



Sustainability and Accounting Research

Turku School of Economics, University of Turku, Turku
Fall 2024: September 23–27, 2024

Target Audience

Ph.D. students interested in the evolution of sustainability accounting research and archival research designs that address relevant and important uncharted topics. The course is particularly suited for Ph. D. students interested in topics for thesis research in accounting and sustainability.

Structure

Each session will require preparation (pre-reading three-five papers), student participation (discussion of the strengths and weaknesses of the papers), and vigorous debate with the instructor on research quality, impact, and potential follow-up open research questions. Papers will be preassigned to students for critique and discussion (or to student groups depending on enrollment).

Performance and grading

Successful completion of the course is based on effective preparation, participation, and the presentation of a written research pitch on a sustainability and accounting topic on Day 5 that meets the Faff guidelines <https://onlinelibrary.wiley.com/doi/10.1111/acfi.12116> (designed to outline a compelling and succinct argument for a research idea). Students will receive six ECTS by fulfilling the course requirements, assessed on the basis of preparation, presentation of a written research pitch, and active participation. No grades are given in the assessment (pass/fail).

Prerequisites and Admittance

Admittance is based on KATAJA's general guidelines. A maximum of 25 students will be admitted to the course. There is no course fee. Students are responsible for their travel expenses, accommodation, and meals.

Application

The application deadline is **August 24, 2024**, and students will be notified of their acceptance within a few days after the registration deadline. The application (when accepted) is binding. In case you have to cancel, please inform us immediately.

Course application form:

Name:

Degree:

Contact address:

Email:

University:

Department:

Discipline/Major:

Year when and where officially accepted as a doctoral student:

Research field/ Subject of the thesis:

The phase of doctoral studies:

Motives for participating in the course:

Please send your application (curriculum vitae and application form) to course coordinator Hannu Schadewitz in one pdf document with the file name `firstname_lastname_sar2024_application`.
<https://www.utu.fi/en/people/hannu-schadewitz> Email: hannu.schadewitz@utu.fi



Instructor Paul A. Griffin, Emeritus Distinguished Professor, University of California, Davis.
<https://gsm.ucdavis.edu/profile/paul-griffin> Email: pagriffin@ucdavis.edu

Course assistant/tutor Dr. Anila Kiran, Turku School of Economics, University of Turku.
<https://www.utu.fi/en/people/anila-kiran> E-Mail: anila.kiran@utu.fi

Griffin has published over 80 articles in leading accounting and finance journals, five research monographs for the Financial Accounting Standards Board, and two case books on U.S. corporate financial reporting. His research has had a substantial impact on the profession and policy.
<https://scholar.google.com/citations?user=KdBC-hoAAAAJ&hl=en>

Format. Each of the five days will entail six periods of approximately 40-45 minutes per period: Mornings are 10:00 am–12:30 pm; Afternoons are 2:00–4:30 pm.

- Day 1a&b. Introduction; Historical perspective; Flow of knowledge analysis. Griffin and Sun (2024); Christensen et al. (2021); Giglio et al. (2021); Hunt and Watkiss (2011); Monasterolo (2020); Soderstrom et al. (2017); Weinhofer and Busch (2013).

- Day 2a. Climate transition risk: Emissions valuation; Sustainability disclosure; GHGRP studies; Griffin et al. (2017); Matsumura et al. (2014); Griffin et al. (2021). Emissions disclosure and Carbon Fintech (Pitchbook). Scope 1, 2 & 3 studies. Bolton and Kacperczyk (2021); Griffin and Sun (2023).

- Day 2b. CSR disclosure outcomes: Financial asset market prices, analysts' forecasts, crash risk (Kim et al., 2014); CSR performance; Disclosure policy and regulation (ISSB_S1, 2023; ISSB_S2, 2023; SEC, 2024). Free speech law (Griffin et al., 2024a); Unburnable carbon (Griffin et al., 2015).

- Day 3a. Climate physical risk: Environmental events and weather; Raw data analysis; Extreme weather studies (Addoum et al., 2020; Griffin et al., 2019; Griffin et al., 2024b; Pankratz et al., 2023).

- Day 3b. Raw data analysis: (i) Have the distributions of wind, rain, temperature, convection, and snow events in New Zealand changed on a decadal basis? (Griffin et al., 2024c). (ii) Using shape files to study economic and climate change geography. Fraction of attributable risk analysis (Pidcock and McSweeney, 2022).

- Day 4a. DiD designs. Identification and causation (Baker et al., 2022; Kahn and Whited, 2017); Raw data analysis. Conduct a two-way fixed effects difference-in-difference TWFE DiD analysis.

- Day 4b. Impacts on firm decision making. (Bartram et al., 2022; Christensen et al., 2017; Cohen et al., 2023; Downar et al., 2021). Shareholder vs. stakeholder outcomes (Bebchuk and Tallarita, 2023; Göttsche et al., 2024; Griffin and Jaffe, 2022).

- Day 5a. Presentation and evaluation of research pitches.

- Day 5b. Materiality research and sustainability litigation (Griffin and Jaffe, 2018). What are the impacts of sustainability and accounting research on climate change litigation outcomes? (<https://climatecasechart.com/>); Eli Bartov in <https://climatecasechart.com/case/people-v-exxon-mobil-corporation/>; Climate change science vs. climate change economics (Noy, 2023); Climate change science vs. advocacy (Büntgen, 2024). Course wrap-up.



Partial reading list¹

- Addoum, J, Ng, D, Ortiz-Bobea, A. Temperature shocks and establishment sales. *The Review of Financial Studies* 2020;33;1331-1366.
- Baker, AC, Larcker, DF, Wang, CCY. How much should we trust staggered difference-in-differences estimates? *Journal of Financial Economics* 2022;144;370-395.
- Bartram, SM, Hou, K, Kim, S. Real effects of climate policy: Financial constraints and spillovers. *Journal of Financial Economics* 2022;143;668-696.
- Bebchuk, LA, Tallarita, R. The Perils and Questionable Promise of ESG-Based Compensation. *Journal of Corporation Law* 2023;48;37-75.
- Bolton, P, Kacperczyk, M. Do investors care about carbon risk? *Journal of Financial Economics* 2021;142;517-549.
- Büntgen, U. The importance of distinguishing climate science from climate activism. *npj Climate Action* 2024;3;36.
- Christensen, HB, Floyd, E, Liu, LY, Maffett, M. The real effects of mandated information on social responsibility in financial reports: Evidence from mine-safety records. *Journal of Accounting and Economics* 2017;64;284-304.
- Christensen, HB, Hail, L, Leuz, C. Mandatory CSR and sustainability reporting: economic analysis and literature review. *Review of Accounting Studies* 2021;26;1176-1248.
- Cohen, S, Kadach, I, Ormazabal, G, Reichelstein, S. Executive Compensation Tied to ESG Performance: International Evidence. *Journal of Accounting Research* 2023;61;805-853.
- Downar, B, Ernstberger, J, Reichelstein, S, Schwenen, S, Zaklan, A. The impact of carbon disclosure mandates on emissions and financial operating performance. *Review of Accounting Studies* 2021;26;1137-1175.
- Giglio, S, Kelly, B, Stroebel, J. Climate Finance. *Annual Review of Financial Economics* 2021;13;15-36.
- Göttsche, M, Griffin, PA, Habermann, F, Schiemann, F, Spandel, T. Materiality as a Double-Edged Sword: Real Effects of SASB Sustainability Topics. *Revise and Resubmit. Review of Accounting Studies*. 2024.
- Griffin, P, Hong, H, Jung, B, Moon, K, Ryou, I. Does Free Speech Law Contribute to Voluntary Corporate Social Responsibility Disclosure? Empirical Evidence. *Research paper*. January. 2024a.
- Griffin, P, Lont, D, Lubberink, M. Extreme high surface temperature events and equity-related physical climate risk. *Weather and Climate Extremes* 2019;26;100220.
- Griffin, PA, Jaffe, AM. Are Fossil Fuel Firms Informing Investors Well Enough About the Risks of Climate Change? *Journal of Energy & Natural Resources Law* 2018;36;381-410.
- Griffin, PA, Jaffe, AM. Challenges for a climate risk disclosure mandate. *Nature Energy* 2022;7;2-4.
- Griffin, PA, Jaffe, AM, Lont, DH, Dominguez-Faus, R. Science and the stock market: Investors' recognition of unburnable carbon. *Energy Economics* 2015;52;1-12.
- Griffin, PA, Lont, DH, Lubberink, M. The effects of extreme high temperature spells on financial performance. *The British Accounting Review* 2024b;101383.
- Griffin, PA, Lont, DH, Pomare, C. The curious case of Canadian corporate emissions valuation. *The British Accounting Review* 2021;53;100922.
- Griffin, PA, Lont, DH, Sun, EY. The Relevance to Investors of Greenhouse Gas Emission Disclosures. *Contemporary Accounting Research* 2017;34;1265-1297.
- Griffin, PA, Lubberink, M, Stannard, T. Extreme Weather Events in New Zealand: Financial Market-Related Impacts. *Unpublished research paper, University of California, Davis*. 2024c.
- Griffin, PA, Sun, EY. The Conundrum of Scope 3 Emissions for Corporate Reporting. *Accountability in a Sustainable World Quarterly* 2023;1;61-75.

¹ More articles will be added. All articles and datasets for analysis will be available for download from the course web site (to be set up on Google Drive).



- Griffin, PA, Sun, EY. Climate-Related Financial Risk: Insights from a Semisystematic Review of the Literature and Implications for Financial Reporting. *The International Journal of Accounting* 2024;2450007.
- Hunt, A, Watkiss, P. Climate change impacts and adaptation in cities: a review of the literature. *Climatic Change* 2011;104;13-49.
- ISSB_S1. General requirements for disclosure of sustainability-related financial information. IFRS sustainability disclosure standard. <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/> June 26th. 2023.
- ISSB_S2. Climate-related disclosures. IFRS sustainability disclosure standard. <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/> June 26th. 2023.
- Kahn, R, Whited, TM. Identification Is Not Causality, and Vice Versa. *The Review of Corporate Finance Studies* 2017;7;1-21.
- Kim, Y, Li, H, Li, S. Corporate social responsibility and stock price crash risk. *Journal of Banking & Finance* 2014;43;1-13.
- Matsumura, EM, Prakash, R, Vera-Muñoz, SC. Firm-Value Effects of Carbon Emissions and Carbon Disclosures. *The Accounting Review* 2014;89;695-724.
- Monasterolo, I. Climate Change and the Financial System. *Annual Review of Resource Economics* 2020;12;299-320.
- Noy, I. Economists are not engaged enough with the IPCC. *npj Climate Action* 2023;2;33.
- Pankratz, NMC, Bauer, R, Derwall, J. Climate change, firm performance, and investor surprises. *Management Science* 2023;69.
- Pidcock, R, McSweeney, R. *How climate change affects extreme weather around the world*. Carbon Brief. August 4th. <https://www.carbonbrief.org/mapped-how-climate-change-affects-extreme-weather-around-the-world/>. 2022.
- SEC. Final Rule. *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. Release Nos. 33-11275; 34-99678; File No. S7-10-22. Securities and Exchange Commission, Washington, DC. March 6th. 2024.
- Soderstrom, KM, Soderstrom, NS, Stewart, CR 2017. Sustainability/CSR Research in Management Accounting: A Review of the Literature, *Advances in Management Accounting*. Emerald Publishing Limited; 2017.
- Weinhofer, G, Busch, T. Corporate Strategies for Managing Climate Risks. *Business Strategy and the Environment* 2013;22;121-144.