Cs (Customer, Company, and Competition).
- The market opportunity
- The proposed strategy
- What marketing mix (tactics) you will use (4 Ps)
- A projected income statement for your proposal
- The KPIs (key performance indicators) you will monitor to assess whether the goals are achieved. This should include KPIs related to both profit and sustainability objectives.

It is essential that you justify your strategy with data.

## 5. Detailed Schedule

**Class 1:** Course introduction

**Reading:**

- Friedman, M. (1970): "[The Social Responsibility of Business is to Increase its Profits](#)". The New York Times Magazine, September 13, 1970.
- Polman, P. (2014). "Business, society, and the future of capitalism". McKinsey Quarterly 2014(3): 170-175.
- Fink, L. (2022), "[Larry Fink's 2022 letter to CEOs](#)".

**Background:**

- Bhattacharya, CB (2019). *Small Actions, Big Difference: Leveraging Corporate Sustainability to Drive Business and Societal Value*. Introduction, Chapters 1-2.

**Class 2:** Creating Value through Sustainability

**Case (no writeup):**

- Lawrence, J., A. Rasche, and K. Kenny (2013). Sustainability as opportunity: Unilever's sustainable living plan. Hult Executive Series No. HLT327-13-1001EC.

**Discussion questions for:** *Sustainability as opportunity: Unilever's sustainable living plan*

1. What major challenges, trends, and societal issues is the company facing, particularly in emerging markets?
2. How did Unilever embed the Sustainable Living Plan into the organization? What do you think were critical success factors in integrating the Plan?



3. What are examples of Unilever's core competencies? How did Unilever build on them to develop a strategy for emerging markets?
4. Unilever has publicly linked its success as a company to both financial and non-financial indicators. Are the goals realistic? What is the benefit of setting and sharing such ambitious targets? What are the risks?
5. Unilever has taken the bold step of discontinuing quarterly earnings guidance to security analysts. Is this decision consistent with Unilever's Sustainable Living Plan? How risky is it? What might be some ways to align investors with long-term goals?

#### Background:

- Ioannou, Ioannis and George Serafeim (2019), "[Yes, Sustainability Can Be a Strategy](#)," *Harvard Business Review*.
- Bhattacharya, CB (2019). *Small Actions, Big Difference: Leveraging Corporate Sustainability to Drive Business and Societal Value*. Chapters 3-4.
- Eccles, Robert, Ioannis Ioannou, and George Serafeim (2014), "[The Impact of Corporate Sustainability on Organizational Processes and Performance](#)"
- Accenture Report (2009), "Sustainability and its Impact on the Corporate Agenda".
- FTSE Russell (2020), "[Smart Sustainability: 2020 global survey findings from asset owners](#)".
- Dorobantu, S., and K. Odziemkowska (2017). "[Valuing Stakeholder Governance: Property Rights, Community Mobilization, and Firm Value](#)"

#### Class 3: Firm Incentives

**Simulation:** Fish Banks: A Renewable Resource Management Situation.

- <https://mitsloan.mit.edu/LearningEdge/simulations/fishbanks/Pages/Video.aspx>
- **Before class:** Click "play simulation" and watch instructional video.

#### Class 4: Value for Stakeholders

**Speaker:** Frank Rue (former Alaska commissioner of Fish and Game)

Protecting rivers and salmon habitat has been a priority for Frank throughout his Alaska conservation career. Particularly notable among his early work with the Alaska Dept. of Natural Resources, Frank helped develop legislation establishing the Chilkat Bald Eagle Preserve. He was Habitat Director of Alaska Fish & Game under two governors, and Commissioner of that same agency under another. Frank has also worked and volunteered in the environmental non-profit sector. He adores his son-in-law.

**Speaker:** Anthony Mallott

Anthony guides the investment decisions that directly impact Sealaska's people, communities, and the natural environment, all while focusing on increasing profits and benefits for shareholders. He is also a passionate advocate for community and works closely with organizations and partners throughout the region to bring people together for the benefit of all Southeast Alaska. He is Tlingit, Eagle, Tsaagweidí (Killerwhale) Clan, as well as Koyukon Athabascan, Caribou Clan. His Tlingit name is Gunnuk'.

**Read:**

- <https://www.sealaska.com/businesses/>, (read through Sealaska's businesses a little)

**Watch:**

- <https://www.youtube.com/watch?v=6ZcccD3r9mY>, "Because We cherish You"

**Background:**

- Carothers, C. (2010). Tragedy of commodification: Displacements in Alutiiq fishing communities in the Gulf of Alaska.
- Sealaska 2021 Q4 Shareholder Newsletter

**Class 5: Corporate Activism**

**Speaker:** Alison Taylor (Executive Director, Ethical Systems)

Alison Taylor joined New York University Stern School of Business as Executive Director, Ethical Systems in December 2019. She has expertise in strategy, sustainability, political and social risk, culture and behavior, human rights, ethics and compliance, stakeholder engagement, ESG, and anti-corruption. She teaches professional responsibility and leadership to MBA and undergraduate students at NYU Stern. Before joining NYU Stern, Alison Taylor was a Managing Director at non-profit business network Business for Social Responsibility, and a Senior Managing Director at Control Risks.

**Readings:**

- Taylor, A. (2018). "[When CEOs Should Speak Up on Polarizing Issues](#)". *Harvard Business Review*
- Taylor, A (2021). "[So Many Stakeholders. How Do Companies Choose Who to Satisfy?](#)". *Wall Street Journal*.

**Background:**

- Taylor, A (2020). "The corporate responsibility facade is finally starting to crumble"
- Other Alison Taylor articles: <https://qz.com/author/alison-taylor/>



- Culotta, Aron, Jennifer Cutler, and Junzhe Zheng (2015) "[Finding Truth in Cause-Related Advertising: A Lexical Analysis of Brands' Health, Environment, and Social Justice Communications on Twitter](#)", *Journal of Values-Based Leadership*

## Class 6: The Role of Sustainable Marketing

### Reading:

- "The Consumer Study: From Marketing to Mattering," (2014) The UN Global Compact – Accenture CEO Study on Sustainability
- "[How Can Fashion Make Marketing More Sustainable](#)" (2020), Vogue Business.

### Listen:

- Conscious Chatter, Episode 4, "The Future of Fashion", Part 1, "Marketing" (first 32 min)
  - <https://consciouschatter.com/the-root>

### Background:

- Martin and Schouten (2014) "[The Answer is Sustainable Marketing, When the Question is: What Can We Do?](#)" *Recherche et Application en Marketing*
- Bhattacharya, CB (2019). *Small Actions, Big Difference: Leveraging Corporate Sustainability to Drive Business and Societal Value*. Chapters 3-4.
- Polman, P., and CB Bhattacharya (2016). "[Engaging employees to create a sustainable business](#)". *Stanford Social Innovation Review* 14(4): 34-39.
- Mookerjee, Y., Y. Cornil, and J Hoegg (2021). "[From Waste to Taste: How 'Ugly' Labels can Increase Purchase of Unattractive Produce](#)". *Journal of Marketing*, 85(3) 62-77.

## Class 7: Firm Values

**Speaker:** Vincent Stanley (Director, Patagonia Philosophy)

Vincent Stanley wrote *The Responsible Company* with Patagonia's founder, Yvon Chouinard, and has been with Patagonia on and off since its beginning in 1973, for many of those years in key executive roles as head of sales or marketing. More informally, he is Patagonia's long-time chief storyteller. Vincent helped develop the *Footprint Chronicles*, the company's interactive website that outlines the social and environmental impact of its products; the Common Threads Partnership; and Patagonia Books. He currently serves as the company's Director, Patagonia Philosophy, and is a visiting fellow at the Yale School of Management. He is also a poet whose work has appeared in *Best American Poetry*.

## Background:

- Casadesus-Masanell, Crooke, Reinhardt, and Vasishth (2009) "[Households' Willingness to Pay for "Green" Goods: Evidence from Patagonia's Introduction of Organic Cotton Sportswear](#)," *Journal of Economics & Management Strategy*
- Polman, P., and CB Bhattacharya (2016). "[Engaging employees to create a sustainable business](#)". *Stanford Social Innovation Review* 14(4): 34-39.

## Class 8: Marketing Plan Refresher

### Reading:

- Cohen, R. and G. Serafeim (2020), "[How to Measure a Company's Real Impact](#)," *Harvard Business Review*.
- Serafeim, G. (2020), "[Social-Impact Efforts That Create Real Value](#)," *Harvard Business Review*.

## Class 9: Non-financial KPIs

### Case (no writeup):

- Danone- Adopting Integrated Reporting Or Not (A & B)

### Readings:

- Hollender, J (2015). "Net Positive: The Future of Sustainable Business," *Stanford Social Innovation Review*.
- Cheral-Bonnemaison, C. et. al. (2021), "[Buying Into a More Sustainable Value Chain](#)." *McKinsey & Co.*
- Harvard Business School (2021): Testing Impact-Weighted Accounts by the Global Impact and Investment Stewardship Teams at BlackRock

## Background:

- [Open access](#) dataset of corporate environmental impact for ~13,000 firm-year observations.
- Downar et al (2021), "[The impact of carbon disclosure mandates on emissions and financial operating performance](#)", *Review of Accounting Studies*.
- Bhattacharya, CB (2019). *Small Actions, Big Difference: Leveraging Corporate Sustainability to Drive Business and Societal Value*. Chapters 6-7



## Class 10: Psychology of Sustainable Consumer Behavior

### Reading:

- [Selling Sustainability: Primer for Marketers](#)

### Watch:

- <https://films.economist.com/infashion/>, The True Cost of Fast Fashion
- Hasan Minaj "[The Ugly Truth of Fast Fashion](#)"

### Background:

- [Big Brands, Big Impact: A Marketer's Guide to Behavior Change](#)
- Camilleri, A. R., Larrick, R. P., Hossain, S., & Patino-Echeverri, D. (2019) "[Consumers underestimate the emissions associated with food but are aided by labels](#)" *Nature Climate Change*, 9(1), 53-58.
- Hainmueller, Jens, Michael J. Hiscox, and Sandra Sequeira (2015) "[Consumer Demand for Fair Trade: Evidence from a Multi-Store Field Experiment](#)," *Review of Economics and Statistics* 97, no. 2 (2015): 242-256.
- Houde (2019) "[How Consumers Respond to Environmental Certification and the Value of Energy Information](#)," working paper.
- Olson, E. L. (2013). "[It's not easy being green: the effects of attribute tradeoffs on green product preference and choice](#)". *Journal of the Academy of Marketing Science*, 41(2), 171-184.
- Paharia, N., Vohs, K. D., & Deshpandé, R. (2013) "[Sweatshop labor is wrong unless the shoes are cute: Cognition can both help and hurt moral motivated reasoning](#)"

## Class 11: Identity Signaling and Social Norms

### Reading:

- Evans, G (2020). "[What Marketers Can Learn From How SmartPower Has Leveraged Consumer Insight For Growth In The Sustainable Energy Market.](#)" *Forbes*.
- Frank, R. (2020) "[Behavioral Contagion Could Spread the Benefits of a Carbon Tax](#)", *The New York Times*.

### Background:

- [Solarize Guidebook](#)

- Bollinger et al. (2020), "Peer Effects in Residential Water Conservation- Evidence from Migration", *American Economic Journal: Economic Policy*.
- Goldstein, Cialdini and Griskevicius (2008) "A Room with a Viewpoint: Using Social Norms to Motivate Environmental Conservation in Hotels," *Journal of Consumer Research*
- Berman, J. Z., Levine, E. E., Barasch, A., & Small, D. A. (2015). "The Braggart's dilemma: On the social rewards and penalties of advertising prosocial behavior". *Journal of Marketing Research*, 52(1), 90-104.
- Dubé, J. P., Luo, X., & Fang, Z. (2017). "Self-signaling and prosocial behavior: A cause marketing experiment". *Marketing Science*.
- Sexton and Sexton (2014), "Conspicuous conservation: The Prius halo and willingness to pay for environmental bona fides". *Journal of Environmental Economics and Management*, 67(3), 303-317.
- Kraft-Todd et. al. (2018) "Credibility-Enhancing Displays Promote the Provision of Non-Normative Public Goods". *Nature*.
- White and Simpson (2013) "When Do (and Don't) Normative Appeals Influence Sustainable Consumer Behaviors?" *Journal of Marketing*.

## Class 12: Evaluating Sustainability

Case: Shake Shack

Case Questions:

TBD

## Class 13: Pricing Sustainable Products

Background:

- Tully and Winer (2014) "The Role of the Beneficiary in Willingness to Pay for Socially Responsible Products - A Meta-analysis", *Journal of Retailing*.
- Van Doorn and Verhoef (2011) "Willingness to Pay for Organic Products: Differences between Virtue and Vice Foods," *International Journal of Research in Marketing*
- Casadesus-Masanell, Crooke, Reinhardt, and Vasisht (2009) "Households' Willingness to Pay for "Green" Goods: Evidence from Patagonia's Introduction of Organic Cotton Sportswear," *Journal of Economics & Management Strategy*

## Class 14: Sustainable Products and Growth

Speaker: Randi Kronthal-Sacco, NYU



Randi Kronthal-Sacco (Stern '83) is a Senior Scholar of Marketing and Corporate Outreach at the NYU Stern Center for Sustainable Business. Ms. Kronthal-Sacco leads CSB's research in the areas of marketing and brands including the Sustainable Market Share Index™ and is responsible for corporate outreach.

**Reading:**

- GloabeScan (2021), *Global Consumer Insights Report*

**Background:**

- Kronthal-Sacco, Randi et al. (2019), ["Sustainable Purchasing Patterns and Consumer Responsiveness to Sustainability Marketing Messages"](#)
- Nielsen Report (2018), "Unpacking the Sustainability Landscape"

**Class 15: Beyond the Green Consumer**

**Case:** "Tesla Motors" (2014), HBS 9714413

**Reading:**

- Green Giants: Chapter 5, "Mainstream Appeal"

**Background:**

- Newman, Gorlin, and Dhar (2014) ["When Going Green Backfires: How Firm Intentions Shape the Evaluation of Socially Beneficial Product Enhancements,"](#) *Journal of Consumer Research*
- Bollinger B., Gillingham G., and Ovaere M. (2020), "Field Experimental Evidence Shows that Self-Interest Attracts More Sunlight", *PNAS*.

**Case questions:**

1. What value does a Tesla create for its customers?
2. What do you think of Tesla's entry strategy? Did it place Tesla at a competitive advantage or disadvantage? Can you justify its pricing strategy? Channel strategy?
3. Do you think the "secret" plan to launch a mass-production EV was actually a plan or ex-post rationalization? How were entry barriers overcome?

**Class 16: Marketing Sustainable Brands**

**Speaker:** Craig Dubitsky, Colgate-Palmolive

While he continues to lead the charge as Friendly Founder and Chief Creative Officer at hello, Craig Dubitsky will also serve as Colgate's Chief Innovation Strategist. He is a lifelong entrepreneur, design-obsessive, and polite questioner of just about everything. His goal is to unleash further technical, aesthetic, cultural and emotional innovation across Colgate's incredible global (200+ countries!) portfolio of brands.

**Reading:**

- De Smet, A. et. al. (2020), "[Organizing for sustainability success: Where, and how, leaders can start](#)", McKinsey & Co.
- Trudel, R., & Cotte, J. (2009). "[Does it pay to be good?](#)". *MIT Sloan Management Review*.

**Background:**

- Sneader, K. et. al. (2020), "How CEOs and Boards Drive Sustained Value Creation." *McKinsey & Co.*

**Class 17: Technology and Platforms**

**Background:**

- [What's a Good Mentor Worth?](#)
- Bollinger, B. and Wesley Hartmann (2020), "[Information versus Automation and Implications for Dynamic Pricing](#)", *Management Science*

**Class 18: Impact Product Design**

**Speaker Panel:** Jonathan Cedar (BioLite)

Jonathan Cedar is CEO and co-founder of BioLite, a social enterprise that develops and manufactures clean, affordable energy systems for off-grid communities around the world. BioLite funds market establishment costs in emerging markets by reinvesting revenue from product sales in US and European recreational markets. In 2011, Business Week named Jonathan one America's Top Social Entrepreneurs, and together with BioLite has won the 2012 Tech Awards, 2014 and 2012 Fast Company Innovation By Design Awards, and 2011 St. Andrews Prize for the Environment.

**Reading:**



- Vinoski, J. (2021). "BioLite's Camping Business Finances Its Clean Cookstoves for The Developing World", *Forbes*

**Watch:**

- Biolite cookstove demonstration: <https://youtu.be/kAK-TMPENHY>

**Class 19: Selling Sustainable Products**

**Case:** "Safeblend Fracturing" (2014), HBS 9914513

**Case questions:**

1. Customer: Who are Safe Blend (SB)'s key customers? How do they make purchase decisions? Who makes the purchase decisions and how? What are their purchasing capabilities and processes?
2. Competitor: Who are SB's key competitors and how does this change over time?
3. Company:
  - a. What is the internal organization of SB and is it well aligned with the needs and organization of its customers?
  - b. Why did SB develop the green fracturing additive and what are the implications for the company? How should they be organized for product development.
  - c. Using a spreadsheet analysis, determine the break even price for SBs fluid in 2012 for BNG.
4. Promotion: How did SB's selling process change over time? Was the selling strategy a good one or should they have taken a different approach?
5. Price: What was SBs pricing strategy in the past? What price should SB charge BNG going into 2012?

**Class 20: Distributional Impact**

**Reading:**

- Plumer, B. and Popovich, N. (2020). "[How Decades of Racist Housing Policy Left Neighborhoods Sweltering.](#)" *The New York Times*.

**Background:**

- [Global heating: Study shows impact of 'climate racism' in US](#)
- McKinsey Global Institute (2020), "McKinsey on Climate Change"
- Makov, T., Newman, G. E., & Zauberman, G. (2020). "[Inconsistent allocations of harms versus benefits may exacerbate environmental inequality](#)". *Proceedings of the National Academy of Sciences*
- Gillingham, K., & Huang, P. (2021). "Air Pollution, Health, and Racial Disparities- Evidence from Ports".
- ASBC Report (2020), "[Creating an Economic System that Works for All](#)"
- Chojnacki et al (2017), "A Data Science Approach to Understanding Residential Water Contamination in Flint", KDD Applied Data Science Paper.
- CGAP Case Study (2019), "Fintechs and Financial Inclusion: Lessons Learned"
- Kwate, N. O. A., Loh, J. M., White, K., & Saldana, N. (2013). "Retail redlining in New York City: Racialized access to day-to-day retail resources." *Journal of Urban Health*.

## Class 21: Platforms & Waste

**Speaker:** Greg Letteri, founder & CEO, Recycle Track Systems

Greg Lettieri is the co-founder of Recycle Track Systems (RTS). Headquartered in New York, RTS services commercial businesses and communities throughout the US, including high profile clients like Whole Foods Market, Nationals Park, Soul Cycle and Barclays Center. RTS offers up environmentally focused waste removal and recycling by connecting its clients with independent haulers. Its major selling point, however, takes a page out of Uber's driving manual, using technology that tracks trash from pickup to drop-off.

## Class 22: Path to Net Zero

**Reading:**

- McKinsey Global Institute (2022), "The Net Zero Transition", executive summary.
- Check out Forum for the Future:  
[https://www.forumforthefuture.org/?gclid=Cj0KCQjw\\_dWGBhDAARIsAMcYuJyAspj8E0G\\_EpHziW7YEq8Rfmi-XiEIFMIhneyRNlcYVsKD4ohz820aArj3EALw\\_wcB](https://www.forumforthefuture.org/?gclid=Cj0KCQjw_dWGBhDAARIsAMcYuJyAspj8E0G_EpHziW7YEq8Rfmi-XiEIFMIhneyRNlcYVsKD4ohz820aArj3EALw_wcB)

**Background:**

- McKinsey Global Institute (2022), "The Net Zero Transition", full report.
- McKinsey Report (2021), "A framework for leaders to solve the net-zero equation"
- McKinsey Report (2021), "Our future lives and livelihoods: Sustainable and inclusive and growing"



- McKinsey Sustainability (2021), "Protecting people from a changing climate: The case for resilience"
- McKinsey Global Institute (2022), "Climate Risk and Response in Asia"

### Class 23-24: Marketing Plan Sharing

Each person will give a very short, informal presentation about their idea (no slides are necessary).

### Class 25: Course Wrap-Up

## 6. NYU Stern Policies

### Academic Integrity

Integrity is critical to the learning process and to all that we do here at NYU Stern. All students are expected to abide by the NYU Stern Student Code of Conduct. A student's responsibilities include, but are not limited to:

- A duty to acknowledge the work and efforts of others when submitting work as one's own. Ideas, data, direct quotations, paraphrasing, creative expression, or any other incorporation of the work of others must be clearly referenced.
- A duty to exercise the utmost integrity when preparing for and completing examinations, including an obligation to report any observed violations.

Please see [www.stern.nyu.edu/uc/codeofconduct](http://www.stern.nyu.edu/uc/codeofconduct) for more information.

### Grading Policies

At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have adopted a grading guideline for core courses with enrollments of more than 25 students in which no more than 35% of students will receive an "A" or "A-" grade. In core classes of less than 25 students, the instructor is at liberty to give whatever grades they think the students deserve, while maintaining rigorous academic standards.

### Course Policies

- Laptops, cell phones, smartphones, recorders, & other electronic devices may not be used in class unless advance permission is given by the instructor.
- Attendance is required. Absences will be excused only in the case of documented serious illness, family emergency, religious observance, or civic obligation. If you will miss class

for religious observance or civic obligation, you must inform your instructor no later than the first week of class. Recruiting activities are not acceptable reasons for absence from class.

- Students are expected to arrive to class on time and stay to the end of the class period. Students may enter class late or leave class early only if given permission by the instructor and if it can be done without disrupting the class. (Note that instructors are not obliged to admit late students or readmit students who leave class or may choose to admit them only at specific times.)
- Late assignments will either not be accepted or will incur a grade penalty unless due to documented serious illness or family emergency. Instructors will make exceptions to this policy for reasons of religious observance or civic obligation only when the assignment cannot reasonably be completed prior to the due date and the student makes arrangements for late submission with the instructor in advance.

### COVID-10 Policies:

The University has put out an official [Policy on Requirements Related to Access to NYU Buildings and Campus Grounds Resulting from the COVID-19 Pandemic](#). This policy states “All Members of the NYU Community are required to wear face coverings at all times while in NYU Buildings and on Campus Grounds” (with a few exceptions).

There are also slight revisions to the [University Student Conduct Policy](#), including expanding the definition of disorderly conduct to include “Failure to abide by the [Requirements Related to Access to NYU Buildings and Campus Grounds Resulting from the COVID-19 Pandemic](#), or any related governmental orders issued concerning public health.”

If you test positive, experience COVID-19 symptoms, or were in close contact with someone who tested for COVID-19 in the past ten days, please report it at: [https://nyu.qualtrics.com/jfe/form/SV\\_bCvIk6DpqWeFsJT](https://nyu.qualtrics.com/jfe/form/SV_bCvIk6DpqWeFsJT). The COVID-19 Prevention & Response Team will reach out to you within 48 hours or less.

The most recent Stern policies can be found at: <https://www.stern.nyu.edu/experience-stern/stern-returns>.

### Student Accessibility

If you will require academic accommodation of any kind during this course, you must notify me at the beginning of the course (or as soon as your need arises) and provide a letter from the Moses Center for Student Accessibility (212-998-4980, [mosescsa@nyu.edu](mailto:mosescsa@nyu.edu)) verifying your registration and outlining the accommodations they recommend. For more information, visit the CSA website: <https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

### Student Wellness



Classes can get stressful. I encourage you to reach out if you need help. The NYU Wellness Exchange offers mental health support. You can reach them 24/7 at [212 443 9999](tel:2124439999), or via the “NYU Wellness Exchange” app. There are also drop in hours and appointments. Find out more at: <http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

### Name Pronunciation and Pronouns

NYU Stern students now have the ability to include their pronouns and name pronunciation in Albert. I encourage you to share your name pronunciation and pronouns this way. Please utilize this link for additional information: [Pronouns & Name Pronunciation](#)

### Religious Observances and Other Absences

NYU’s [Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. You must notify me in advance of religious holidays or observances that might coincide with exams, assignments, or class times to schedule mutually acceptable alternatives. Students may also contact [religiousaccommodations@nyu.edu](mailto:religiousaccommodations@nyu.edu) for assistance.

NYU Stern is committed to ensuring an equitable educational experience for all students regardless of identity or circumstances and strives to recognize the obligations its students have outside of Stern. Please review all class dates at the start of the semester and review all course requirements to identify any foreseeable conflicts with exams, course assignments, projects, or other items required for participation and attendance. If you are aware of a potential conflict, please contact me as soon as possible to discuss any potential conflicts to determine whether/how they can be accommodated.

### Inclusion Statement

This course strives to support and cultivate diversity of thought, perspectives, and experiences. The intent is to present materials and activities that will challenge your current perspectives with a goal of understanding how others might see situations differently. By participating in this course, it is the expectation that everyone commits to making this an inclusive learning environment for all.