

Master of Science in Sustainability Management

Business and Climate Change: Law, Policy and Practice

Wednesday 6:10pm-8:00pm

Number of credits: 3

Core Area: Public Policy

Instructors: **Paul Barker**
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Office Hours: Before or after class at 602 Northwest Corner Building; by appointment.
Brooke and Paul are also available by phone by appointment.

Response Policy: The best way to communicate with Brooke and Paul is by email at the
above email addresses at any time. If you have the same email or question
directed to both Brooke and Paul, please include both of us on the same
email. We will typically respond within 12 hours. We are also able to set
up phone or in-person appointments.

Course Overview

This course will provide students with an understanding of the ways and extent to which climate change law and policy is relevant to businesses, as well as the role of sustainability professionals in practical implementation. The course is divided into several core topics, including: (i) an overview of international and U.S. climate change policy and law, including the Paris Agreement, the Inflation Reduction Act and energy transition policy support; (ii) the rise of sustainable finance and climate impact investing; (iii) market-led, voluntary initiatives such as the Task Force on Climate-related Financial Disclosures (TCFD), and related developments including the mainstreaming of sustainable/ESG investing and the proliferation of corporate net zero goals; (iv) corporate governance, shareholder activism, and the emergence of mandatory

regulation on climate disclosures, such as the E.U.'s Taxonomy Regulation, California's climate disclosure legislation, and the U.S. Securities & Exchange Commission's proposed climate disclosure rule; (iii) carbon pricing, carbon markets, carbon board adjustment mechanisms, and related regulations; (iv) greenhouse gas emissions accounting and "Scope 4" avoided emissions; (v) climate-related litigation and enforcement actions against corporations and financial institutions in the U.S. and other key markets, including "greenwashing" litigation and "anti-energy company boycott" measures by several U.S. states; (vi) the way in which technology and AI are increasingly intersecting with climate change investing and management; (vii) human rights and the just transition, and (viii) nature and biodiversity.

The course is open to all students; no prior knowledge of the U.S. or international legal systems is assumed or required to take this course. The course includes pre-class reading and problem solving. Class time will combine lectures on, and student participation in class discussions of, legal and policy developments.

Learning Objectives

The aim of the course is to teach students the essentials of climate change law and policy as it relates to business, investment, and sustainability management. Students will apply an international and comparative lens to view and critique U.S. developments in the context of the far-reaching market and regulatory developments taking place in Europe, Asia and elsewhere around the world. Students should understand the role of sustainability professionals in managing the climate-related risks and opportunities facing their companies. Students should understand how, in the absence of comprehensive federal climate change legislation or mandatory regulation such as cap and trade, action on climate change by businesses in the U.S. has been heavily influenced by voluntary, market-led initiatives but legal/regulatory and reputational risks are increasing. Students should also understand how certain U.S. states are implementing policies and legislation which may challenge private action on climate change and the energy transition, the ramifications of these laws and regulations for business, and the ways in which sustainability professionals can navigate such complexities and risk. Further, students should understand the interplay of various policy drivers in shaping the law, an understanding that is transferable to any area of sustainability practice. Students will evaluate climate change risks and opportunities through case studies on corporate supply chain due diligence, climate investing as an avenue for value-creation, and practical tips on how to avoid greenwashing.

Readings

We will mainly use materials that will be available online, in the library, or emailed to you. Given the rapid developments taking place in this field, the Syllabus will be continually revised during the course of the semester to reflect the inclusion of additional material or the deletion of certain materials.

The principle texts for this course are: (1) Karl S. Coplan, Shelby D. Green, Katrina Fischer Kuh, Smita Narula, Elisabeth Haub, Karl R. Rábago, Radina Valova, *Climate Change Law: An Introduction*, Elgar (2021); and (2) Bruce Usher, *Investing in the Era of Climate Change*, Columbia Univ. Press (2022). Students are not expected to purchase the texts.

Assignments and Assessments

Each student will write one final paper at the end of the course. Each student will also lead a brief discussion at the beginning of one class based on the readings. These discussions will be informal and interactive; the intention is to provide an opportunity for the entire class to explore different ideas and perspectives. More detail will be provided. There will be no group/team assignments.

The final grade for the course will be determined as follows:

- Final paper 70%
- Class participation 30% [including leading in-class reflections, as assigned]

Grading

The final grade will be calculated as described below:

FINAL GRADING SCALE

Grade	Percentage
A+	98–100 %
A	93–97.9 %
A-	90–92.9 %
B+	87–89.9 %
B	83–86.9 %
B-	80–82.9 %
C+	77–79.9 %
C	73–76.9 %
C-	70–72.9 %

D	60–69.9 %
F	59.9% and below

Course Schedule/Course Calendar

Topics and Syllabus subject to revision as the course progresses:

Date	Topics and Activities	Readings (Subject to Update)
1/17	International climate change law and policy	<p><u>Intergovernmental Panel on Climate Change, “Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments” (October 2018), pp. 6-26</u></p> <p><u>M. Carney, “Breaking the Tragedy of the Horizon – climate change and financial stability”, Bank of England (September 2015)</u></p> <p><u>Report from the UN High-Level Expert Group on the Net Zero Emissions Commitments on Non-State Entities, “Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions” (2022), pp. 6-14</u></p> <p>Council on Foreign Relations, World 101, <u>What is International Law?</u> [scroll through the "10 agreements you need to know" section]</p>
1/24	Net-zero and the energy transition	<p><u>IPCC, AR6 Synthesis Report, Summary for Policymakers (2023)</u></p> <p><u>International Energy Agency, Net Zero by 2050: A Roadmap for the Global Energy Sector (2021), pp. 13-27</u></p> <p><u>Fankhauser S, Smith S, Allen M, Axelsson K, Hale T, Hepburn C, Kendall J, Khosla R, Lezaun J, Mitchell-Larson E, Obersteiner M, Rajamani L, Rickaby R, Seddon N and Wetzer T, “The Meaning of Net Zero and How to Get It Right” (2021) 12 Nature Climate Change 15 (identifying “seven attributes of net zero”)</u></p> <p><u>J. Larsen et al., “A Turning Point for US Climate Progress: Assessing the Climate and Clean Energy Provisions in the Inflation Reduction Act”, Rhodium Group (August 2022)</u></p> <p>Kirkland Alert, <u>COP28, Dubai: \$30B Investment Fund, Carbon Markets Initiatives Reflect Increasing Momentum Behind Private Financing for Climate Solutions and Energy Transition</u> (December 2023)</p>

		<p>Generation Investment Management, Sustainability Trends Report 2023</p> <p>Optional : Coplan et al., Chapters 2, 3, pp. 23-71</p>
1/31	The rise of sustainable finance	<p>B. Usher, <i>Investing in the Era of Climate Change</i>, Columbia Univ. Press (2022), Chapters 10-14</p> <p>Green Loan Principles (2023)</p> <p>Sustainability Linked Loan Principles (2023)</p> <p>MightyEarth whistleblower complaint to the SEC re: JBS (August 2023)</p> <p>Wall Street Journal, “The Latest Dirty Word in Corporate America: ESG” (January 2024)</p> <p>Fox Business, “19 states investigate major US banks for pushing ESG policies 'killing' American companies” (October 2022)</p>
2/7	Climate Impact Investing and Emerging Markets	<p>UAE Leaders’ Declaration on a Global Climate Finance Framework (December 2023)</p> <p>TPG, ALTERRA Commits US\$1.5 Billion to TPG Rise Climate’s US\$10 Billion Next Generation Private Equity Funds Including New Global South Initiative and TPG Rise Climate II (December 2023)</p> <p>McKinsey, Solving the climate finance equation for developing countries (December 2023)</p>
2/14	Corporate governance and climate change	<p>UN PRI, Fiduciary Duty in the 21st Century (2015) [skim]</p> <p>M. Lipton, “ESG, Stakeholder Governance, and the Duty of the Corporation”, <i>Harvard Law School Forum on Corporate Governance</i> (2022)</p> <p>WEF Climate Governance Initiative https://climate-governance.org/ & its Primer on Climate Change: Directors' Duties and Disclosure Obligations https://hub.climate-governance.org/primer/directors-duties</p> <p>MyFloridaCFO, Notice related to Florida Treasury’s Blackrock Divestment (2022)</p>

2/21	Managing Climate Risk	Transition Plan Taskforce (TPT), Disclosure Framework (2023) T. Wetzer et al, " Climate risk assessments must engage with the law ", Science (2024)
2/28	Climate Change and Business Strategy	TCFD, Implementing Guidance (2021)
3/6	Operationalizing net zero - Greenhouse Gas Accounting and Reporting	World Resources Institute, Greenhouse Protocol Corporate Accounting and Reporting Standard , pp. 2-47 Partnership for Carbon Accounting Financials (PCAF), The Global GHG Accounting and Reporting Standard for the Financial Industry (2022) , pp.7-42
3/20	Voluntary corporate climate commitments and greenwashing risk	Report from the UN High-Level Expert Group on the Net Zero Emissions Commitments on Non-State Entities, "Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions" (2022) Task Force on Climate-related Financial Disclosures (TCFD): 2023 Status Report Science Based Targets initiative (SBTi), Corporate Net Zero Standard (2021) pp. 4-30
3/27	Climate-related corporate and financial regulation	Armour J, Enriques L and Wetzer T, "Mandatory Corporate Climate Disclosures: Now, But How?" (2022) 2021 Columbia Business Law Review 1085 SEC proposed rule, The Enhancement and Standardization of Climate-Related Disclosures for Investors (and related materials) (2022) SEC proposed rule, Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices (and related materials) (2022) California Climate-Related Financial Risk Act , Climate Corporate Data Accountability Act , Voluntary Carbon Market Disclosures Act (2023) European Commission, Sustainability-related disclosure in the financial services sector European Commission, Corporate sustainability reporting

4/3	Carbon pricing, carbon markets, and CBAM	<p>Paris Agreement, Article 6</p> <p>Integrity Council for Voluntary Carbon Markets (ICVCM), Core Carbon Principles</p> <p>Voluntary Carbon Markets Integrity Initiative (VCMI), Claims Code</p> <p>European Commission, Carbon Border Adjustment Mechanism</p> <p>SBTi, Beyond Value Chain Mitigation</p>
4/10	Climate-related litigation and enforcement	<p>Grantham Research Institute on Climate Change, “Global trends in climate change litigation: 2023 snapshot”</p> <p>T. Wetzer et al, “Climate risk assessments must engage with the law”, Science (2024)</p> <p><i>Milieudefensie v. Royal Dutch Shell</i>, District Court Judgment (Netherlands) (2021)</p> <p><i>West Virginia v. Environmental Protection Agency</i>, U.S. Supreme Court Decision (June 2022), Opinion of the Court (Chief Justice Roberts): Dissenting Opinion of Justice Kagan</p> <p><u>Optional:</u> Coplan et al., Chapter 5, pp. 109-134</p>
4/17	Human rights and the “just transition”; corporate value chains	<p>O. De Schutter, Report on the “just transition” in the economic recovery: eradicating poverty within planetary boundaries (2020)</p> <p>Equator Principles (and related Resources, including “Guidance Note: On Climate Change Risk Assessment)</p> <p>Review Generally:</p> <p>United Nations Guiding Principles on Business and Human Rights</p> <p>OECD Guidelines for Multinational Enterprises</p> <p><u>Optional:</u> Coplan et al., Chapter 6, pp. 135-169</p>

4/24	Nature and Biodiversity	Taskforce on Nature-related Financial Disclosures (TNFD), Recommendations (2023)
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Course Policies

Participation and Attendance

Each student is expected to be punctual, attend each class, and to prepare conscientiously and contribute to the class discussion. This means providing thoughtful commentary, engaging analysis, and/or posing relevant questions. It also means summarizing and discussing legal cases, legislation, regulations, voluntary frameworks and standards, and case studies. Lively discussions are expected. It is expected that each student come to class with an open mind and a willingness to entertain all different perspectives.

If you have not done the reading and/or are unable to participate, please notify Brooke and Paul before class begins. You will be excused from that day's participation requirements. However, if you repeatedly fail to do the reading, you will not receive credit for attending class. Students are encouraged to voluntarily participate. However, students may also be called on and asked to participate without volunteering.

Late work

There will be no credit granted to any written assignment that is not submitted on the due date noted in the course syllabus without advance notice and permission from the instructor.

Citation & Submission

All written assignments must use standard citation format (e.g., MLA, APA, Chicago), cite sources, and be submitted to the course website (not via email).

School and University Policies and Resources

Copyright Policy

Please note—Due to copyright restrictions, online access to this material is limited to instructors and students currently registered for this course. Please be advised that by clicking the link to the electronic materials in this course, you have read and accept the following:

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials. Under certain conditions specified in the law, libraries and archives are authorized to

furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

Academic Integrity

Columbia University expects its students to act with honesty and propriety at all times and to respect the rights of others. It is fundamental University policy that academic dishonesty in any guise or personal conduct of any sort that disrupts the life of the University or denigrates or endangers members of the University community is unacceptable and will be dealt with severely. It is essential to the academic integrity and vitality of this community that individuals do their own work and properly acknowledge the circumstances, ideas, sources, and assistance upon which that work is based. Academic honesty in class assignments and exams is expected of all students at all times.

SPS holds each member of its community responsible for understanding and abiding by the SPS Academic Integrity and Community Standards posted at <https://sps.columbia.edu/students/student-support/academic-integrity-community-standards>. You are required to read these standards within the first few days of class. Ignorance of the School's policy concerning academic dishonesty shall not be a defense in any disciplinary proceedings.

Diversity Statement

It is our intent that students from all diverse backgrounds and perspectives be well-served by this course, that students' learning needs be addressed both in and out of class, and that the diversity that the students bring to this class be viewed as a resource, strength and benefit. It is our intent to present materials and activities that are respectful of diversity: gender identity, sexuality, disability, age, socioeconomic status, ethnicity, race, nationality, religion, and culture.

Accessibility

Columbia is committed to providing equal access to qualified students with documented disabilities. A student's disability status and reasonable accommodations are individually determined based upon disability documentation and related information gathered through the intake process. For more information regarding this service, please visit the University's Health Services website: <https://health.columbia.edu/content/disability-services>.

Class Recordings

All or portions of the class may be recorded at the discretion of the Instructor to support your learning. At any point, the Instructor has the right to discontinue the recording if it is deemed to be obstructive to the learning process.

If the recording is posted, it is confidential and it is prohibited to share the recording outside of the class.

SPS Academic Resources

The Division of Student Affairs provides students with academic counseling and support services such as online tutoring and career coaching:

<https://sps.columbia.edu/students/student-support/student-support-resources>.

Columbia University Information Technology

Columbia University Information Technology (CUIT) provides Columbia University students, faculty and staff with central computing and communications services. Students, faculty and staff may access University-provided and discounted software downloads.

Columbia University Library

Columbia's extensive library system ranks in the top five academic libraries in the nation, with many of its services and resources available online.

The Writing Center

The Writing Center provides writing support to undergraduate and graduate students through one-on-one consultations and workshops. They provide support at every stage of your writing, from brainstorming to final drafts. If you would like writing support, please visit the following site to learn about services offered and steps for scheduling an appointment. This resource is open to Columbia graduate students at no additional charge. Visit

<http://www.college.columbia.edu/core/uwp/writing-center>.

Career Design Lab

The Career Design Lab supports current students and alumni with individualized career coaching including career assessment, resume & cover letter writing, agile internship job search strategy, personal branding, interview skills, career transitions, salary negotiations, and much more.

Wherever you are in your career journey, the Career Design Lab team is here to support you.

Link to <https://careerdesignlab.sps.columbia.edu/>

Netiquette

[Only applies to courses using online platforms]

Online sessions in this course will be offered through Zoom, accessible through Canvas. A reliable Internet connection and functioning webcam and microphone are required. It is your responsibility to resolve any known technical issues prior to class. Your webcam should remain turned on for the duration of each class, and you should expect to be present the entire time. Avoid distractions and maintain professional etiquette.

Please note: Instructors may use Canvas or Zoom analytics in evaluating your online participation.

More guidance can be found at: https://jolt.merlot.org/vol6no1/mintu-wimsatt_0310.htm

Netiquette is a way of defining professionalism for collaborations and communication that take place in online environments. Here are some Student Guidelines for this class:

- Avoid using offensive language or language that is not appropriate for a professional setting.
- Do not criticize or mock someone's abilities or skills.
- Communicate in a way that is clear, accurate and easy for others to understand.
- Balance collegiality with academic honesty.
- Keep an open-mind and be willing to express your opinion.
- Reflect on your statements and how they might impact others.
- Do not hesitate to ask for feedback.
- When in doubt, always check with your instructor for clarification.