



ESG UNIVERSITY

Sustainable Capitalism for Directors

Course Syllabus

April 2024 Cohort

Presented by

Berkeley Law

Executive Education

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Course Description

In a world where addressing social and environmental issues is no longer optional, ESG University cuts through the complexity. Designed for board directors and senior corporate, government, and civil society practitioners, the course provides clear, actionable strategies for integrating proven Environmental, Social, and Governance (ESG) and stakeholder theory considerations into business and investment practices. Through a blend of targeted lectures, case studies, curated readings, and insights from thought leaders, we equip you with the tools to lead your organization into the future of sustainable capitalism. Join us to navigate the essentials of ESG and transform these principles into a competitive advantage for your organization.

Learning Outcomes

In this course, we will:

- Compare the evolution of corporate social responsibility (CSR), environmental, social and governance (ESG), and long-term sustainability as they are practiced;
- Analyze sustainability from a systems perspective and understand the tailwinds shaping the sustainability agenda;
- Debate the role of government versus business in addressing the rising demands of employees, customers, investors, and the environment;
- Identify the various corporate stakeholders and their priorities for a more sustainable capitalism while balancing the need for short-term profits;
- Understand the priorities of civil society actors shaping regulation and shifting business norms for more sustainable outcomes;
- Debate the best strategies for overcoming crises and obtaining more sustainable results with regard to supply chains, governance, reputational harms, antitrust, and labor relations;
- Analyze best practices for tapping into the opportunities inherent in adapting business models for long-term profits;
- Detail the steps companies are taking to go beyond disclosures and ESG in order to fulfill sustainability goals; and
- Examine the global regulatory movement in sustainability.

Thank you for taking this course at such an important time.

Class Format

The class is designed to be completed in roughly 10-12 weeks based on 1-2 hours of study per week and includes approximately 5 hours of recorded lectures and video, and 12-15 hours of graded quizzes, readings, and optional live office hours and discussion forums – all delivered online. It is largely asynchronous, which means that you are not required to participate at the same time and place as other participants in the class.

Participants are encouraged to complete the required content according to the suggested weekly schedule. You choose what time of day you are “in class.” We recommend setting a daily or weekly “class/study time” that fits your schedule and adhering to it during the course.

During the course, we have scheduled office hours with the ESG University team to provide opportunities for “live” discussions with them and your classmates that occur at scheduled times. These will vary, but most will be held on Thursdays at 10:00 AM Pacific Time.

Instructor Office Hours And Communication

Four office hours will be held during the course access period on Thursdays at 9:00 AM Pacific Time, via Zoom. The exact dates and the Zoom link will be provided on the Canvas course platform.

The office hours are designed to be similar to the experience you would have if you were a student on campus and will include participants in both tracks of ESG University (Sustainable Capitalism in Practice *and* Sustainable Capitalism for Directors). You can attend and ask questions you may have about the course, the materials, or the lectures; however, to be respectful of our instructors’ time, we will send a weekly reminder of office hours and request participants who will be attending to sign up. It is not mandatory to sign up for an office hour, but those who do will be given priority to ask their questions.

The class will be notified if the office hours are rescheduled. Communication with the entire class about important course updates and notifications will be done using announcements within the Canvas course platform, so please make sure you have checked your Canvas notification/email settings. Click on “Account” on the left sidebar menu and then “Notifications”. We recommend that you set Announcements to *email you immediately* once they are posted to the Canvas platform.

ESG University: Sustainable Capitalism in Practice

Course Plan Overview

COURSE DESIGN & KEY DATES

Each module will include lectures, readings, interviews with ESG experts, and short, graded quizzes. In addition, there will be 4 optional office hours hosted by Angeli Patel, Executive Director of the Berkeley Center for Law and Business, held on May 16, June 6, June 27, and July 18.

The course is designed so that you can complete each module in approximately 1-2 hours. You can choose to follow the recommended 10-12-week schedule and complete one module each week. Please note that the modules need to be completed in order (i.e. completing one module will “unlock” the next). You do not need to follow this weekly schedule—you can complete the course according to your own timeline. **Course materials will open on Monday, April 29 at 9:00 AM Pacific Time. The course closes on Monday, September 30 at 5:00 PM Pacific Time. No extensions will be granted.**

CERTIFICATE ELIGIBILITY

The program is designed to be completed in approximately 10-12 weeks but you will have access to the course platform for 5 months to complete all of the certificate requirements. Once you have finished the course, you must complete the post-program survey in order to receive your certificate. Certificates will be awarded on a rolling weekly basis beginning the week of May 27, 2024. In order to qualify for the certificate, participants must:

- 1. View all mandatory lectures for all eight modules**
- 2. Complete all mandatory readings for all eight modules**
- 3. Achieve an overall quiz grade average of 75% (there is a quiz at the end of every module and each quiz may be taken multiple times; however, your final score will be average of all of your attempts)**
- 4. Complete the post-program survey.**

MCLE CREDIT

This program has been authorized by the California State Bar to offer up to 5 credit hours of MCLE. Attorneys from other states will need to contact their local bar to verify their own certification requirements.

ACADEMIC INTEGRITY

The academic rules of Berkeley Law contain an Honor Code. [You can read the Honor Code here](#). We expect all of our participants to adhere to this code scrupulously. If you have any question whether your conduct may violate the code, please contact esg@law.berkeley.edu in writing before you act. You may face severe consequences, including removal from this program, if you violate the code.

PLAGIARISM

Although this class does not include required written assignments, you must properly cite the words and ideas of others in all of your written content. A common and serious form of misconduct is plagiarism. You must cite the sources of any words or ideas that are not your own. Cite all sources – hard copy, web-based, and others – in proper format. If you have questions regarding this policy, please contact executive@law.berkeley.edu.

COURSE SCHEDULE

Monday, April 29th
9:00 AM Pacific Time

Course Opens: *To begin the course and access the modules, start with the Pre-Course survey*

Module 1

Introduction & History of Business

Module 2

The Corporate Sustainability Movement

Module 3

Mapping the Sustainability Ecosystem – Government

Module 4

Mapping the Sustainability Ecosystem – Corporate

Module 5

Mapping the Sustainability Ecosystem – Civil Society

Module 6

The Costs of Unsustainable Practices

Module 7

The Opportunities of Sustainable Capitalism

Module 8

Beyond Compliance, Transparency, and ESG

Week of May 27, 2024

Berkeley Law Executive Education will begin to issue certificates on a weekly basis beginning the week of May 27th, to participants who complete all 8 modules and have an overall quiz grade average of 75%. *Please note: You must complete the post-program survey in order to receive your certificate.*

Monday, September 30th

Access to the course closes

****Please note: To earn the certificate, all mandatory course work and the post-program survey must be completed by this date/time).***

OFFICE HOURS & NETWORKING SESSIONS

** Please note: Due to UC Berkeley Zoom security settings, you must be logged on to a registered Zoom account (a free one will suffice) to access the Office Hours and Networking & Career Forum Sessions. To confirm that you are logged in, please visit <https://zoom.us/signin> before clicking on the Zoom link.*

For the most up-to-date schedule and Zoom link, please check your Canvas course site.

Thursday, May 16th 9:00 AM Pacific Time	Office Hour* with Angeli Patel for Modules 1 & 2 *Shared office hour with participants from ESG University: Sustainable Capitalism in Practice
Thursday, June 6th 9:00 AM Pacific Time	Office Hour* with Angeli Patel for Modules 3 & 4 *Shared office hour with participants from ESG University: Sustainable Capitalism in Practice
Thursday, June 27th 9:00 AM Pacific Time	Office Hour* with Angeli Patel for Modules 5 & 6 *Shared office hour with participants from ESG University: Sustainable Capitalism in Practice
Thursday, July 18th 9:00 AM Pacific Time	Office Hour* with Angeli Patel for Modules 7 & 8 *Shared office hour with participants from ESG University: Sustainable Capitalism in Practice
Thursday, August 8th 10:00 AM Pacific Time	Discussion Forum with Special Guests
Thursday, August 29th 10:00 AM Pacific Time	Discussion Forum with Special Guests
Thursday, September 26th 10:00 AM Pacific Time	Discussion Forum with Special Guests

Module One: Introduction & History of Business

Module One Overview

The conversation around sustainability and the role of business in society has changed dramatically in recent years. Under pressure from activated customers, employees and investors, companies have grappled with corporate purpose and taken leadership of issues traditionally led by the government. What began as a debate about the role of corporations in society has settled into self-regulation through environmental, social and governance (ESG) disclosure frameworks. But the promise of sustainability remains unfulfilled as adverse effects of climate change and social inequality worsen.

In this module, we will examine how the role of business and government has evolved, and the emergence of ESG. We will address and debate the following questions:

- What are the main theories of the corporation and how do those theories affect how the role of corporations is perceived in society?
- How do different theories of the corporation, such as shareholder primacy and stakeholder theory, shape the responsibilities and behaviors of businesses towards society and the environment?
- What economic and social forces have shaped business norms over the past several decades?
- Why is the history of ESG so important to understand? How has ESG developed differently across the globe?
- In what ways do cultural differences, legal frameworks, and societal expectations contribute to the diverse approaches to ESG implementation and reporting around the world?
- How is sustainability different from ESG and corporate social responsibility?

Module Two: The Corporate Sustainability Movement

Module Two Overview

Investors, customers, employees, and regulators are demanding corporations to play a more expanded role in society. The three major systemic drivers of their demands are the damaging effects of climate change, social inequality, and rising global competition. These drivers now translate to direct risks for business in the form of business operation disruption, reputational harms, and litigation. With trust in government to resolve these issues on a global decline, corporations are facing operational, legal, and ethical challenges to resolve a problem only possible through collective action.

In this module, we will discuss and debate the following questions:

- How do the damaging effects of climate change, social inequality, and global competition pose systemic risks to society, and what are the potential consequences for businesses operating in this environment?
- Does the pursuit for profits have to come at the cost of people and the planet?
- In what ways do investors, customers, employees, and regulators influence corporations' roles and responsibilities in addressing systemic issues such as climate change and social inequality? How are these demands evolving?
- What are the key ethical considerations for corporations in navigating the intersection between business goals and systemic challenges? How can businesses balance their fiduciary responsibilities to shareholders with broader societal and environmental concerns?
- How do systemic issues such as climate change and social inequality impact business operations, supply chains, and value creation processes? What are the implications for corporate risk management and strategic decision-making?
- What role can corporate leadership play in driving positive change on systemic issues, both within their own organizations and across broader industry ecosystems?
- How can corporations leverage their resources, expertise, and influence to address systemic challenges collaboratively with other stakeholders, including governments, NGOs, and civil society organizations? What are the opportunities for collective action and shared value creation?
- What are the potential reputational risks and opportunities for corporations in responding to systemic issues such as climate change and social inequality?

Module Three: Mapping the Sustainability Ecosystem – Government

Module Three Overview

In response to the rapid growth of green finance along with investor and company movement towards voluntary sustainability disclosure, the government has started to put out legislation and regulations to concretize practices across the sustainability ecosystem. Sustainability regulation is rising across the globe as governments begin to recognize the perils brought by climate and social challenges, and the opportunities spurred by the great energy transition. Along the way, the European Union has emerged as the leader using a disclosure and transparency regime to further sustainability outcomes, while countries like the U.S. are using market forces to drive energy transition and innovation.

In this module, we will address and debate the following questions:

- What are the costs and benefits of using disclosures as a way to regulate or encourage sustainable business outcomes?
- What is the role of government in spurring innovation to aid the green energy transition?
- How can companies effectively navigate the mosaic of sustainability regulations happening at local, national, and global levels?
- How do differing approaches to sustainability regulation between regions impact global competitiveness and trade dynamics? What are the implications for multinational corporations operating across diverse regulatory environments?
- What are the merits and pitfalls of the “anti-ESG” perspective?
- How can corporate leaders who have been active in the social sphere align business objectives with social and political outcomes?
- Should companies follow the pack when it comes to voluntary sustainability disclosures or get ahead of regulation through proactive disclosure?
- What does the rise of carbon markets mean for the global energy transition?
- In navigating the complex landscape of sustainability regulations, how can corporations effectively integrate regulatory compliance into their corporate governance frameworks and risk management strategies?
- With the rise of shareholder activism and stakeholder engagement on sustainability issues, how should corporations respond to demands for greater ESG integration and transparency? How can companies effectively balance the interests of diverse stakeholders while maximizing shareholder value?

Module Four: Mapping the Sustainability Ecosystem – Corporate

Module Four Overview

Corporations are often seen as the “doers” in the sustainability ecosystem, but how corporations operate and what enables or disables them from achieving sustainable outcomes remains opaque. Corporations have a natural desire for sustainability, but not the definition of “sustainability” created by the provocative media and political environment. Instead, corporate actors have an incentive and desire for sustainability for the purpose of long-term, sustainable profits. With sustainability no longer a choice, corporations must understand their own immediate stakeholders—management, board, investors, employees, and customers—in order to adapt business models to meet the moment. The board of directors and top business leaders have a crucial role in building sustainability into company governance structures to ensure true sustainability transformation.

In this module, we will seek to address the following questions:

- What pressures do corporations face from their capital providers (investors), labor providers (employees), and revenue providers (customers)?
- What underlying causal factors contribute to activated stakeholders and how does activism manifest itself in the corporate context? Why does this matter?
- How do corporations define sustainability within their own contexts, and what factors influence their understanding of sustainable business practices? How does this definition align with or diverge from external perceptions driven by media and political discourse?
- In what ways do corporate governance structures, including board composition, executive leadership, and shareholder priorities, shape corporations' approaches to sustainability? How can governance practices be enhanced to better align with sustainable outcomes?
- How do corporations engage with their various stakeholders, including management, employees, investors, and customers, to integrate sustainability into their business strategies and operations? What role do stakeholder expectations play in driving corporate sustainability initiatives?
- What are the main barriers or challenges that corporations encounter in their efforts to achieve sustainable outcomes? How can these barriers be overcome through organizational culture, leadership commitment, and strategic alignment?

- How should boards and companies navigate reporting requirements under the Task Force on Climate-Related Financial Disclosures (TCFD), the basis of virtually every disclosure regime being developed around the world?

Module Five: Mapping the Sustainability Ecosystem – Civil Society

Module Five Overview

While business and government grapple with the challenge of climate change and social inequality, civil society has been at the forefront developing thought, standards, and guidelines on what a more sustainable capitalism may require. Civil society, an often under-discussed but power actor in the sustainability ecosystem, has been pivotal to bring structure and organization to bespoke ESG and disclosure programs at companies. Civil society monitors economic and business trends to develop model legislation that is often adopted into regulation down the line. On the other hand, the topics of sustainability are often raised by active, investigative NGOs, giving stakeholders the evidence and footing to raise concerns with business practices. Civil society is therefore core to the direction, momentum, and agenda-setting of sustainable capitalism.

In this module, we will address and debate the following questions:

- How do the activities and initiatives of civil society organizations impact business practices over time?
- Why are civil society actors considered important stakeholders in the sustainability ecosystem, and what unique perspectives and expertise do they bring to the table?
- How do civil society organizations contribute to the development of thought, standards, and guidelines for sustainable capitalism?
- In what ways do corporations engage with civil society actors, and what factors influence their approach towards these interactions?
- How do companies perceive the risks and opportunities associated with engaging with civil society, and how does this shape their strategies and priorities?
- What are the potential risks and benefits for corporations in engaging with civil society actors, particularly in relation to reputation management, brand integrity, and stakeholder relationships?
- What role can civil society organizations play in holding corporations accountable for their sustainability commitments and driving continuous improvement in environmental and social performance?
- How can companies respond proactively to feedback and recommendations from civil society stakeholders?

Module Six: The Costs of Unsustainable Practices

Module Six Overview

Well-intentioned programs developed in response to stakeholder and social demands may have unintended, drastic consequences. Companies that have embarked or seek to embark on adapting business models to be more sustainable often find themselves in the middle of uncertainty. How these corporations grapple with crises is determined largely by the internal governance structures in place. Whether or not companies adapt to a sustainable business model, the modern economic, social, and political environment raises a myriad of risks from reputation, supply chain resilience, and antitrust, to greenwashing, labor relations, and governance. A company's ability to sustain profits in the long-term is tested when corporate governance and business strategy clash with sustainability commitments. We will learn about how companies emerge from these risks by diving into case studies.

In this module, we will address and debate the following questions:

- How do social media platforms and digital technologies influence a company's ability to balance business strategy and meet stakeholder needs? What role do social media trends, online activism, and digital advocacy play in shaping corporate reputation and public perception?
- How does corporate governance influence a company's approach to managing sustainability risks and integrating ESG considerations into decision-making processes? What role do boards of directors, executive leadership, and internal control mechanisms play in promoting responsible business practices?
- How can companies navigate the complexities of global supply chains and geopolitical dynamics to ensure ethical sourcing, labor practices, and environmental sustainability?
- How do companies balance conflicting stakeholder demands?
- What are the potential pitfalls and risks associated with greenwashing, where companies misrepresent their environmental or social commitments for marketing or reputational gain?

Module Seven: The Opportunities of Sustainable Capitalism

Module Seven Overview

In recent years, there has been a growing recognition that sustainability is not just a moral imperative or a risk to be averted but also a strategic business opportunity. As the global economy faces unprecedented challenges from climate change, social inequality, and resource depletion, businesses are increasingly realizing the potential for sustainable practices to drive innovation, enhance resilience, and create long-term value for stakeholders. From harnessing renewable energy sources to fostering inclusive growth and responsible supply chain management, we will explore the role of innovation and leadership and how companies have used sustainable practices to offer a pathway towards a more prosperous and resilient future.

In this module, we will address and debate the following questions:

- What role do innovation, technology, and collaboration play in catalyzing sustainable development and unlocking new business opportunities?
- How can sustainability practices contribute to building resilience and mitigating risks in the face of environmental, social, and economic uncertainties?
- How can businesses measure and communicate the impact of their sustainability initiatives to stakeholders, and what role does transparency and accountability play in fostering trust and credibility?
- What are the potential implications of sustainable capitalism for global markets, industries, and economies? How can businesses capitalize on these opportunities while addressing societal challenges?
- What are the challenges and opportunities for leadership in engaging with external stakeholders, including governments, civil society organizations, and industry peers, to drive collective action and address systemic sustainability challenges?
- How does leadership commitment and organizational culture influence the adoption and implementation of sustainable business practices within companies?
- What are the characteristics of effective sustainability leadership, and how can corporate leaders inspire and mobilize their teams to embrace sustainability as a core business principle?

Module Eight: Beyond Compliance, Transparency, and ESG

Module Eight Overview

As the sustainability ecosystem continues to evolve, so will the terminology and practices associated with it. What remains constant is the priority for a long-term, sustainable planet, profits, and society. The role of business has changed drastically over time, beginning with corporate social responsibility to ESG. While ESG is a tool for companies to understand risks and opportunities associated with sustainability, it is not enough to ensure resilience and long-term sustainability. As the sustainability ecosystem evolves and the conversation changes over time, companies will grapple with the opportunities of measurement, cruciality of leadership, and benefits of innovation to adapt businesses for long-term outcomes.

In this module, we will address the following questions:

- How does ESG fit into the larger sustainability ecosystem? What are its limitations and future?
- How can companies move beyond compliance-driven approaches to sustainability and embrace a more proactive, strategic mindset that integrates sustainability into core business strategies and operations?
- Why does measurement matter as businesses adapt business models in uncertain economic, social, and political environments?
- What are some examples of companies that have successfully integrated sustainability into their business models and operations, and what lessons can be learned from their experiences?
- Why must companies effectively navigate the tension between short-term financial pressures and long-term sustainability goals, and what strategies can be employed to align business objectives with broader societal and environmental priorities?