

Module 1: Foundations, Accountability & Materiality

【考纲级指南】 这是所有 Essay 的“万能地漏”，当题目问到“为什么需要可持续发展报告？”、“传统会计有什么问题？”、“什么是问责制/重要性？”时，直接抽掉对应的积木。

Block 1: 传统会计与报告生态观 (Traditional Accounting & Oversight)

Ⓐ limitations of financial accounting, entity assumption, externalities, short-termism, oversight

① Traditional financial accounting remains useful for reporting financial performance, but it is limited in addressing sustainability because it is grounded in the entity assumption and a short-term money view. Environmental and social impacts, such as carbon emissions and water pollution, are often treated as externalities rather than recognised as corporate performance. This is problematic in the context of ecological overshoot, where human economic activity exceeds Earth's regenerative capacity. A critical caveat is that these traditional frameworks may systematically obscure interconnected ecological dependencies. For example, companies such as [Case: BP / Volkswagen] may appear financially robust while significant social and ecological risks remain under-recognised until they manifest as legitimacy or financial crises.

Block 2: 削弱可持续性系统观 (Weak/Strong Sustainability & Systems)

Ⓐ weak/strong sustainability, trade-offs, systems issue, interconnected

① Corporate sustainability strategies often adopt a weak sustainability perspective, assuming that ecological degradation can be traded off against economic gains. In contrast, strong sustainability recognises that the economy is nested within society and the environment, and that ecological collapse cannot be compensated by financial success. Critically, treating ESG issues in silos can create an “illusion of progress” (Laine et al.), as sustainability is fundamentally an interconnected systems challenge. A prime example is [Case: Nestlé / BHP], where localized operational efficiencies cannot be isolated from broader systemic vulnerabilities, such as global water scarcity or biodiversity loss.

Block 3: 问责制与权力关系 (Accountability & Power Imbalance)

Ⓐ accountability, moral/legal obligation, stakeholders, power imbalance, supply chain

① Sustainability accounting expands the concept of accountability from a narrow legal duty owed to shareholders toward a broader moral obligation to diverse stakeholders. Rather than merely managing financial capital, organisations are expected to account for their impacts on any group affected by their activities. However, a major challenge in stakeholder engagement is power asymmetry. Corporate power favours stakeholders with immediate power and urgency (Salience Model), while potentially sidelining marginalised groups. This tension is starkly evident in [Case: Rana Plaza], where distant supply-chain workers bore severe human rights impacts but lacked the formal power to hold multinational brands accountable until a catastrophic failure occurred.

Block 4: 合法性理论与非理性报告 (Legitimacy Theory & Symbolic Reporting)

Ⓐ Legitimacy Theory, strategic fit, social license to operate, greenwashing, symbolic reporting, stakeholder expectations

① Legitimacy Theory posits that organisations operate under an implicit social contract, relying on a ‘social licence to operate’ granted by society. When corporate actions diverge from ethical norms, a ‘legitimacy gap’ emerges, posing severe reputational and economic risks. Crucially, sustainability reporting may be used symbolically as a strategic tool to repair legitimacy and manage public perception, rather than reflecting genuine ecological performance. [Case: Volkswagen] delegitimized its greenwashing, where selective disclosures and green image management were used to maintain legitimacy, obscuring a significant gap between reported environmental commitments and actual corporate conduct.

Block 5: 重要性的主观与协商本质 (Subjectivity of Materiality)

Ⓐ materiality, double materiality, dynamic materiality, judgement

① Materiality acts as the foundational threshold determining which sustainability issues warrant disclosure. While financial materiality assesses the financial impact of sustainability issues, companies increasingly evaluate the organisation's inside-out effects on society and the environment. Critically, as emphasised in the course, materiality is not an objective reality but a highly subjective, negotiated, and judgement-laden process that dictates what remains hidden ‘in the shadows’. As demonstrated by [Case: Qantas / Diaqueo], issues such as Scope 3 emissions or localized water use are often excluded under a narrow financial lens, but dynamic materiality highlights that these impacts can rapidly transition into long-term financial risks.

Module 2: 报告框架的深度对比 (Frameworks Comparison)

【考纲级指南】

① 如何搭建：看到题目问体系的框架，直接抽掉对应的积木。最后一定加上 Block 5 作为你的总结升华段！它向读者展示明白“会计框架不是中立的”这个核心思想。

Block 1: GR1 (影响报告与广泛利益相关者)

Ⓐ GR1, Impact materiality, Broad stakeholders, Public interest

① The Global Reporting Initiative (GRI) adopts a multi-stakeholder approach, positioning sustainability reporting as a public interest activity rather than merely a financial exercise. It is based on impact materiality, requiring organisations to disclose their most significant actual and potential impacts on the economic, environmental, and people-including human rights—regardless of direct financial consequences. A critical caveat is that while GRI enhances transparency, its voluntary nature in many jurisdictions allows significant managerial discretion, potentially leading to selective disclosure or greenwashing if not properly assured. For instance, a company like [Case: Qantas / Nestlé] might use GRI to report on local community impacts that do not immediately affect their enterprise value.

Block 2: ISSB & SASB (财务重要性与投资者导向)

Ⓐ ISSB, IFRS S1/S2, SASB, Financial materiality, Investors, Enterprise value

① In stark contrast to the GRI, the ISSB (IFRS S1/S2) and SASB frameworks are strictly designed to meet the information needs of capital market participants. They enforce financial materiality, compelling entities to disclose sustainability-related risks and opportunities that could reasonably affect their cash flows, cost of capital, or overall enterprise value. Furthermore, SASB provides industry-specific topics and metrics, recognising that companies in the same industry often face similar sustainability-related financial risks. A critical caveat is that this financial materiality lens may give less attention to severe ecological or human rights impacts if they do not yet fit financial materiality. This is evident in the case of [Case: BHP / Volkswagen], where long-term systemic impacts might be omitted under ISSB until they crystallise into clear financial penalties.

Block 3: ERSR (双重重要性与利益监督)

Ⓐ ERSR, CSRD, Double materiality, Mandatory regulation

① The European Sustainability Reporting Standards (ESRS) bridge the divide between investor-focused and stakeholder-focused reporting by mandating double materiality. This approach requires organisations to report on issues that have a material financial perspective (outside-in risks) or an impact perspective (inside-out effects on society and the environment). Critically, while mandatory frameworks like ERSR reduce the discretion firms have to avoid reporting, they do not completely eliminate managerial judgement; companies may still strategically prioritise compliance narratives over deep accountability on controversial issues. Therefore, even under ERSR, companies like [Case: Apple / Nestlé] must carefully balance strategic risk management with genuine accountability across complex global value chains.

Block 4: Integrated Reporting (综合报告与六大资本)

Ⓐ Integrated Reporting, <IR>, Six capitals, Integrated thinking, Reporting silos

① The Integrated Reporting (<IR>) framework was developed to break down traditional ‘reporting silos’ by connecting financial and non-financial information into a coherent whole. It requires organisations to articulate how they create, preserve, or erode value over time through the dynamic interaction of six capitals: financial, manufactured, intellectual, human, social, and natural. However, a critical limitation is that while <IR> promotes ‘integrated thinking’, it lacks standardised measurement metrics for non-financial capitals, making it difficult to establish causal links and compare performance reliably across firms. For a company like [Case: Diaqueo / BHP], attempting to monetise its reliance on natural capital reveals the profound methodological uncertainties inherent in this framework.

Block 5: 万能总结段 - 框架的并非中立性 (Synthesis: Not Neutral)

Ⓐ 遇到任何 Compare and contrast frameworks, Alphabet soup 或者 your reporting process 的题目，直接套用这段代码！

① Ultimately, the proliferation of diverse sustainability reporting frameworks—often termed an ‘alphabet soup’—highlights that accounting standards are not neutral. Each framework reflects a distinct power assumption and a specific choice of what to include and what to omit, whereas ISSB prioritises enterprise value protection. Critically, the choice of reporting framework dictates the materiality lens, which in turn profoundly shapes what becomes visible to society and what remains hidden ‘in the shadows’. Consequently, whether a company like [Case: Volkswagen / BHP] uses ISSB or GRI will completely alter the narrative, determining whether environmental damage is framed as a manageable financial risk or as a profound accountability failure.

Module 3: 气候风险、温室气体与情景分析 (Climate Risks & GHG)

【考纲级指南】 这段主要对应 IFRS S2 / AASB S2, Physical/Transition risks, Scope 3 以及 Scenario analysis 的题目。

Block 1: 物理风险与过渡风险 (Physical vs. Transition Risks)

Ⓐ climate risk, TCFD, IFRS S2, physical risk, transition risk

① Climate reporting has fundamentally shifted from backwards-looking carbon measurement to forward-looking risk assessment under frameworks like IFRS S2. This approach categorises climate exposure into physical risks, such as acute weather events, and transition risks, which arise from shifts toward a low-carbon economy. Critically, while this effectively financialises climate change, a firm's focus on carbon footprints can divert attention from broader ecological impacts if they do not immediately threaten cash flows. For instance, [Case: Qantas] must manage aggressive transition risks, such as carbon pricing on aviation fuel, while simultaneously facing severe physical risks to its operational infrastructure from extreme weather events.

Block 2: 最难的 Scope 3 与价值链 (Scope 3 & Value Chain)

Ⓐ GHG Protocol, Scope 1, 2, 3, emissions, value chain, complexity

① The GHG Protocol, the standard for measuring greenhouse gas emissions, categorises them into three scopes. Scope 1 and 2 cover direct operations and purchased energy, while Scope 3 encompasses the entire upstream and downstream value chain. A critical caveat is that Scope 3 emissions are notoriously complex to measure and rely heavily on estimation, which can obscure a firm's true transition risk exposure if inadequately reported. As demonstrated by [Case: Diaqueo / Nestlé], Scope 3 often represents the firm's misleading picture of corporate sustainability—such as in complex agricultural supply chains—meaning its omission creates a highly misleading picture of corporate sustainability.

Block 3: 情景分析的战略与局限性 (Scenario Analysis)

Ⓐ scenario analysis, uncertainty, plausible futures, resilience, 1.5°C

① Scenario analysis is a core requirement of IFRS S2, designed to evaluate how an organisation's strategy performs under various plausible future climate conditions. It tests corporate resilience against different pathways, such as 1.5°C transition versus a 4°C scenario. However, scenario analysis is inherently limited by the uncertainty of its underlying assumptions, meaning it may be used symbolically to project false confidence rather than driving genuine strategic shifts. For example, relying on overly optimistic transition assumptions might dangerously underestimate the long-term financial impacts for a company like [Case: Volkswagen / BHP].

Block 4: 强制气候报告的合规陷阱 (Mandatory Reporting & AASB S2)

Ⓐ mandatory reporting, compliance, integration, AASB S2, S1 vs S2

① The global trajectory of climate accounting is rapidly shifting from voluntary disclosures toward mandatory financial integration. Frameworks like AASB S2 require entities to disclose climate-related financial information alongside general-purpose financial reports, aiming to improve comparability for investors. Critically, this transition enhances market efficiency, enforcing mandatory requirements may lead to a compliance-driven mindset where firms prioritise tick-box reporting over systemic decarbonisation. Consequently, large entities like [Case: BHP] must balance the heavy administrative burden of mandatory disclosure with the need for authentic, integrated thinking that genuinely manages long-term climate vulnerabilities rather than merely satisfying regulatory checkboxes.

Module 4: 水资源、生物多样性与系统性风险 (终极核弹版)

【考纲级指南】 这块积木不是 Essay 的“万能地漏” Water, Biodiversity, TNFD, Planetary boundaries 或者问句“为什么要把可持续发展展为系统性风险 (Systems issue)”，直接套需抽掉炸弹。

Block 1: 系统性风险与地球边界 (Systemic Risks & Planetary Boundaries)

Ⓐ Systemic risk, Planetary boundaries, Interconnected, Overshoot

① Sustainability challenges such as climate change, water scarcity, and biodiversity loss are fundamentally interconnected systemic risks rather than isolated issues. The planetary boundaries framework identifies nine critical Earth system processes that regulate the stability of the planet, with six already showing signs of crossing. These risks are deeply interconnected, meaning a disturbance in one stable ecosystem can contribute to their transgression through resource extraction and pollution. Critically, addressing these environmental issues in silos may inadvertently obscure cumulative vulnerabilities and create an illusion of progress. For instance, a multinational company's operational efficiencies must move beyond mere compliance metrics to address systemic vulnerabilities, such as global water scarcity or biodiversity loss.

Block 2: 水资源披露与情境依赖 (Water Accounting & Context-Specificity)

Ⓐ Water accounting, Context-specific, Water footprint, Blue/green/grey water, Shared resource

① Unlike greenhouse gases, which have global atmospheric effects, water accounting is inherently local and context-specific. The sustainability impact of water use depends heavily on location, timing, and local water stress. Comprehensive water reporting utilises the water footprint concept, distinguishing between blue water (surface and groundwater), green water (rainwater), and grey water (required to dilute pollutants). A critical limitation of traditional reporting is that providing aggregate volumetric water data may fail to convey true ecological and social impacts, as relatively small withdrawals can be highly detrimental in water-stressed catchments. As demonstrated by [Case: Nestlé / BHP], water management strategies must move beyond mere compliance metrics to address shared dependencies and community impacts within specific river basins.

Block 3: 生物多样性的依赖与影响 (Biodiversity Dependencies & Impacts)

Ⓐ Biodiversity, Ecosystem services, Impacts and dependencies

① Biodiversity encompasses the variety of life at the genetic, species, and ecosystem levels, representing both a critical dependency and a material impact for businesses. Organisations drive biodiversity loss through habitat destruction and pollution, while simultaneously depending on ecosystem services for raw materials, food security, and risk reduction. However, biodiversity accounting remains highly complex due to its spatial nature and a lack of standardised valuation metrics. Consequently, current corporate disclosures may rely heavily on qualitative narratives that can obscure actual ecological degradation. For example, extractive or agricultural firms like [Case: BHP / Diaqueo] must disclose long-term risks if severe ecological degradation undermines their social licence to operate or disrupts their raw material procurement.

Block 4: TNFD 框架与自然气候转型 (TNFD & Nature-Positive Transition)

Ⓐ TNFD, Nature-related risks, Physical/transition risk, Financial integration

① The Taskforce on Nature-related Financial Disclosures (TNFD) represents a strategic shift toward integrating nature into corporate risk management. It provides a framework for organisations to identify, assess, and disclose nature-related risks and opportunities across their value chains. This framework provides a structure to support the transition toward a ‘nature-positive’ state by bringing nature-related information into governance, strategy, risk management and capital allocation. Critically, while the TNFD enhances market awareness, its strong investor-centric focus may prioritise financially material risks over broader ethical considerations. For instance, a company like [Case: BHP / Diaqueo] might use TNFD to report on local community impacts that do not immediately affect their enterprise value.

Module 5: 人权、漂绿与诚信 (Human Rights & Assurance)

【考纲级指南】 这块积木不是 Essay 的“万能地漏” Human Rights, Supply chain, Greenwashing, Assurance (ISSA 5000/AASA 5001), Limited vs Reasonable assurance, 或者要求你批判性地评估一份报告的可信度时，直接抽掉使用。

Block 1: 人权议题与供应链隐藏性 (Human Rights & Supply Chain Shadows)

Ⓐ Human rights, Supply chain (供应链), In the shadows (在暗处), Due diligence (尽职调查), Power imbalance

① Human rights violations often occur in the shadows of corporate operations, beyond direct operations and supply chains, aligning with frameworks like the UN Guiding Principles. Organisations are expected to conduct rigorous due diligence to identify, prevent, and mitigate severe human rights impacts. A critical caveat is that due to extreme power imbalances and fragmented supplier networks, severe human rights violations often remain hidden ‘in the shadows’. Consequently, without robust enforcement and genuine stakeholder engagement, human rights reporting risks becoming a compliance exercise rather than driving true accountability. This vulnerability is starkly evident in the [Case: Rana Plaza] tragedy, where marginalised supply-chain workers bore catastrophic impacts but lacked the formal power to hold multinational brands accountable until the disaster occurred.

Block 2: 漂绿与绿色洗脑 (Greenwashing & Legitimacy Theory)

Ⓐ Greenwashing (含漂绿), Legitimacy gap (合法性缺口), Symbolic reporting, Public perception

① The proliferation of voluntary reporting and credibility organisations increasingly seek third-party sustainability assurance under standards such as ISSA 5000 or AASA 5001. A fundamental distinction exists between limited and reasonable assurance. Limited assurance relies on restricted evidence gathering and provides a negative conclusion (e.g., ‘nothing has come to our attention’). Conversely, reasonable assurance involves extensive testing to express a positive opinion on data reliability. A critical limitation is that management incentives remain limited and primarily focus on data accuracy, failing to assess whether the organisation has actually disclosed the most materially significant societal impacts. Consequently, for companies like [Case: Qantas / Nestlé], assured reports may improve internal data consistency without necessarily driving substantive environmental or social improvements.

Block 3: 鉴证的类别与门槛 (Limited vs. Reasonable Assurance)

Ⓐ Assurance (鉴证), ISSA 5000 / AASA 5001, Limited vs Reasonable, Data accuracy, Credibility

① To mitigate the proliferation of voluntary reporting and credibility organisations increasingly seek third-party sustainability assurance under standards such as ISSA 5000 or AASA 5001. A fundamental distinction exists between limited and reasonable assurance. Limited assurance relies on restricted evidence gathering and provides a negative conclusion (e.g., ‘nothing has come to our attention’). Conversely, reasonable assurance involves extensive testing to express a positive opinion on data reliability. A critical limitation is that management incentives remain limited and primarily focus on data accuracy, failing to assess whether the organisation has actually disclosed the most materially significant societal impacts. Consequently, for companies like [Case: Qantas / Nestlé], assured reports may improve internal data consistency without necessarily driving substantive environmental or social improvements.

Block 4: 鉴证是否还是无关紧要？ (Assurance: Compliance vs Accountability)

Ⓐ Assurance (含鉴证) vs Accountability (含问责制), Management capture (管理控制范围), Legitimacy signal

① The practice of sustainability assurance reveals a profound tension between genuine accountability and strategic compliance. While accountability-oriented assurance prioritises broad stakeholder inclusivity and transparency regarding social and environmental consequences, compliance-oriented assurance focuses merely on meeting regulatory expectations with minimal organisational disruption. Critically, because management often dictates the scope of the assurance engagement, it is frequently utilised as a strategic legitimacy signal to appease dominant investors rather than a mechanism for deep accountability. Therefore, without strong internal ethical commitments, assurance processes may simply reinforce the quality of selective disclosures, allowing companies to avoid accountability for their most complex systemic externalities.

Back Page: Copyable Expansion Blocks

本页只用于考后总结，各题框架不在此页

Block 1: 万能开头 - 报告框架不是一回事

Ⓐ reporting frameworks, compare and contrast, accountability boundary, materiality

① Sustainability reporting frameworks are not neutral technical tools. They embed different assumptions about who the organisation is accountable to, what information matters, and which impacts should become visible. A framework focused on investors will prioritise financial material risks and opportunities affecting enterprise value, while a stakeholder-oriented framework will also require disclosure of impacts on society and the natural environment. This reflects a choice of what to include and what to omit from corporate accountability. This is why the same issue, such as emissions, water use or supply-chain labour conditions, can be framed either as a financial risk to the firm or as a broader social and ecological accountability issue.

Block 2: 传统财务会计为什么不够

Ⓐ traditional accounting, limitations, entity assumption, externalities, short-termism

① Traditional financial accounting remains useful for reporting financial performance, but it is limited in addressing sustainability because it is grounded in the entity assumption, monetary measurement and relatively short reporting periods. Many sustainability impacts occur outside the legal entity boundary, such as value-chain emissions, outsourced labour conditions, product use and waste. Environmental and social costs may also be treated as externalities rather than recognised as part of corporate performance. As a result, a company like [Case: Volkswagen / BHP] may appear financially robust while significant social and ecological consequences may visible.

Block 3: 强可持续性 vs 弱可持续性

Ⓐ weak sustainability, strong sustainability, trade-offs, natural capital

① Weak sustainability assumes that environmental degradation can be traded off against economic gains, because different forms of capital are treated as broadly substitutable. Strong sustainability challenges this assumption by recognising that the economy is nested within society and the environment, and that ecological collapse cannot be compensated by financial capital. Stable systems, biodiversity, freshwater ecosystems and fertile soils, cannot simply be replaced by financial capital. This distinction is important for accounting because conventional reports may treat nature as an input or externality, while strong sustainability requires organisations to consider whether their activities remain within ecological limits.

Block 4: Accountability 问责制

Ⓐ accountability, legal accountability, moral accountability, duty to explain

① Accountability in sustainability accounting means more than reporting financial results to shareholders. It refers to the duty to explain organisational actions and impacts to those affected by them. Traditional financial accountability focuses mainly on managers responsible for financial outcomes, while sustainability accountability expands the scope to include a broader range of stakeholders: employees, communities, suppliers, supply-chain workers, consumers, future generations and the natural environment. Legal accountability reflects formal compliance obligations, while moral accountability goes beyond law and is shaped by social expectations.

expectations, ethics and legitimacy. This broader view is important because many sustainability harms occur before regulation fully captures them.

Block 5: Stakeholder Theory 利益相关者

Ⓐ Stakeholder theory, stakeholder primacy, power imbalance, salience model

① Stakeholder theory stands on the premise that organisations are affected and depend on many groups beyond capital providers. Stakeholders include investors, employees, suppliers, customers, communities, governments, NGOs, supply-chain workers and future generations. However, not all stakeholders have equal influence. Corporate attention often favours groups with power, legitimacy and urgency, while vulnerable stakeholders may remain under-represented despite experiencing severe impacts. This power imbalance creates a power imbalance in corporate reporting. For example, supply-chain workers or local communities may bear serious social or environmental costs but lack the formal power to shape corporate materiality assessments.

Block 6: Legitimacy Theory 合法性理论

Ⓐ legitimacy theory, social licence, social contract, legitimacy gap

① Legitimacy Theory argues that organisations depend not only on legal permission but also on social acceptance. This is often described as a social licence to operate, which allows firms to use resources, employ labour and generate profit, but expects them to act consistently with social, ethical and environmental norms. When corporate behaviour diverges from these expectations, a legitimacy gap emerges. Sustainability reporting can help maintain legitimacy by explaining impacts, risks and management responses. However, it may also be used symbolically to manage public perception rather than deliver genuine accountability.

Block 7: Materiality 重要性总结

Ⓐ materiality, financial materiality, impact materiality, double materiality, dynamic materiality

① Materiality determines which sustainability issues are significant enough to be disclosed, and therefore defines the boundary of corporate accountability. Financial materiality focuses on how sustainability-related risks and opportunities affect enterprise value, cash flows, access to finance or cost of capital, and impact on how the organisation affects society, people and the environment. Double materiality combines both perspectives, while dynamic materiality recognises that today's social or environmental impacts may become tomorrow's financial risks through regulation, litigation, market pressure or reputational damage. Therefore, materiality is not a purely objective exercise; it is judgement-laden and stakeholder-dependent.

Block 8: GRI 框架

Ⓐ GRI, impact materiality, broad stakeholders, public accountability

① The Global Reporting Initiative adopts a broad stakeholder-oriented approach and treats sustainability reporting as a form of public accountability. It is based on impact materiality, requiring organisations to disclose their most significant actual and potential impacts on the economy, environment and people, including human rights. This makes GRI useful for reporting issues that may not immediately affect enterprise value but are still important for stakeholders. However, its voluntary nature in many jurisdictions allows significant managerial discretion, potentially leading to selective disclosure or greenwashing if not properly assured. For instance, a company like [Case: Qantas / Nestlé] might use GRI to report on local community impacts that do not immediately affect their enterprise value.

Block 9: IFRS S1 / ISSB 框架

Ⓐ ISSB, IFRS S1, investors, enterprise value, financial materiality

① IFRS S1 is designed to meet the information needs of capital market participants by focusing on financial risks and opportunities that could reasonably affect an entity's prospects. Its primary users are capital market participants, including investors, lenders and other creditors. Therefore, the framework is grounded in financial materiality and enterprise value rather than broad public accountability. Its strength is that it connects sustainability issues to cash flows, cost of capital, access to finance and long-term financial resilience. However, its financial materiality-oriented logic may exclude severe social or ecological impacts if they are not yet expected to affect the firm's financial prospects.

Block 10: IFRS S2 气候专项

Ⓐ IFRS S2, climate-related risks, physical risk, transition risk

① IFRS S2 applies the ISSB logic specifically to climate-related risks and opportunities. It requires climate disclosure to be connected to enterprise value, cash flows, access to finance or cost of capital. Climate-related physical risks include acute events such as floods, fires and storms, as well as chronic changes such as sea-level rise, droughts and sea-level rise. Transition risks arise from policy, market, technology and reputational shifts toward a low-carbon economy. This approach is useful because it translates climate change into financial risk and enterprise value. However, it may understate broader ecological and social impacts if they are not financially material.

Block 11: S1 and S2 的关系

Ⓐ relationship between IFRS S1 and S2, general requirements, climate standard

① IFRS S1 and IFRS S2 have an essential conceptual relationship. IFRS S1 is the general sustainability disclosure framework, setting out the overarching principles for disclosing sustainability-related risks and opportunities that could reasonably affect enterprise value, cash flows, access to finance or cost of capital. IFRS S2, which focuses on climate, is treated as a specialised application of the sustainability reporting system on its own. It addresses climate-related matters, but other sustainability issues such as water, biodiversity, human rights, supply-chain labour conditions, pollution and community conflict may be omitted if a company only focuses on climate disclosure.

Block 12: SASB 框架

Ⓐ SASB, industry-specific, investors, financial materiality

① SASB is an investor-oriented framework that provides industry-specific sustainability disclosure topics and metrics. Its logic is that sustainability issues become relevant to reporting when they are reasonably likely to affect financial condition, operating performance or enterprise value. This makes SASB useful for investors because it supports comparability across firms in the same sector and across decisions on investment. However, its financial materiality lens may narrow the accountability boundary by excluding impacts that are severe for communities or ecosystems but not yet financially material. SASB therefore improves capital market relevance but does not fully address public accountability.

Block 13: Integrated Reporting 综合报告

Ⓐ Integrated Reporting, IR, six capitals, integrated thinking, reporting silos

① Integrated Reporting was developed to connect financial and non-financial reporting into a coherent explanation of value creation over time. It focuses on how an organisation creates, preserves or erodes value through six capitals: financial, manufactured, intellectual, human, social and relationship, and natural capital. Its contribution is integrated thinking, because it links strategy, governance, business model, risks and sustainability issues rather than treating ESG as a separate report. However, its voluntary nature may become a broad value-creation narrative if negative impacts on communities, workers or natural capital are not clearly disclosed.

Block 14: ERSR 欧盟双重重要性

Ⓐ ERSR, CSRD, double materiality, mandatory reporting, value chain

① The European Sustainability Reporting Standards attempt to bridge investor-focused and stakeholder-focused reporting through double materiality. Under ERSR, an issue may require disclosure if it is material from a financial perspective, meaning it affects cash flows, cost of capital, or overall enterprise value, or if it has a material impact on society and the environment. This makes ERSR broader than ISSB because it explicitly includes both outside-in risks and inside-out impacts. Its mandatory nature under the EU CSRD can improve consistency and accountability. However, it also creates complexity because firms must collect value-chain data and make difficult materiality judgements.

Block 15: Value Chain 价值链边界

Ⓐ value chain, upstream, downstream, entity boundary, Scope 3

① The value chain is crucial in sustainability accounting because many impacts, dependencies and risks occur outside the legal entity boundary. Upstream impacts may involve suppliers, raw materials, agriculture, mining, labour conditions and logistics, while downstream impacts may involve product use, waste, recycling and end-of-life effects. Traditional accounting often focuses on reporting entity-level impacts, while the value chain approach expands the accountability boundary. GRI, for example, requires entities to identify impacts on society and the environment, while IFRS uses value-chain information when risks or opportunities could affect enterprise value. This difference leads to different reporting objectives.

Block 16: GHG Protocol - Scope 1/2/3

Ⓐ GHG Protocol, Scope 1, Scope 2, Scope 3, emissions

① The GHG Protocol provides a standardised framework for measuring greenhouse gas emissions and improving comparability. Scope 1 covers direct emissions from sources owned or controlled by the firm. Scope 2 covers indirect emissions from purchased electricity or energy. Scope 3 covers other indirect emissions across the upstream and downstream value chain, including suppliers, logistics and end-of-life effects. This approach is useful because it provides a common framework for measuring and managing emissions, helping to avoid double counting and ensuring that all relevant emissions are captured. However, Scope 3 can seriously misrepresent climate exposure, especially for firms with complex agricultural, manufacturing, packaging or consumer-use supply chains.

Block 17: Scenario Analysis 情景分析

Ⓐ scenario analysis, 1.5°C, resilience, climate uncertainty

① Scenario analysis is a core requirement of IFRS S2, designed to evaluate how an organisation's strategy may perform under different plausible future climate futures. It tests corporate resilience against different pathways, such as 1.5°C transition versus a 4°C scenario. However, scenario analysis is inherently limited by the uncertainty of its underlying assumptions, meaning it may be used symbolically to project false confidence rather than driving genuine strategic changes. For example, relying on overly optimistic transition assumptions might dangerously underestimate the long-term financial impacts for a company like [Case: Volkswagen / BHP].

Block 18: ASRS / AASB S1 & S2 澳洲语境

Ⓐ ASRS, AASB S1, AASB S2, Australian adoption, mandatory climate reporting

① In Australia, the Australian Sustainability Reporting Standards adapt the global ISSB baseline to the local reporting context. AASB S1 provides general sustainability-related disclosure guidance, while AASB S2 is central to climate-related financial disclosures for relevant reporting entities. This reflects a choice of what to include and what to omit from corporate accountability. The benefit is greater comparability and investor decision-usefulness. However, mandatory reporting can also create a compliance mindset, where firms focus on satisfying disclosure requirements rather than genuinely integrating climate risk into governance, strategy and capital allocation.

Block 19: Biodiversity 生物多样性

Ⓐ biodiversity, ecosystem services, dependencies, impacts

① Biodiversity refers to the variety of life at genetic, species and ecosystem levels. It represents both a business dependency and a business impact. Organisations contribute to biodiversity loss through habitat destruction, land-use change, pollution, over-extraction and other activities. Biodiversity accounting is difficult because impacts are spatially specific, often irreversible and hard to reduce to standardised metrics. Therefore, corporate disclosures may rely heavily on qualitative narratives that obscure actual ecological degradation and underestimate long-term business vulnerability.

Block 20: Biodiversity 为什么是 Financially Material

主题: biodiversity, ecosystem services, financial materiality, IFRS S1

① Biodiversity loss and ecosystem degradation can be financially material under IFRS S1 when they could reasonably affect enterprise value. Businesses depend on ecosystem services for raw materials, reliable water supply, food production, flood protection, soil fertility and climate regulation. When these systems fail, higher costs, disrupted supply chains, reduced productivity, regulatory constraints, insurance exposure, litigation and loss of social licence. Therefore, biodiversity is not merely an ethical or environmental issue. It can affect cash flows, asset values, strategic resilience and long-term enterprise value, especially for agriculture, mining, food, beverage, insurance and infrastructure-related sectors.

Block 21: Water 水资源

主题: water, context-specific, water stress, shared resource

① Water accounting is highly context-specific because the sustainability impact of water use depends on location, timing, source, quality and local water stress. Unlike greenhouse gases, which have global atmospheric effects, water impacts are experienced within particular catchments, communities and ecosystems. The same volume of water can have very different consequences in a water-rich, well-regulated catchment compared to an arid region. Shared water resources, such as rivers and aquifers, can be over-exploited, affecting communities, agriculture, ecosystems and other industries. Therefore, transparent water reporting must move beyond acrequate consumption metrics and address river-basin conditions, community rights and ecological health.

Block 22: Blue / Green / Grey Water

主题: blue water, green water, grey water, water footprint

① Water footprinting helps explain why water disclosure cannot rely only on total withdrawal volumes. Blue water refers to surface water and groundwater sources, green water refers to rainfall stored in soil and used by vegetation or crops, and grey water refers to the water required to dilute pollutants to acceptable standards. These categories show that water impacts often occur beyond a company's factory footprint, especially for agriculture, food and beverage companies that export and import goods while still operating. Nestlé, water dependency may arise from raw materials, farming, processing, packaging and local catchment conditions rather than only operational water use.

Block 23: TNFD 自然相关披露

主题: TNFD, nature-related risks, dependencies, impacts, physical risk, transition risk

① The TNFD framework on Nature-related Financial Disclosures represents a strategic shift toward integrating nature into corporate risk management and disclosure. Modeled after the TCFD, it guides organisations to evaluate nature-related dependencies, impacts, risks and opportunities across their value chains. This can make nature more visible in governance, strategy, risk management, metrics, targets and capital allocation. Nature-related physical risks include declining ecosystem services, while transition risks may include regulatory changes and reputational damage. However, TNFD-style disclosure may still prioritise financially material risks over broader ethical accountability, potentially sidelining Indigenous rights, ecosystem values or local community concerns.

Block 24: Planetary Boundaries 地球边界

主题: planetary boundaries, ecological limits, overshoot, systems issue

① The Planetary boundaries framework highlights that business activity depends on stable Earth systems. It identifies key environmental processes that regulate planetary stability, including climate change, biosphere integrity, freshwater change, land-system change and biodiversity loss. Crossing any of these boundaries indicates that human economic activity is exceeding the Earth's regenerative capacity. This matters for accounting because conventional reports may ignore whether business models operate within ecological limits. Treating ESG issues in silos can create an illusion of progress, because improvements in one area may be undermined by pressures elsewhere in the system. Sustainability accounting must therefore recognise interconnected systemic vulnerabilities.

Block 25: Sustainability Assurance vs Financial Audit

主题: sustainability assurance, financial statement audit, differences

① Sustainability assurance differs from traditional financial statement assurance because its subject matter is broader, less standardised and more subjective. Financial statement assurance usually examines historical, monetary information that is independently prepared under mature accounting standards and relatively clear reporting boundaries. Sustainability assurance may cover greenhouse gas emissions, water, biodiversity, human rights, supply-chain data, forward-looking climate scenarios, qualitative narratives and multiple reporting frameworks. This creates greater measurement uncertainty, boundary complexity and judgement. Therefore, sustainability assurance can improve credibility, but it cannot by itself guarantee complete accountability or substantive sustainability performance.

Block 26: SDGs 可持续发展目标

主题: SDGs, global agenda, macro framework

① The UN's 17 Sustainable Development Goals provide a macro-level global agenda for sustainable development rather than a prescriptive reporting standard. They help companies link business activities to broader social and environmental goals, such as climate action, clean water, decent work, reduced inequalities and responsible consumption. However, the SDGs do not provide detailed measurement rules or disclosure requirements in the same way as GRI, ISSB or ESRs. Their main value is to locate corporate activity within wider societal priorities and highlight systemic interdependencies across economic, social and environmental development.

Block 27: SBTi / SBTN 科学目标

主题: SBTi, SBTN, science-based targets, limits-based accounting

① Science-based target initiatives such as SBTi for climate and SBTN for nature shift corporate targets beyond relative year-on-year improvement. They encourage organisations to align measurable and time-bound targets with scientific thresholds. Earth system SBTs are particularly important because they set limits on human activity to stay within planetary boundaries and prevent crossing outside ecological limits. Science-based targets therefore ask whether corporate action is sufficient in relation to climate pathways or nature thresholds, not merely whether performance has improved compared with the previous year. However, targets still require credible implementation, transparent boundaries and consistent progress reporting.

Block 28: ESG Investing vs Impact Investing

主题: ESG investing, ESG integration, impact investing, financial markets

① ESG integration incorporates environmental, social and governance factors into financial decision-making to assess risk, return and enterprise value. It does not necessarily require investors to avoid particular industries or pursue positive social outcomes; rather, it embeds ESG information into valuation and portfolio decisions. By contrast, impact investing intentionally seeks measurable positive social or environmental outcomes alongside financial returns. This distinction matters because impact investors may be more shareholder-oriented, while impact investing more explicitly connects capital allocation to social and ecological goals. Both approaches increase demand for high-quality, comparable and credible sustainability information.

Block 29: SRI / Ethical Investing

主题: SRI, ethical investing, negative screening, values-based investing

① Socially responsible investment and ethical investing allocate capital according to values as well as financial considerations. They may involve negative screening, such as excluding coal, tobacco, weapons or companies involved in severe human rights controversies. They may also involve positive selection of firms with stronger sustainability practices. This differs from simple ESG S&P because ethical preferences can influence investment choices even when financial returns are affected. For example, SRI investors, credible sustainability reporting and assurance are important because they support screening, engagement, portfolio allocation and due diligence on whether a company's conduct aligns with stated social or environmental values.

Block 30: Five Stages of Reporting 五阶段

主题: five stages, reporting process, whyto/when/what/how/assurance

① Sustainability reporting can be understood as a multi-stage process. First, organisations must decide why they report, including regulatory compliance, stakeholder expectations or strategic communication. Second, they identify to whom the information is directed, such as investors, broad stakeholders or regulators. Third, they determine what is reported, usually through materiality assessment. Fourth, they decide how the report is compiled, including boundaries, data systems, metrics and frameworks. Finally, they consider how the report is assured. This process shows that reporting is not neutral; each stage involves judgement about purpose, audience, scope, reliability and accountability.

Block 31: Reporting Evolution 报告演变

主题: reporting evolution, voluntary to mandatory, standardisation

① Sustainability reporting has evolved from voluntary, narrative and fragmented disclosures toward more standardised, assured and comparable reporting. Early reporting focused on social welfare, community initiatives or environmental incidents. Over time, frameworks such as GRI, SASB, Integrated Reporting, ISSB, ESRs, TCFD and TNFD developed to organise sustainability information for different users. This evolution reflects increasing recognition that sustainability issues affect risk, return, legitimacy and long-term value creation. However, standardisation does not eliminate judgement. Firms still decide how to define boundaries, assess materiality, collect data and present performance.

Block 32: Diageo 案例万能股

主题: Diageo, GRI, SASB, water, Scope 3, assurance

① Diageo is a useful example because it illustrates the coexistence of different reporting logics. Through GRI-style disclosure, Diageo can report broad impacts on stakeholders, including water, packaging, employees, communities and supply-chain issues. Through SASB-style disclosure, it provides information useful to investors in the alcoholic beverage sector. Diageo also illustrates value-chain complexity because water dependency and Scope 3 emissions can arise from agriculture, packaging, logistics and product life cycles. Its use of limited assurance over selected non-financial information also shows how assurance can improve credibility while leaving questions about scope and completeness.

Block 33: Qantas 案例万能股

主题: Qantas, climate risk, airline, physical risk, transition risk

① Qantas is a useful example for climate-related financial and impact materiality. As an airline, it faces transition risks from carbon pricing, aviation fuel costs, sustainable aviation fuel, regulation, changing consumer preferences and investor pressure. It also faces physical risks from extreme weather, heat, storms, floods and airport disruption. At the same time, its emissions represent an impact S&P risk for climate system stability. Therefore, Qantas illustrates how the same issue can be financially material under the ISSB or IFRS S2, while also being impact material under GRI or ESRs because aviation emissions affect society and the environment.

Block 34: BHP 案例万能股

主题: BHP, mining, biodiversity, Indigenous rights, social licence

① BHP is a useful example for biodiversity, mining, community impacts and social licence to operate. Mining companies depend on biodiversity, ecosystems, water, energy and land for long-term corporate success. While also affecting biodiversity, Indigenous systems and Indigenous or local communities. These issues may become financially material through project delays, litigation, rehabilitation obligations, reputational damage or loss of licence. Under GRI, the focus would also include the company's impacts on the local and national financial community. BHP therefore illustrates the connection between natural capital, social contract, stakeholder accountability and enterprise value.

Block 35: Volkswagen / BP 案例万能股

主题: Volkswagen, BP, greenwashing, legitimacy gap, accountability failure

① Volkswagen and BP are useful examples for legitimacy, greenwashing and accountability failure. Volkswagen's Dieselgate scandal shows how environmental claims can collapse when reported commitments are inconsistent with actual conduct, creating legal, reputational and financial consequences. BP's green image before Deepwater Horizon similarly illustrates the tension between sustainability narratives and underlying ecological risk management. These cases show that sustainability reporting can be used to manage legitimacy, but disclosure without substantive accountability may increase the risk of public backlash. They also demonstrate dynamic materiality: because issues initially framed as environmental or ethical concerns can rapidly become financially material crises.

Block 36: Rana Plaza 案例万能股

主题: Rana Plaza, human rights, supply chain, power imbalance

① Rana Plaza is a powerful example of supply-chain human rights failure and the limits of entity-based accountability. Although multinational fashion brands may not have directly owned the factory, their purchasing practices, cost pressures and supply-chain governance created conditions for collapse. The tragedy shows how severe impacts can remain invisible when power is distributed among suppliers where workers lack power, voice and legal protection. It also illustrates why sustainability accounting must consider moral accountability, due diligence and stakeholder power imbalance. Under GRI, such impacts are material because they affect people and human rights, regardless of immediate financial consequences.

Block 37: 万能结论 1

主题: any critical conclusion, accountability, disclosure limits

① Overall, sustainability reporting can improve transparency and decision-usefulness, but it does not automatically guarantee accountability or sustainable performance. Its value depends on the materiality lens, reporting boundary, quality of data, stakeholder inclusivity and assurance process. A narrow financial materiality approach may help investors assess enterprise value, but it can exclude severe impacts on communities, workers or future generations. A broader impact-oriented approach can make these issues visible, but it may still be weakened by selective disclosure or weak enforcement. Therefore, sustainability accounting is ultimately about deciding whose interests count and which impacts become visible.

Block 38: 万能结论 2

主题: framework comparison, final synthesis

① The central issue is not whether one framework is universally superior, but how each framework defines the relationship between business, society and nature. Investor-oriented frameworks such as IFRS S1, IFRS S2 and SASB improve financial decision-usefulness by translating sustainability into risks and opportunities for enterprise value. Stakeholder-oriented frameworks such as GRI and ESRs expand accountability by recognising organisational and environmental impacts beyond the firm's immediate financial interests. Connecting these logics to long-term value creation through multiple capitals. The most complete analysis therefore requires understanding both financial risk and social-ecological impact.

Block 39: 万能结论 3

主题: systems issue, long-term value, social contract

① In conclusion, sustainability issues should not be treated as isolated ESG categories. Climate change, water scarcity, biodiversity loss and human rights are interconnected issues that shape both enterprise value and social legitimacy. A report that ignores these interdependencies may appear complete in a narrow compliance sense, but still fail to explain the organisation's real dependencies, impacts and vulnerabilities. Effective sustainability accounting must therefore connect risk, impact, strategy, governance, value chain and assurance. Only then can reporting support both investor decision-making and the broader corporate social contract.

Block 40: GRI 三类标准

主题: GRI Universal Standards, Sector Standards, Topic Standards

① The GRI Standards consist of Universal Standards, Sector Standards and Topic Standards. Universal Standards apply to all organisations and provide reporting principles, general disclosures and guidance for determining material topics. Sector Standards identify topics relevant to specific industries. Industry Standards provide issue-specific disclosures such as emissions, water, waste, biodiversity or human rights. This structure helps organisations move from broad accountability principles to specific impact disclosures.

Block 41: GRI Reporting Principles

主题: balance, completeness, clarity, comparability, sustainability context

① GRI reporting principles help assess whether sustainability disclosure is credible and useful. Balance requires both positive and negative performance to be reported. Completeness requires material topics and boundaries to be adequately covered. Comparability allows users to assess trends over time and across firms. Sustainability context requires performance to be interpreted against wider social and economic conditions rather than only internal targets. A report that omits negative results may appear detailed but still fail to provide genuine accountability.

Block 42: GRI 3 Material Topics Process

主题: GRI 3, material topics, identify impacts, prioritise impacts

① Under GRI 3, determining material topics requires organisations to identify actual and potential impacts, assess their significance, and prioritise the most significant impacts, and then report how these material topics are managed. This process should consider severity, likelihood, scale, scope and irremediability, as well as stakeholder perspectives. The process is important because it prevents sustainability reporting from becoming a random list of positive initiatives and instead links disclosure to the organisation's most significant impacts.

Block 43: Stakeholder Engagement vs Management

主题: stakeholder engagement, stakeholder management, Arminstein's ladder

① Stakeholder engagement differs from stakeholder management. Stakeholder management often treats stakeholders as risks to be controlled or audiences to be persuaded. Genuine stakeholder engagement requires dialogue, participation and responsiveness, especially from groups directly affected by corporate impacts. Arminstein's Ladder is useful because it shows that consultation alone may be tokenistic if stakeholders lack influence. Involvement requires decision-making power. Higher levels of participation, identifying stakeholders; it requires considering whether affected groups have meaningful power in shaping materiality and disclosure.

Block 44: Due Diligence 尽职调查

主题: due diligence, identify, prevent, mitigate, account for impacts

① Due diligence is a process through which organisations identify, prevent, mitigate and account for actual and potential negative impacts. In doing so, it goes beyond reporting, due diligence is especially important for human rights, supply chains, biodiversity and because many impacts occur outside direct operations. Reporting policies alone is insufficient if the organisation cannot show how risks were identified, who was affected, what actions were taken, and whether harm was remediated. Due diligence therefore connects disclosure to accountability and practical management of impacts.

Block 45: Remediation 补救

主题: remediation, grievance mechanisms, negative impacts

① Remediation is an important part of sustainability accountability because disclosure alone does not repair harm. When an organisation causes or contributes to negative impacts, it should provide or support remedy through grievance mechanisms, compensation, corrective action, policy change or operational improvements. This is especially relevant for human rights, community impacts and environmental damage. Without remediation, sustainability reporting may simply describe harm after it occurs rather than demonstrating responsibility. Effective remediation therefore helps close the gap between symbolic reporting and genuine accountability.

Block 46: Risks vs Impacts 万能辨析

主题: financial risk vs impact, ISSB vs GRI, outside-in vs inside-out

① A sustainability issue can be both a financial risk and an impact, but the analytical direction is different. Financial risk is outside-in: it asks how the issue affects the firm's financial position and value. Impact is inside-out: it asks how the firm's activities affect people, communities and ecosystems. ISSB focuses mainly on the first direction, while GRI focuses mainly on the second. ESRs attempts to capture both through double materiality.

Block 47: 万能开头: Compare and Contrast

主题: compare, contrast, critically evaluate, frameworks

① The not discussed in the previous section is the relationship structure of the frameworks, but the accountability logic behind them. Each framework defines different users, purposes, materiality thresholds and reporting boundaries. Therefore, comparison should focus on who the report serves, what issues become visible, and whether the framework prioritises enterprise value, stakeholder accountability, or both.

Block 48: 万能开头: Critically Discuss

主题: critically discuss, evaluate, paradox, limitations

① This issue requires a balanced evaluation because sustainability reporting can improve transparency and decision-usefulness, but it can also reproduce narrow accountability boundaries. The key question is not whether disclosure exists, but whether it captures the most significant impacts, dependencies, risks and stakeholder concerns. Therefore, a critical answer must consider both the contributions and the limitations.

Block 49: 万能案例插入句

主题: provide example, evidence, case

① This can be illustrated by [Case], where the sustainability issue cannot be understood only through financial performance. The case shows that corporate impacts, dependencies and risks often extend across value chains, stakeholders and ecological systems. It therefore demonstrates why sustainability accounting must move beyond narrow entity-based reporting and consider both enterprise value and broader accountability.

Block 50: 最后一句万能收尾

主题: final sentence, conclusion, critical ending

① Therefore, the central question in sustainability accounting is not merely whether information is disclosed, but whose interests are prioritised, which impacts are made visible, and whether the reporting process supports genuine accountability rather than symbolic legitimacy management.

Final High-Yield Add-ons — 最后补漏区

中文只用于定位, 考试时只抄英文正文

Block 51: TCFD / ISSB 四大柱

主题: TCFD-style disclosure, organisational climate and sustainability information around governance, strategy, risk management, and metrics and targets

① TCFD-style disclosure organises climate and sustainability information around governance, strategy, risk management, and metrics and targets. This structure is useful because it connects board oversight, business model resilience, risk processes and

measurable performance. However, the framework can still become procedural if firms describe governance structures without showing whether climate, nature or social risks actually influence strategy, capital allocation and operational decisions.

Block 52: Governance 治理披露

主题: Type D, board oversight, management responsibility, governance

① Governance disclosure should explain how the board and management oversee sustainability-related risks and opportunities. This includes accountability structures, skills, reporting lines, internal controls and how sustainability information is considered in decision-making. Its limitation is that governance disclosure can become symbolic if it merely lists committees or policies. A stronger answer asks whether sustainability issues genuinely affect incentives, budgets, risk appetite and strategic choices.