

National Taiwan University
School of Management, Department of Accounting
Course Outline of Academic Research on ESG

Semester and Year: Spring 2026

Times: Monday 9:10AM – 12:10PM

Location: Seminar Room, 10th Floor, NTU Management Building 2 (in-Person)

Faculty: Kevin Chen and Chi-Chun Liu

Office Hours: TBD

Course Overview:

This course is designed to assist students in developing the knowledge, skills, and perspective they need to understand environmental and social challenges in business, to develop ESG-related research questions and hypotheses, and to employ an adequate research design for their master theses.

Policymakers increasingly require firms to disclose nonfinancial information that is relevant to stakeholders, such as information about social and environmental initiatives. A key goal of such disclosure regulation is to discipline firms' behavior by enabling stakeholders to make informed decisions. Environmental, Social and Governance (ESG or CSR) disclosure has been found to generate costs or benefits to shareholders. Environmental, Social and Governance (ESG) requirements are increasingly being recognized as an indispensable part of corporate strategy. KPMG's 2023 CEO Outlook Survey² of more than 1300 global CEOs found that over two-thirds (69 percent) have fully embedded ESG into their business to create value. A quarter (24 percent) believe that over the next 3 years, ESG will have the greatest impact on their customer relationships, and 16 percent believe it will help build their brand reputation. However, even with this awareness, 60 percent indicate that their ESG progress is not strong enough to withstand potential scrutiny.

Sustainability-related information—information about the risks and opportunities arising from a company's interactions with its stakeholders, society, the economy and the natural environment—is increasingly integral to economic and investment decisions. Responding to the demand for such information from stakeholders such as investors, customers, suppliers, employees, governments, and nongovernmental organization (NGO), the IFRS Foundation created the International Sustainability Standards Board (ISSB), which has consolidated and built on the work of market-led reporting initiatives — comprising the Climate Disclosure Standards Board (CDSB), the Task Force for Climate-related Financial Disclosures (TCFD), the Value Reporting Foundation's Integrated Reporting Framework and the Sustainability Accounting Standards Board (SASB). ESG pressures touch every industry, though each firm experiences them differently. Recent MSCI report shows that companies with the highest MSCI ESG Ratings historically outperformed their lower-rated peers. Top rated companies outperformed their lower-rated peers due chiefly to better earnings fundamentals in developed markets over 17 years and, combined with emerging markets, over 11 years, ending Dec. 29, 2023. However, it is well understood that the E, S, and G are very different constructs, each

in turn referring to multiple dimensions of firm processes and performance.

In this course, students will develop an effective 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 response—from compliance to engagement to innovation, 3) to develop some of the skills and become familiar with the tools required for a master thesis.

Some of potential research questions are described as follows:

Demand and Supply of ESG Information

探討 ESG 資訊之需求與供給

Friedman and Ormazabal, “The Role of Information in Building a More Sustainable Economy: A Supply and Demand Perspective”, *Journal of Accounting Research*, Volume 62, Issue 5, Special Issue: ESG Measurement, Reporting and Accountability for Sustainable Businesses, December 2024, Pages 1575-1609

ESG (Corporate Social Responsibility) Performance within a Supply Chain

探討供應鏈中客戶與供應商間其 ESG 績效 (評比) 之關聯性與影響

Dai, Rui, Hao Liang, Lilian Ng, “Socially responsible corporate customers, *Journal of Financial Economics*”, Volume 142, Issue 2, November 2021, Pages 598-626

Effect of Production Complementarity on ESG Performance within a Supply Chain

探討供應鏈中客戶與供應商間其生產互補性 (Production Complementarity) 是否影響彼此之 ESG 績效 (評比) 之關聯性

Lee, C., T. T. Shi, S. T. Sun, and R. Zhang. “Production Complementarity and Information Transmission across Industries “, *Journal of financial Economics*, 2024,

Effect of Technological Closeness on ESG Performance within a Supply Chain

探討供應鏈中客戶與供應商間其技術緊密性 (Technological Closeness) 是否影響彼此之 ESG 績效 (評比) 之關聯性

Lee, C. M. C., Sun, S. T., Wang, R., & Zhang, R. (2019). Technological links and predictable returns. *Journal of Financial Economics*, 132(3), 76-96.

Effect of Board Connectivity on ESG Performance within a Supply Chain

探討供應鏈中客戶與供應商間其董事連結性 (Board Connectivity) 是否影響彼此之 ESG 績效 (評比) 之關聯性

董事連結性 (客戶與供應商之董事及 CEO 是否有擔任另一客戶與供應商的董事或 CEO)

Gopalan, Radhakrishnan and Li, Renping and Zaldokas, Alminas, Board Connections, Firm Profitability, and Product Market Actions (April 12, 2022). Available at SSRN: <https://ssrn.com/abstract=4053853> or <http://dx.doi.org/10.2139/ssrn.4053853>

Week	Topic
1	Introduction of ESG research <ul style="list-style-type: none"> • Brief history of Sustainable Finance and ESG research • Relationship of ESG with accounting research • Measures and data in ESG research (Global and Taiwanese)
2	Determinants of firm's ESG practices <ul style="list-style-type: none"> • Firm leadership characteristics • Firm ownership characteristics
3/4	Impacts of firm's ESG practices <ul style="list-style-type: none"> • ESG attributes and firm performance • ESG attributes and firm value • ESG attributes and stock returns • ESG attributes and firm behavior
5	Climate-related disclosure <ul style="list-style-type: none"> • Concepts of climate risk and GHG emissions • Global climate disclosure frameworks • Research on climate disclosure and GHG emissions
6/7	Sustainability disclosure <ul style="list-style-type: none"> • Concept of materiality in ESG disclosure • Global sustainability disclosure frameworks • Disclosure of environmental and social metrics • Research on ESG disclosure and related metrics
8/9	ESG rating <ul style="list-style-type: none"> • ESG rating processes • ESG rating and fund investment • Research related to ESG rating
10	ESG in executive compensation <ul style="list-style-type: none"> • Inclusion of ESG factors in compensation plans • Research on the determinants and consequences of ESG-linked compensation

GRADING

Class Participation 40%

Project 30%

Written assignments 30%