

Syllabus

Business, Social Responsibility, and the Environment

LGST 613 – Sections 2 & 4

Instructor: Eric Orts
Classroom: F50 (section 2) and F45 (section 4)
Classes: M/W 10:15 to 11:45 am (section 2) and 3:30 to 5:00 pm (section 4)
Office hours: After class and anytime by appointment (or just stop by when I'm around)
Office: Huntsman Hall 648
Office phone: Use personal cell/text if needed by advance arrangement
Office e-mail: ortse@wharton.upenn.edu (preferred mode of communication)

Course description: This course focuses on the social and environmental responsibilities of business that may extend beyond profit maximization. In 2019, the Business Roundtable composed of leading chief executive officers of U.S.-based companies released a statement that resurrected and reinforced interest in this view. (See reading link for Class 3 below.) This view contrasts with a traditional approach famously expressed by the economist Milton Friedman that “the social responsibility of business is to increase its profits.” Although Friedman acknowledged normative side constraints to the profit motive—namely, a need to conform to the “basic rules of the society, both those embodied in law and those embodied in ethical custom”—he did not see business as playing a central role in the creation and sustenance of these “basic rules.” (See Friedman reading for Class 3 below.) As this course will explore, Friedman’s view has been challenged by various competing views of business purpose, such as in normative stakeholder theory (see the Donaldson & Preston reading for Class 3 below) and the related idea of “shared value” (see Michael E. Porter and Michael R. Kramer, “Creating Shared Value,” Harvard Business Review (Jan.-Feb. 2011), <https://hbr.org/2011/01/the-big-idea-creating-shared-value>).

The profit-maximizing view of business purpose is the one most frequently modeled in business school classes. This course presents students with the opportunity to explore a principal alternative perspective: that business owes a “social responsibility” that includes, but goes beyond, profits. If business firms are conceived as social institutions that can themselves affect the “basic rules of society” rather than simply taking them as given, then the question becomes how business can or should do so. Take, for example, the global challenge of climate disruption treated in this course. Business operations are “part of the problem” in the sense of being the source of the production and release of large quantities of greenhouse gases every year. But should, how, or to what extent can business become “part of the solution”? What role does or should business play in lobbying for or against laws regulating environmental harm? Do business firms have an ethical, if not a legal responsibility at least to minimize their own carbon footprints or other externally harmful actions? Should business firms partner with other firms or nonprofit organizations to advance their preferred environmental agendas in the political realm? If and when social or environmental

priorities such as these collide directly with the profit motive, how should these two mandates be properly reconciled? Similar questions may be asked about other social challenges in the world today, including challenges to democratic values, poverty reduction, fresh water availability, and global health issues affecting those less able to pay for life-saving drugs and medical services.

This course counts as an option for the required MBA flex-core course in the Legal Studies and Business Ethics Department. It is designed to appeal to students interested in the kinds of questions outlined above, keeping in mind that there are two other course tracks for students who may not see these questions as core interests or who may otherwise prefer an alternative or more traditional approach: LGST 611 (focusing on global responsibility) and LGST 612 (focusing on a more generic understandings of business ethics and law, especially in professional services).

In exploring emerging views and examples of social and environmental responsibility in business, this course relies on students to bring examples from their own experiences and previous practice. It also encourages them to do specific research in teams on relevant topics of their own choosing in this area.

The overall objective of the course is to develop a deeper understanding of the complexity of the relationship between business and social/environmental issues through engagement with relevant academic literature, sharing of personal experiences, and presenting new findings and research. We will also include outside lecturers from different fields of expertise and experience.

The course draws also on the instructor's knowledge and experience in writing about and teaching corporate law, professional ethics, business theory, and environmental sustainability. (See bio below.)

Special notice: This class will likely include students from a number of different countries, and students who represent different political, religious, and cultural perspectives. A cardinal principle of academic freedom is to welcome and respect a diverse range of all opinions and perspectives. The instructor will make every effort to combat any biases (including implicit ones) in assessing students' contributions and comments, and in the conduct of class participation and discussions. Please don't hesitate to raise any concern about potential bias in the course with the instructor directly.

As indicated in the description above, this version of the flex-core required LGST course assumes that the role of business in society travels beyond a narrow focus on the profit motive. Students who disagree with this assumption are welcome in the course, but they may also consider taking an alternative LGST flex-core course that does not make such a strong assumption.

Another starting point in the course will be that science has now rather firmly established that the world faces serious climate risks. Again, alternative views will be welcome and respected, but arguments should be grounded in rational, scientific discourse. Climate solutions will be a primary focus of this year's version of the course.

Important note re class recordings: Recordings of classes will be conducted as recommended by Wharton and by unanimous consent of class members. Anyone may request stopping or avoiding recording during a discussion of sensitive issues, especially if they implicate the safety of students who may be participating from foreign jurisdictions where any such discussions may place them at personal risk.

Important additional note: Class recordings are made for the benefit ONLY to enable students who must miss a class to have access or for purposes of pedagogical review. Any personal recording or other non-academic use of class session recordings is strictly prohibited.

Note for BEES students: This course is especially recommended but not required for MBA students majoring or thinking about majoring in Business, Energy, and Environmental Sustainability.

All MBA students are welcome without regard to their overall economic, political, religious, social, and cultural views. Again, all perspectives are welcome in discussions.

Logistics: Classes follow a twice a week standard in-person format. Please attend all of the sessions, if at all possible. Sessions will be recorded at least in part with the consent of class members. If for any reason a particular class is not recorded, at least in part, please get in touch to make alternative arrangements to discuss content with the instructor or with another student.

In addition to class discussion of assigned readings, students will have the opportunity to reflect on and share their own individual experiences or areas of special interest. Students will also be assigned to teams that will prepare group presentations to deliver in classes at the end of the semester on an issue relevant to social or environmental responsibility in business.

This year, the topic of climate solutions will be emphasized, and students in groups are encouraged to select a topic relevant to this broad field. All students should read one of the four optional books on climate recommended (see below).

Other topics are also allowed, and groups are free to choose their own topic generally relevant to the course. Examples of topics may include, without limitation:

- any topic focusing on business climate solutions, a specific focus of this year's classes
- climate solutions from the perspective of a particular business sector, such as finance, accounting, general management, consulting, investment advising, energy production or distribution, new product development, marketing, or central banking
- a case study of a company that embraces a larger-than-usual social/environmental purpose or objective (e.g., Patagonia or another benefit corporation)
- a case study of a challenge of social or environmental responsibility faced by a particular, more traditional company (e.g., Volkswagen and its diesel emissions testing scandal)

- a case study of the development and sale of new technologies designed to solve particular social or environmental problems (e.g., electric cars, solar/wind power, carbon capture and use, or reusable packaging alternatives)
- a general development in the law involving social or environmental responsibility and business (e.g., the advent of benefit corporations in the U.S. or similar legal frameworks elsewhere in the world)
- an examination of investment or private equity funds that screen or select for social or environmental criteria as well as expected financial returns
- a review the evolution of particular standards or metrics by which non-financial social or environmental performance are measured (e.g., developments in environmental accounting and third-party verification, or metrics used to assess climate performance)
- the use and reliability of environmental marketing logos or certifications
- examples of “greenwashing,” i.e., false claims about social or environmental performance
- legal or consumer proposals to counter greenwashing
- examples of partnerships between business firms and nonprofit organization that advance a social or environmental objective
- ethical and legal issues involving political lobbying or campaign contributions by business (e.g. climate legislation) or
- business challenges in dealing with or supporting authoritarian political regimes or movements.

Important note: Groups should confirm topics with the instructor in advance – partly to get general guidance and also to avoid significant overlaps in presentations.

Required readings: Required reading materials will be provided via Canvas or internet links. In addition, there is one required book and some other optional books. If you choose to read one or more of the optional books, you may mention them in your weekly learning journals (see below).

Required book: Students should plan to acquire (or borrow) and read one (or more) of the following:

- John Doerr, *Speed & Scale: An Action Plan for Solving Our Climate Crisis Now* (Portfolio/Penguin. 2021) [hardcover and also available on Kindle and audiobook].
- Bill Gates, *How To Avoid a Climate Disaster: The Solutions We Have and the Breakthroughs We Need* (Knopf. 2021) [paperback and also available on Kindle and audiobook].
- Kim Stanley Robinson, *The Ministry for the Future: A Novel* (Orbit/Hatchett 2021) [paperback and also available on Kindle and audiobook].
- Roy Scranton, *Learning to Die in the Anthropocene: Reflections on the End of a Civilization* (City Light Books 2015) [available on Kindle and audiobook].

Optional Supplemental Reading:

Elijah Anderson, *Black in White Space: The Enduring Impact of Color in Everyday Life* (University of Chicago Press, hardcover, 2022) [also available in e-textbook].

Colin Mayer, *Prosperity: Better Business Makes the Greater Good* (Oxford University Press, hardcover, 2018) [also available on Kindle].

William McDonough and Michael Braungart, *Upcycle: Beyond Sustainability—Designing for Abundance* (North Point Press, paperback, 2013).

Eric W. Orts, *Business Persons: A Legal Theory of the Firm* (Oxford University Press rev. ed., paperback, 2015) [also available in Oxford online].

The Moral Responsibility of Firms (Eric W. Orts & N. Craig Smith eds., Oxford University Press, hardcover, 2017) [also available on Kindle].

Roger Scruton, *How To Think Seriously About the Planet: The Case for an Environmental Conservatism* (Oxford University Press, paperback, 2012) [also available on Kindle or audio book].

James Gustave Speth, *They Knew: The U.S. Federal Government's Fifty-Year Role in Causing the Climate Crisis* (MIT Press, hardcover 2021) [also available on Kindle].

David Wallace-Wells, *The Uninhabitable Earth: Life After Warming* (Penguin Random House, paperback, 2019) [also available on Kindle and audio book].

Class format and student participation: Classes will combine lecture, group discussion, and group presentations. Students will be expected to have read material assigned for class in advance. Attendance and participation are expected, including for all student presentations.

MBA Learning Agreement: Classes will be conducted according to Wharton's faculty-student Learning Agreement.

1. Class starts and ends on time. Students and faculty are expected to be time.
2. Students are to sit according to a seating chart.
3. Students and faculty should remain in attendance for the duration of class.
4. Students should display name plates.
5. All phones and electronic devices, including laptops, should be turned off.

In addition, the Wharton Administration, following Penn's guidance, recommends the following cautionary measures in light of continuing covid risks.

6. Wear masks in class. (But hoping that we may drop this requirement soon!)
7. No eating during class sessions.

MBA Ethics Code: The MBA Ethics Code and all of its rules and standards regarding student integrity, anti-plagiarism, and prohibition of any form of cheating in individual or group work applies in this course, as in any course at Wharton or Penn. Any violation will be prosecuted and strictly enforced by the instructor. Please reference all materials consulted or used in written work or class presentations—and ask the instructor in advance if you have any doubts.

Grading: Final grades for the course will be assessed as follows. Note that given time pressures in a short course, feedback on some grades may be given only after the end of the course.

1. Class Participation and Discussion Threads (25%). Please engage in contributions to the class and discussion threads available on Canvas. The threads will be opened and closed periodically, and you may contribute to them before and after any class. They will close after a certain period of time has elapsed. Please use these to consider issues to raise in class, or to record thoughts and reactions after classes. The contributions both in class and online should be thoughtful, respectful, and use proper grammar and spelling. In other words, they should be professional. You are also encouraged to suggest discussion thread topics and provide references of interest.
2. Learning Journals (25%). Please keep a learning journal with entries made once or twice each week. Submit your learning journal entries together as a whole at the end of the course via Canvas. Each entry should be no more than 250 to 300 words. You may provide a summary of what you learned from classes, readings, or independent research. New ideas, thoughts, and emotional reactions are perfectly OK to include. Select highlights for yourself to remember in the future. This requirement is considered to be the pedagogical equivalent to a final exam.
3. Short Individual Essay to Share (25%). A short essay is required reflecting on an experience or specific research project involving business responsibility with respect to a social or environmental issue. It may involve an issue that you have personally faced, witnessed, or otherwise have close knowledge about in practice. In the alternative, you may choose an issue or topic that you have a particular interest in examining. Include possible “learning lessons,” “take-away principles,” or “issues for discussion” to recommend to classmates. You may also choose to write a “book review essay” on one of the four climate books recommended. Extra credit is usually given for students who elect to present in class.

The written essay should comprise two to three double-spaced singled-sided pages with standard font and formatting. Include any references if needed (and any bibliography does not count toward the page limit). It is also permissible to use an anonymous third-party reporting format in order to preserve confidentiality with respect to personal experiences.

Important note: Please submit your essay electronically (at least 24 hours in advance of the due date for presentations in class) via Canvas.

3. Group Project and Presentation (25%). Students will be assigned into presentation groups. Groups will research a topic related to the general topic of the course: some issue, problem, or case study regarding business responsibility (or irresponsibility) for society or the environment. This year, the general topic of climate solutions is recommended, but not required for all groups.

Presentations may focus on a particular firm, a particular issue or problem, a particular regulation addressing a business-relevant social or environmental issue, a business group's policy position, a developing relevant technology (such as the use of carbon as an input for making products), or any other relevant issue. Other topics are listed above.

Presentations will be scheduled in the last three classes. They will be limited to approximately 15 minutes each.

Important requirement: Topics for group presentations must be cleared with the professor in advance either in person (i.e. virtually) after an online class or online office hours or via e-mail.

There will be no final exam.

Note on finality of final grades: No appeals to a final grade will be heard (unless an arithmetical error has been made) because doing so would not be fair to all students. A breakdown of the final grade will be made available at the request of any student after final grades have been submitted. Given the short time period of the course, it will be difficult to give student interim assessments of how well they are doing as the course progresses, but please check in to ask if you have a question or a concern.

Syllabus revisions. This version of the course is subject to revision in accordance with students' interests as well as time pressures of coverage or substitutions of course materials.

Course outline

Specific assignments will in general follow the outline provided below. Any changes will be announced in class. Revised versions of the syllabus will also reflect any changes. Readings will be made available via Canvas or online links.

Class 1 Introduction: Business and Social Responsibility [Mar. 14]

Description: This class reviews the course's coverage, requirements, and mutual expectations. The class will also include mutual introductions to identify the different backgrounds, experiences, and future career orientations represented in the class.

In addition, if time allows, we will begin discussion of a topic that has been in the news: the question of whether “political responsibility” should be added as a category of concern for business decision-making. In the last month or so, there has been a remarkable and perhaps unprecedented alliance of business interests taking steps to either boycott or severely reduce their operations in and investments with Russia, given the invasion of (or, as President Putin prefers, the “special military operation” in) Ukraine. Consult some of the readings below and consider the following questions for discussion in this class and the next:

- Should business firms and their leaders consider that they have a “political responsibility” in addition to their primary economic focus on profit-making, with their business activities limited by law and ethics? If not, why not? If so, then what is the extent of this political responsibility?
- Are firms that are leaving or pausing investments and operations in Russia justified in taking this action? Why or why not?
- What advice do you have for hedge funds, private equity firms, or other financial investment firms regarding Russian clients who are named or may be named in the future on the U.S./European sanctions lists? Does this advice differ from how law firms should respond?

Readings:

Thomas Lyon, et al, “CSR Needs CPR: Corporate Sustainability and Politics,” *California Management Review* (2018) [1A].

Peter Coy, “C.E.O.s Are Going Out of Their Way to Punish Russia,” *N.Y. Times*, Mar. 11, 2022, <https://www.nytimes.com/2022/03/09/opinion/russia-sanctions-corporations.html>.

Jonathan Tannenwald and Caryn Shaffer, “Beyond sanctions: Companies, organizations and brands cutting ties with Russia,” *Philadelphia Inquirer*, updated Mar. 3, 2022, <https://www.inquirer.com/news/russia-ukraine-boycott-companies-brands-20220302.html>.

Sapna Maheshwari and Vanessa Friedman, “Big Brands Exit Russia in a Hurry,” *N.Y. Times*, Mar. 10, 2022, at B1 (print ed.),

<https://www.nytimes.com/2022/03/09/business/russia-ukraine-retail.html>.

Matthew Goldstein et al., “How Western Firms Quietly Enabled Russian Oligarchs,” N.Y. Times, Mar. 10, 2022, at 1 (printed ed.),
<https://www.nytimes.com/2022/03/09/business/russian-oligarchs-money-concord.html>.

Optional further reading:

Center for Corporate Accountability & Zicklin Center for Business Ethics Research at Wharton, “CPA-Wharton Zicklin Model Code of Conduct for Corporate Political Spending,” Oct. 13, 2020,
https://politicalaccountability.net/hifi/files/index/2018_CPA-Zicklin_Index.pdf.

Katherine M. Gehl & Michael E. Porter, “Why Competition in the Politics Industry Is Failing America,” Harvard Business School, Sept. 2017
<https://www.hbs.edu/competitiveness/Documents/why-competition-in-the-politics-industry-is-failing-america.pdf>.

Class 2 Political Responsibility and Business (continued) [Mar. 16]

See above. Most of the discussion in the first class will be introductory.

Class 3 Theories of Business Responsibility for Society and the Environment [Mar. 21]

Description: This class focuses on the question of business purposes and different answers to questions about the social and environmental responsibility of business (or not). It includes discussion of a central debate in corporate governance concerning shareholder primacy and stakeholder theories. It reviews the history of the idea “corporate social responsibility” and various interpretations of the concept.

Readings:

Business Roundtable, “Business Roundtable Redefines the Purpose of a Corporation to Promote ‘An Economy That Serves All Americans’”, Aug. 19, 2019, <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>.

Milton Friedman, “The Social Responsibility of Business is to Increase its Profits,” N.Y. Times Magazine, Sept. 13, 1970 [Reading 3A]

American Law Institute, Principles of Corporate Governance: Analysis and Recommendations, § 2.01 (1994) [Reading 3B]

Thomas Donaldson & Lee E. Preston, “The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications, 20 *Academy of Management Review* 65 (1995) [Reading 3C].

Optional further reading:

The Moral Responsibility of Firms (Orts & Smith eds. 2017) (my conclusion, at pages 206-23, summarizes the debate in the book – do firms qua firms have moral responsibility? – and gives my own perspective).

Oliver Hart and Luigi Zingales, “Companies Should Maximize Shareholder Welfare Not Market Value,” 2 *Journal of Law, Finance, and Accounting* 247 (2017) [Reading 3D].

Eric W. Orts & Alan Strudler, “Putting a Stake in Stakeholder Theory,” 88 *Journal of Business Ethics* 605 (2009) [3E].

Eric W. Orts and Alan Strudler, “The Ethical and Environmental Limits of Stakeholder Theory,” 12 *Business Ethics Quarterly* 215 (2002) [3F].

David Gelles and David Yaffe-Bellany, “Shareholder Value Is No Longer Everything, Top C.E.O.s Say,” *N.Y. Times*, Aug. 19, 2019, <https://www.nytimes.com/2019/08/19/business/business-roundtable-ceos-corporations.html>.

Tim Wu, “The Virtuous Corporation Is Not an Oxymoron,” *N.Y. Times*, Sept. 23, 2019, <https://www.nytimes.com/2019/09/23/opinion/stakeholder-capitalism.html>.

David Gelles, “C.E.O.’s Are Not Here To Save Us,” *N.Y. Times*, Sept. 29, 2019, available at <https://www.nytimes.com/2019/09/28/business/wework-juul-ebay-ceo.html>.

Mark Miller, “Bit By Bit, Socially Conscious Investors Are Influencing 401(k)’s,” *N.Y. Times*, Sept. 29, 2019, available at <https://www.nytimes.com/2019/09/27/business/esg-401k-investing-retirement.html>.

Andrew A. King and Kenneth P. Pucker, “ESG and Alpha: Sales or Substance?” *Institutional Investor*, Feb. 25, 2022, <https://www.institutionalinvestor.com/article/b1wxqznltnqnyzi/ESG-and-Alpha-Sales-or-Substance>.

Class 4 Ethical Reasoning and Social Responsibility [Mar. 23]

Description: This class examines foundational ethical perspectives for business decision-making and determinations of business purpose and objectives, including background philosophical principles as well as behavioral aspects including self-regard bias and racial and sexual biases. It includes an overview of ethical and legal frameworks related to business responsibility. We begin with an exercise from Plato called “The Ring of Gyges.”

Readings:

The Ring of Gyges Exercise (adapted from Plato’s Republic) [Reading 4A].

Thomas Donaldson and Patricia Werhane, “Introduction to Ethical Reasoning,” excerpt from *Ethical Issues in Business: A Philosophical Approach* (8th ed. 2007) [Reading 4B].

Nitin Nohria, “You Are Not as Virtuous as You Think,” *Washington Post* (Oct. 15, 2015), https://www.washingtonpost.com/opinions/youre-not-as-virtuous-as-you-think/2015/10/15/fec227c4-66b4-11e5-9ef3-fde182507eac_story.html.

Maureen Sherry, “A Colleague Drank My Breast Milk and Other Wall Street Tales,” *N.Y. Times*, Jan. 23, 2016, available at <https://www.nytimes.com/2016/01/24/opinion/a-colleague-drank-my-breast-milk-and-other-wall-street-ales.html>.

Catharine A. MacKinnon, “#MeToo Has Done What the Law Could Not,” *N.Y. Times*, Feb. 5, 2018, <https://www.nytimes.com/2018/02/04/opinion/metoo-law-legal-system.html>.

Optional further reading:

Plato, original Ring of Gyges version [Reading 4C]

Class 5 Business, Social Responsibility, and the Environment: Individual Essays [Mar. 28]

Description: This class will focus on students’ own personal experiences and reflections on specific challenges and issues they have faced or witnessed, or on specific research topics or climate book reviews. Additional research is permitted but not required. Examples may include, without limitation:

- how a “business case” was made to support to a socially or environmentally responsible action, goal, or objective (either successfully or unsuccessfully);

- how an irresponsible decision was made on a social or environmental issue, and whether there were any economic, reputational, or other consequences;
- a situation where the student or a previous business leader or colleague made a socially or environmentally responsible (or irresponsible) decision and why;
- an example of a socially or environmentally responsible (or irresponsible) decision that had a direct effect on the student and the student’s anticipated career trajectory;
- an example of a company or organization that the student worked for or otherwise had a personal experience with that exhibited either positive (or negative) social and environmental responsibility;
- any other experience implicating ethical, legal, moral responsibility, or environmental issues in a business context; or
- a short reaction paper from a business perspective on one of the four assigned books on climate change.

Written Assignment—Personal Essay: The written essay described above should comprise two to four regular double-spaced pages. Include any references. Be prepared to share and discuss your example in class. Please submit essays via Canvas on one day prior to class.

Class 6 Business and Social Responsibility: Student Essays (continued) [Mar. 30]

Individual student reflections, essays, and discussion continued. See description above.

Class 7 Lessons from Practice: Anti-Racism Conversation [Apr. 4]

Special guests: representatives from “A Long Talk,” Kyle R. Williams (Chief Empowerment Officer) and Kamal Carter (President) [or other designates].

Introduction: Rudy Fuller, Senior Associate Athletic Director, Intercollegiate Programs, University of Pennsylvania.

Reading:

Stephanie Creary, “How To Be a Better Ally to Your Black Colleagues,” *Harvard Business Review* (July 8, 2020), <https://hbr.org/2020/07/how-to-be-a-better-ally-to-your-black-colleagues>

Viewing:

“Who We Are” (with Jeffery Robinson of the ACLU), video link to be provided. Trailer: <https://www.alongtalk.com/events>.

“A Long Talk with BYU, <https://universe.byu.edu/2021/11/02/byu-athletics-promotes-the-need-for-a-long-talk-about-the-uncomfortable-truth/>.

Optional further reading:

Anderson, *Black in White Space*.

W.E.B. Du Bois, “World of Color, *Foreign Affairs* (April 1925),
<https://www.foreignaffairs.com/articles/africa/1925-04-01/worlds-color>.

Optional further opportunity to engage in a Long Talk by Zoom with the moderators for Day 2 and Day 3 of the conversation. Times to be announced.

Day 2: April 13 [time TBA]

Day 3: April 18 [time TBA]

Class 8 Lessons from Practice: Pro Bono in Big Law [Apr. 6].

Special guests: Paul Weiss lawyers Aidan Synnott, litigation partner, and Steven Banks, special counsel supervising pro bono practice.

Description: This special class will examine how some big law firms balance “pro bono” representations with the overall goal of profit-making. Does this provide a good analogy to other business contexts? Why or why not? We will discuss the general question with the benefit of particular recent examples of pro bono cases.

Class 9 Global Environmental Responsibility: Climate Change [Apr. 11]

Description: This class examines whether business firms have a responsibility to act as “part of the solution” to global environmental problems such as climate disruption – beyond the obligation to follow relevant laws. If so, how?

Special guest (for last part of class): Bernard David, Wharton grad, serial entrepreneur, and founder of the Global CO₂ Initiative at the University of Michigan.

See <https://www.globalco2initiative.org/>.

Reading: One of the following books (in whole or in part):

Doerr, *Speed & Scale*.

Gates, *How To Avoid a Climate Disaster*.

Robinson, *The Ministry for the Future*.

Scranton, *Learning to Die in the Anthropocene*.

Recommended but not required:

Eric W. Orts and Brian Berkey, “The Climate Imperative for Business,” *California Management Review* (Apr. 30, 2021), <https://cmr.berkeley.edu/2021/04/climate-imperative/>.

Optional further reading:

Yvonne Chouinard and Vincent Stanley, *The Responsible Company: What We've Learned From Patagonia's First 40 Years* (Patagonia Books 2012).

Andrew J. Hoffman, “Climate Change as Culture War,” *Stanford Social Innovation Review*, fall 2012, https://ssir.org/book_reviews/entry/climate_science_as_culture_war.

Bill McKibben, “Money Is the Oxygen on Which the Fire of Global Warming Burns,” *New Yorker*, Sept. 17, 2019, <https://www.newyorker.com/news/daily-comment/money-is-the-oxygen-on-which-the-fire-of-global-warming-burns>.

Ellen MacArthur Foundation, “What Is the Circular Economy?” <https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy>.

Eric W. Orts, “Climate Contracts,” 29 *Virginia Environmental Law Journal* 197 (2011) [9A].

Richard B. Rood, “Confronting our Invisible Enemies,” *Michigan Today*, Mar. 26, 2020, <https://michigantoday.umich.edu/2020/03/26/confronting-our-invisible-enemies/>.

Further optional reading:

Dan C. Esty and Andrew W. Winston, *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage* (Yale University Press 2009).

David Grinspoon, *Earth in Human Hands: Shaping Our Planet's Future* (Hatchett Book Group 2016).

William McDonough and Michael Braungart, *Cradle to Cradle: Remaking the Way We Make Things* (North Point Press 2002).

Bill McKibben, *Falter: Has the Human Game Begun to Play Itself Out?* (Henry Holt 2019).

William Nordhaus, *The Climate Casino: Risk, Uncertainty, and Economics for a Warming World* (Yale University Press 2013).

Naomi Oreskes & Erik M. Conway, *Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Global Warming* (Bloomsbury 2012).

David W. Orr, *Down to the Wire: Confronting Climate Collapse* (Oxford University Press 2009).

Scruton, *How To Think Seriously about the Planet*.

Peter Singer, *One World Now: The Ethics of Globalization* (Yale University Press, rev. ed. 2016).

Speth, *They Knew*.

Michael P. Vandenberg & Jonathan M. Gilligan, *Beyond Politics: The Private Governance Response to Climate Change* (Cambridge University Press 2017).

David Wallace-Wells, *The Uninhabitable Earth*

Class 10 Student Presentations [Apr. 13]

Description: The last three classes will consist of final student presentations. See above for a suggested list of topics. Four groups per class: approximately 15 minutes each. Note that research is required, and that topics must be discussed and cleared with the instructor in advance.

Important note: Presentations should be forwarded to the instructor by e-mail at least 24 hours prior to the class time. Powerpoint or PDF is preferred. Please include any references or sources used either in footnotes, a bibliography, or both. Post final version to Canvas.

Class 11 Student Presentations [Apr. 18]

See above.

Class 12 Student Presentations [Apr. 20]

See above.

There is no final exam in the course.

Bio of Instructor

Eric Orts is the Guardsmark Professor at the Wharton School of the University of Pennsylvania. He is a tenured professor in the Legal Studies and Business Ethics Department with a secondary appointment in the Management Department. He is a founding board member of the Alliance for Corporate Sustainability Research (ARCS) and previously served for twelve years as the faculty director of the Initiative for Global Environmental Leadership (IGEL) at Wharton. He previously also served for seventeen years as the academic co-director of the FINRA at Wharton executive education program for compliance and regulatory professionals. He is currently a member of the advisory board of the Global CO₂ Initiative at the University of Michigan, the advisory council of the Center for Ethics and the Rule of Law at Penn, and the executive committee of the Mitchell Center for the Study of Democracy at Penn. He is a member of Faculty Senate Executive Committee at Penn representing a Wharton constituency, as well as a founding member of the Faculty Senate's Select Committee on the Institutional Response to the Climate Emergency.

His primary research and teaching interests are in corporate governance, environmental sustainability, professional ethics, and business theory. Examples of his research include the following books and articles: *Business Persons: A Legal Theory of the Firm* (Oxford University Press, rev. paperback ed. 2015); *The Moral Responsibility of Firms* (co-edited with Craig Smith) (Oxford University Press 2017); "The Climate Imperative for Business" (with Brian Berkey), *California Management Review* (2021); "Collective Rights and the Court: A Theory of Constitutional Commodification" (with Amy Sepinwall), *Washington University Law Review* (2020); "Senate Democracy: Our Lockean Paradox," *American University Law Review* (2019).

Prior to joining Wharton's faculty, Professor Orts practiced law as a litigation associate at Paul, Weiss, Rifkind, Wharton & Garrison in New York City and was a Chemical Bank fellow in corporate social responsibility at Columbia University School of Law. He has also taught and visited at a number of other business and law schools, including INSEAD, the University of Pennsylvania Law School, NYU School of Law, Sydney Law School, Tsinghua University School of Economics and Management, the University of California at Santa Barbara, the University of Michigan Law School, and UCLA School of Law. He was a visiting Fulbright professor in the law department of the University of Leuven, the Eugene P. Beard Faculty Fellow at Harvard University's Center for Ethics and the Professions, and a faculty fellow in the Center for Business and Government at the Kennedy School at Harvard.

Orts is a graduate of Oberlin College (BA with honors in political theory and minor in philosophy), the New School for Social Research (MA in political science), the University of Michigan (JD), and Columbia University (JSD). He has been admitted to the bar in New York and the District of Columbia, and is an elected member of the American Law Institute. He belongs to several other professional and academic associations.

In the course of his career, he has advised and interacted with a wide range of companies in different sectors and in different countries, mostly in academic, consulting, or executive education contexts.

He lives in West Philadelphia with his wife Julie, their dog Butterbean, and Zen Dude Cat. He has three adult children and enjoys rowing and yoga, as well as reading and politics. In 2021, he was a declared candidate for the U.S. Senate from Pennsylvania.