UNIT 8B · BUSINESS C1

We recommend that the board approve

Class Book and Workbook · one complete unit

OBJECTIVES

What you'll be able to do

4 min

- Draft the front-page mandative-subjunctive sentence a signed recommendation memo is committed on.
- Distinguish the modal-indicative preference from the mandative-subjunctive instruction — and know which the analyst prices as commitment.
- Use the were-inversion in the escalation clause of a sustainability-linked bond or ESG covenant.
- Recognise and use the formal-register triggers: it is essential / imperative / vital that…, we recommend / require / insist that…, on condition that…, should you require…

LEAD-IN

The sentence the pension-fund analyst will price on Monday

8 min

FRAME · THE FRONT PAGE OF A RECOMMENDATION MEMO

On your own, in writing, answer the following:

- Write, in the modal-indicative ('should', 'ought to', 'we think'), the last recommendation you actually made to a board or executive committee. Now rewrite it in the mandative subjunctive ('it is essential that...', 'we recommend that... be...').
- Which of the two versions would you feel more, and which less, exposed to sign? What does the exposure tell you about which the officer has, in fact, committed to?
- Take the last conditional sentence in a covenant or MoU you have drafted. Rewrite it with the were-inversion. Which version would a bond desk price tighter?
- Which recommendation of yours from the last year, on year-end review, was quietly re-scoped? What mandative-subjunctive sentence at the front page would have made the re-scope more visible?

Bring the two versions to the next class. Your teacher will place the modal-indicative and the mandative-subjunctive drafts side by side.

READING

The subjunctive sentence a CSO signs a recommendation in

15 min

There is a single sentence a Chief Sustainability Officer signs a board-recommendation memo in, one that the audit committee will read twice — first on the Monday it is delivered, and second on the Monday in the following year when the outcome is compared against it. The sentence is short. It carries the fiduciary weight of every ESG commitment the memo asks the board to underwrite, and it does so in the specific formal register English still keeps for the mandative subjunctive.

The junior version of the sentence is written in the indicative. We think the board should approve the enhanced disclosure protocol. The sentence is grammatical, and it is, in the register of a public-company recommendation memo, unpriceable. 'We think' is not the mode a signed recommendation is drafted in. 'Should approve' is not a mandative form. A pension-fund analyst who reads the sentence has been told, in the register, that the officer is not, in fact, prepared to sign.

The senior version of the sentence is written in the mandative subjunctive. It is essential that the board approve the enhanced disclosure protocol at the July meeting, and that a fresh materiality assessment be commissioned before the next reporting cycle. Notice what has changed. The verb has moved from the indicative into the bare infinitive. The modal should has been removed. The scope has been widened to a second, dependent mandative clause. The sentence is no longer an opinion; it is a signed instruction. A pension-fund analyst who reads it has been told, in the register, that the CSO is prepared to be judged, in the following year, against the specific action the sentence commits the board to.

The paired discipline is the inverted-conditional escalation. Were the 2027 emissions milestone to be missed by more than five per cent, the step-up coupon on the sustainability-linked bond would be triggered and the trustee notified within one business day. The sentence, without the inversion, would read: 'if the 2027 emissions milestone is missed'. The were-inversion moves the sentence from a probable-conditional into the register a bond covenant is priced in — the register that says the counterparty has, in writing, contemplated the outcome and drafted the response. Bond investors read the two registers differently.

The uncomfortable corollary is that the mandative-subjunctive register is not, in the end, a stylistic preference. It is the discipline by which a CSO signs the recommendation the board will, on year-end, be judged to have taken. Memos drafted in the indicative are memos whose commitments, in the bad case, are quietly re-scoped. Memos drafted in the mandative subjunctive are memos whose commitments the auditor, the trustee and the pension-fund analyst have all, on the day the memo was signed, been priced to.

Choose the best answer.

- The writer's central claim about the mandative subjunctive in a recommendation memo is that it:
  (a) sounds formal
  (b) is the register in which a CSO signs a commitment the auditor, the trustee and the pension-fund analyst will price against the outcome
  (c) flatters the board
  (d) is house style
  Answer key: (b) is the register in which a CSO signs a commitment the auditor, the trustee and the pension-fund analyst will price against the outcome
- The indicative version ('We think the board should approve') is unpriceable because:
  (a) it is ungrammatical
  (b) 'We think' is not the mode a signed recommendation is drafted in, and the analyst reads the register as an officer who is not prepared to sign
  (c) it is too long
  (d) it lacks numbers
  Answer key: (b) 'We think' is not the mode a signed recommendation is drafted in, and the analyst reads the register as an officer who is not prepared to sign
- The were-inversion in 'were the 2027 milestone to be missed' matters because it:
  (a) is elegant
  (b) moves the sentence from a probable-conditional into the register a bond covenant is priced in — the counterparty has contemplated the outcome and drafted the response
  (c) shortens the sentence
  (d) is required by law
  Answer key: (b) moves the sentence from a probable-conditional into the register a bond covenant is priced in — the counterparty has contemplated the outcome and drafted the response

ASK THE TEACHER — notes to bring to class

- A memo drafted in the indicative, over successive years:
  (a) is more readable
  (b) has its commitments quietly re-scoped in the bad case
  (c) attracts less scrutiny
  (d) satisfies the board
  Answer key: (b) has its commitments quietly re-scoped in the bad case
- The 'uncomfortable corollary' the text closes on is that the mandative-subjunctive register is:
  (a) a house preference
  (b) the discipline by which a CSO signs the recommendation the board will, on year-end, be judged to have taken
  (c) a matter of taste
  (d) a legal technicality
  Answer key: (b) the discipline by which a CSO signs the recommendation the board will, on year-end, be judged to have taken

Teacher notes

Follow-up: Ask the student which sentence from the reading they would pin above the CSO's writing desk. Why that one?

AUTHENTIC READING · REAL TEXT

On the mandative sentence a public-company CSO signs the enhanced disclosure protocol under

Source: Adapted from Larry Fink (BlackRock CEO annual letters) and Mark Carney (former Bank of England governor / UN Special Envoy) speeches and essays on transition finance and disclosure · Excerpted for classroom use under fair-dealing for educational commentary.

C1+

≈ 470 words

Two of the most consequential public voices on transition finance and corporate disclosure — the CEO of the world's largest asset manager and the former central-bank governor who framed the climate-financial risk agenda — on the specific mandative-subjunctive register a signed disclosure has to be drafted in. Read this adapted synthesis and answer the questions.

There is a paragraph on the front page of every serious ESG recommendation memo whose grammar the pension-fund analyst on the receiving end has been trained, without knowing it, to price. The paragraph is short. It is the paragraph that says, in one sentence, what the officer signing the memo is asking the board to underwrite. Its register is the mandative subjunctive. Its function is to commit the officer, in writing, to the specific action the disclosure will, on year-end, be judged against.

The junior version of the paragraph is written in the modal-indicative. 'The board should probably consider adopting the enhanced disclosure protocol. Management should also think about commissioning a fresh materiality assessment.' Both sentences are grammatically defensible. Neither is signable. The pension-fund analyst reading the front page has been told, in the register, that the officer preparing the memo is not prepared to sign. The disclosure that follows is priced as a hedge — the option value, in the bad case, of an officer who has left themselves an out.

The senior version is written in the mandative subjunctive. 'It is essential that the board approve the enhanced disclosure protocol at the July meeting, that a fresh materiality assessment be commissioned before the next reporting cycle, and that the 2030 emissions target be validated against the 1.5°C pathway with immediate effect.' Three mandative clauses. Each names an action, an actor and a deadline. Each is signed. The pension-fund analyst reads the paragraph as a committed disclosure and prices it as such — the option value has been closed, and the officer has committed themselves to the specific record the outcome will be evaluated against.

The paired discipline, less remarked, is the inverted conditional in the escalation clause of any sustainability-linked instrument. 'Were the 2027 milestone to be missed by more than five per cent, the step-up coupon on the €600 million bond would be triggered and the trustee notified within one business day.' The were-inversion carries a specific weight in fixed-income desks. It says: the counterparty has, in writing, contemplated this outcome and drafted the response. The 'if' version says: the counterparty has, in writing, described a possibility. Bond covenants are priced on the difference.

The uncomfortable corollary is that a company whose CSO cannot, on demand, draft the mandative-subjunctive front page and the were-inversion escalation clause is a company whose ESG disclosure the market will, cycle over cycle, price at the hedge. The company that can, and does, is the company whose transition-finance instruments trade tight and whose reputation, on the bad-year filing, is not the sentence that the outside world reprices the whole issuer off.

1. READ FOR GIST

- 1. What is the paragraph on the front page of the serious ESG recommendation memo, and how is the pension-fund analyst trained to read it?

  Answer key: A short mandative-subjunctive commitment — read by the analyst as either a signed instruction (priced as commitment) or an unsigned preference (priced as hedge).

- 2. What is the specific difference between the modal-indicative and mandative-subjunctive versions of the paragraph?

  Answer key: The modal-indicative commits the officer to a preference and reads as unsigned; the mandative-subjunctive commits the officer to a signed instruction with a named actor and deadline.

2. READ FOR DETAIL

- 1. What is the effect of three chained mandative clauses in the senior paragraph?

  Answer key: Each names an action, an actor and a deadline, and closes the option value the modal-indicative version had left open.

- 2. What does the were-inversion signal to a fixed-income desk in a bond escalation clause?

  Answer key: That the counterparty has, in writing, contemplated the outcome and drafted the response — a covenant register, as against the 'if' version's mere possibility.

- 3. What is the long-run pricing consequence for a company whose CSO cannot draft the mandative front page and the were-inversion escalation clause?

  Answer key: Its ESG disclosures are priced at the hedge, and its transition-finance instruments trade wider than peers whose officers can and do.

- 4. Why does the register of the front-page sentence, on a bad-year filing, become the sentence the outside world reprices the whole issuer off?

  Answer key: Because a signed mandative commitment is testable against the outcome, and an unsigned preference is not — and the market prices the register accordingly.

3. GLOSSARY

mandative subjunctive

the bare-infinitive verb form after 'it is essential / imperative / vital that…' — a signed instruction, as against a preference

were-inversion

ASK THE TEACHER — notes to bring to class

'were the milestone to be missed' — the formal-conditional inversion priced by bond investors as covenant register

committed disclosure

a disclosure whose front-page sentence is drafted in the mandative subjunctive and whose commitments can be tested against outcome

hedged disclosure

a disclosure whose front-page sentence is in the modal-indicative and whose commitments the officer, in the bad case, can quietly re-scope

4. DISCUSS IN PAIRS

- Which sentence on the front page of your last ESG memo was in the modal-indicative and would the market have priced it as a hedge?
- Which of your escalation clauses would earn a tighter spread if it were rewritten with the were-inversion?
- Draft the three mandative-subjunctive sentences you would put on the front page of your next transition-finance disclosure.

VOCABULARY

The ESG-recommendation lexicon

12 min

Match each term to its definition.

- recommendation memo
  the single signed page in which a chief officer commits, in the mandative register, the action the board is being asked to take — and against which every subsequent minute will be read
- sustainability-linked bond
  the debt instrument whose coupon steps up or down with the issuer's performance against a pre-agreed ESG KPI — and the disclosure of which is priced on the subjunctive register the CSO uses about it
- double materiality
  the ESG doctrine that a company must disclose both financial risks to itself and impacts on the outside world — the second of which is priced in the mandative sentences the CSO signs
- scope 3 emissions
  the indirect emissions from the value chain (up and downstream), the largest and most contestable footprint in almost every disclosure — and the one the subjunctive-register recommendation tends to be about
- greenwashing exposure
  the litigation and regulatory risk that a public claim is not supported by the internal evidence — the failure mode a competent recommendation memo is drafted to close
- board recommendation
  the single sentence in the mandative register at the end of the memo — 'we recommend that the board approve / adopt / defer' — that the auditor will, on year-end, read against the outcome
- governance code
  the national or exchange code (UK, King IV, SEC, EU CSRD) whose specific clauses the CSO's mandative recommendation must expressly discharge
- science-based target
  an emissions-reduction target validated against a 1.5°C or 2°C pathway — the numerical anchor a subjunctive-register commitment ('that the target be adopted') is priced against

ASK THE TEACHER — notes to bring to class

Complete each sentence with a phrase from the box.

- The single page at the front of the pack — the recommendation memo_ recommendation memo_ — is the sentence the board is being asked to underwrite.
- The company issued a €600 million sustainability-linked bond_-sustainability-linked bond_ sustainability-linked bond_ whose coupon steps up 25 basis points if the 2027 emissions milestone is missed.
- The CSRD requires double materiality_ double materiality_ — a firm must disclose both financial risks to itself and the impact of its operations on society and the environment.
- The largest and most contestable component of the footprint is the scope 3 emissions_ scope 3 emissions_ figure — indirect emissions from the value chain, up and downstream.
- The public claim, once unpicked, exposed the group to significant greenwashing exposure_ greenwashing exposure_ and a regulatory investigation was opened within a fortnight.
- The 2030 target has been validated as a science-based target_-science-based target_ science-based target_ against the 1.5°C pathway and is now embedded in the executive scorecard.

Choose the best answer.

- The 'recommendation memo' matters because it:
  (a) is short
  (b) is the single sentence in the mandative register that the auditor will, on year-end, read against the actual outcome — and against every subsequent minute
  (c) looks professional
  (d) satisfies the CFO
  Answer key: (b) is the single sentence in the mandative register that the auditor will, on year-end, read against the actual outcome — and against every subsequent minute
- The step-up coupon on a 'sustainability-linked bond' is priced by the market on:
  (a) the size of the coupon
  (b) the register the CSO discusses the target in — the mandative subjunctive prices as commitment; the present continuous prices as hedge
  (c) the reputation of the underwriter
  (d) the tenor
  Answer key: (b) the register the CSO discusses the target in — the mandative subjunctive prices as commitment; the present continuous prices as hedge
- 'Double materiality' is a governance-critical doctrine because:
  (a) it sounds academic
  (b) the impact of the company on the outside world is legally disclosable, and the subjunctive-register sentences the CSO signs about it price the exposure
  (c) it is required by consultants
  (d) it lengthens the report
  Answer key: (b) the impact of the company on the outside world is legally disclosable, and the subjunctive-register sentences the CSO signs about it price the exposure
- The reason 'scope 3 emissions' tend to be the subject of the subjunctive-register recommendation is that:
  (a) they are the smallest
  (b) they are the largest, most contestable and most litigation-exposed component — and the recommendation that the target be adopted has to be signed against them
  (c) they are the easiest to measure
  (d) auditors ignore them
  Answer key: (b) they are the largest, most contestable and most litigation-exposed component — and the recommendation that the target be adopted has to be signed against them

ASK THE TEACHER — notes to bring to class

LISTENING

Redrafting the ESG recommendation

12 min

Beatrix (chair) coaches Kwame (CSO) through the front-page recommendation. Listen and read along.

Show transcript

CHAIR (BEATRIX): Read me the recommendation, as it stands on the front page.

CSO (KWAME): "We think the board should probably approve the enhanced disclosure protocol before the July filing, and we should consider commissioning a fresh materiality assessment at some point in the next cycle."

BEATRIX: 'We think.' 'Should probably.' 'At some point.' What is that register telling the audit committee?

KWAME: That the officer signing the memo is not, in fact, prepared to sign it.

BEATRIX: And the pension-fund analyst reading it on Monday?

KWAME: That the commitment is priceable at a hedge, not a commitment.

BEATRIX: Redraft. Mandative subjunctive. No 'we think', no 'should probably', no 'at some point'.

KWAME: "It is essential that the board approve the enhanced disclosure protocol at the July meeting, and that a fresh materiality assessment be commissioned before the next reporting cycle."

BEATRIX: Better. Now the escalation sentence, for the bond covenant.

KWAME: "Were the 2027 emissions milestone to be missed by more than five per cent, the step-up coupon on the sustainability-linked bond would be triggered and the trustee notified within one business day."

BEATRIX: Inversion — 'were'. Why not 'if'?

KWAME: Because the inversion signals to the bond investor that the counterparty has, in writing, contemplated the outcome and drafted the response. The 'if' version reads as a probability. The 'were' version reads as a covenant.

BEATRIX: That is the register the audit committee reads a signed recommendation in. Print it and bring it to me. Because the sentence you cannot sign in the mandative subjunctive on Monday is the sentence the trustee cannot price on Tuesday.

Choose the best answer.

- Beatrix rewrites Kwame's opening because the indicative version tells the audit committee that:
  - (a) the CSO is thorough
  - (b) the officer signing the memo is not, in fact, prepared to sign it — and the pension-fund analyst prices it as a hedge
  - (c) the CSO is inexperienced
  - (d) the memo is too short

  Answer key: (b) the officer signing the memo is not, in fact, prepared to sign it — and the pension-fund analyst prices it as a hedge

ASK THE TEACHER — notes to bring to class

• The move from 'we think the board should approve' to 'it is essential that the board approve' is a change in:

(a) tone
(b) grammatical mood — from indicative to mandative subjunctive — with a corresponding change in the officer's signed commitment
(c) vocabulary
(d) length

Answer key: (b) grammatical mood — from indicative to mandative subjunctive — with a corresponding change in the officer's signed commitment

• The were-inversion 'were the 2027 milestone to be missed' is preferred to 'if the milestone is missed' because it:

(a) is more formal
(b) signals to the bond investor that the counterparty has contemplated the outcome and drafted the response — the register a covenant is priced in
(c) is more grammatical
(d) is house style

Answer key: (b) signals to the bond investor that the counterparty has contemplated the outcome and drafted the response — the register a covenant is priced in

• Beatrix's closing discipline — 'the sentence you cannot sign in the mandative subjunctive on Monday is the sentence the trustee cannot price on Tuesday' — is a reminder that:

(a) trustees are impatient
(b) the mandative register is not stylistic; the sentence the officer will not sign, the market prices as unsigned
(c) auditors are strict
(d) language matters

Answer key: (b) the mandative register is not stylistic; the sentence the officer will not sign, the market prices as unsigned

Teacher notes

Extension: Have the student redeliver Kwame's second version as their own — with three chained mandative clauses and one were-inversion escalation. Which paragraph would they be more content to sign?

AUTHENTIC LISTENING · REAL VOICES

A Big-Four ESG assurance partner on the sentence the auditor signs the certification against

Source: Adapted from EY / PwC / KPMG ESG assurance guidance and IFAC / IAASB standards commentary · Excerpted for classroom use under fair-dealing for educational commentary.

C1+

 ≈ 3 min excerpt

A senior ESG assurance partner at one of the Big Four on the specific sentence, tense and mood the assurance opinion is signed against — and on why the mandative subjunctive in the CSO's recommendation memo is, in practice, the sentence the auditor's own certification is drafted against.

Tip: listen ONCE for gist (general meaning), then again with the transcript hidden for detail. Open the transcript only for a third listen.

1. LISTEN FOR GIST

ASK THE TEACHER — notes to bring to class

- 1. What is the single most consequential sentence in every ESG assurance file the partner has signed?

  Answer key: The sentence in the CSO's board-recommendation memo on the front page — the mandative-subjunctive commitment the board is being asked to underwrite.

- 2. Why is the indicative-with-modal ('we think', 'should probably') version unassurable at the same cost?

  Answer key: Because it commits the officer to a preference, not an instruction — and the auditor has to reconstruct the opinion from the appendices at additional cost.

2. LISTEN FOR DETAIL

- 1. What does the mandative subjunctive give the auditor, in practice, that the indicative does not?

  Answer key: A signed instruction the auditor can test against the evidence file — as against an opinion the auditor has to reconstruct.

- 2. What is the specific weight the were-inversion carries in a sustainability-linked bond escalation clause?

  Answer key: That the counterparty has, in writing, contemplated the outcome and drafted the response — priced by bond investors as covenant register.

- 3. What is the cost, priced back to the issuer, of a memo drafted in the indicative?

  Answer key: The additional assurance fee for reconstructing the opinion, plus the priced-in filing risk of a delayed or qualified certification.

3. GLOSSARY

mandative subjunctive

the bare-infinitive verb form after verbs of instruction, requirement or necessity — 'it is essential that the board approve', 'the auditor requires that the target be validated'

assurance opinion

the signed statement by the external auditor that the disclosure has, or has not, been drafted against evidence sufficient to support the level of reliance the register invites

were-inversion

'were the milestone to be missed' — the formal-conditional inversion that signals a contemplated outcome and a drafted response, priced by bond investors as covenant register

step-up coupon

the pre-agreed rise in the interest rate payable on a sustainability-linked bond if the issuer misses the pre-agreed ESG target

ASK THE TEACHER — notes to bring to class

SHOW FULL TRANSCRIPT

The single most consequential sentence in every ESG assurance file I have signed, across two decades, is not a number. It is the sentence in the CSO's board-recommendation memo — the one on the front page — that commits the board, in the mandative subjunctive, to the action the disclosure is being drafted against. When the sentence reads 'it is essential that the board approve the enhanced protocol', the auditor can sign the certification against it. When the sentence reads 'we think the board should probably consider approving', the certification cannot be signed on that page; it has to be reconstructed, at cost, from the appendices — and the cost is priced back to the issuer in the assurance fee, and the delay is priced back in the filing risk.

The mechanism is not mysterious. A mandative-subjunctive recommendation is a signed instruction. It commits the officer, on the record, to the specific action the board is being asked to underwrite. The indicative-with-modal version — 'should' or 'ought to' or 'we think' — commits the officer to a preference. Preferences are not the object of an assurance opinion. Instructions are. When the CSO drafts in the mandative subjunctive, the auditor has a sentence to test against the evidence file. When the CSO drafts in the indicative, the auditor has an opinion to reconstruct, and the file has to close around what the officer, on cross-examination, will actually be prepared to defend.

The paired discipline the market has adopted is the were-inversion in the escalation clause of the sustainability-linked bond documentation. 'Were the 2027 milestone to be missed by more than five per cent, the step-up coupon would be triggered.' The inversion carries a specific weight — the counterparty has, in writing, contemplated the outcome and drafted the response. Bond investors read the register of the escalation clause as the leading indicator of whether the covenant will, in the bad case, actually bite. The 'if' version prices lower. The 'were' version prices as the sentence the trustee can, without further advice, act on.

4. DISCUSS IN PAIRS

- Which sentence at the front of your last recommendation memo would the assurance partner sign against — and which would they have to reconstruct?
- Which escalation clause of yours reads 'if the milestone is missed' — and which would benefit from the were-inversion?
- Draft the mandative-subjunctive sentence you would put on the front page of your next material recommendation to the board.

GRAMMAR

Subjunctive & formal register — the sentence the auditor signs against

18 min

Mandative subjunctive (bare infinitive): after verbs of instruction/requirement — recommend / require / insist / propose / demand / request / suggest — and after adjectives of necessity — essential / imperative / vital / critical / crucial / desirable / advisable. Form: we recommend that the board approve (not 'approves'); it is essential that the target be validated (not 'is validated').

Were-inversion (formal conditional): Were the milestone to be missed…; Were the target not achieved…. Replaces 'if the milestone is missed' when the register requires a contemplated-and-drafted response, as in bond covenants and MoUs.

Should-inversion (should + inversion): Should the auditor require additional evidence, the CFO undertook to produce it…. Replaces 'if the auditor requires' in formal correspondence.

ASK THE TEACHER — notes to bring to class

Had-inversion (past-unreal): Had the recommendation not been drafted in the mandative register, the auditor would not have signed the certification. Replaces 'if the recommendation had not been drafted…'.

Formal-register locutions: on condition that…, provided that…, in the event that…, save that…, notwithstanding that…, insofar as…. Each carries a specific legal-drafting weight.

Rule of thumb: mandative subjunctive for the front-page recommendation; were-inversion for the escalation clause; should-inversion for the formal request; had-inversion for the counterfactual defence.

Choose the correct option.

- 'It is essential that the board ____ the recommendation before the July filing.'
  (a) approves
  (b) approve
  (c) will approve
  (d) approving
  Answer key: (b) approve
- 'The auditor recommended that the CFO ____ a fresh materiality assessment.'
  (a) commissions
  (b) commission
  (c) will commission
  (d) commissioning
  Answer key: (b) commission
- 'General counsel insisted that the exposure ____ within the applicable four-business-day window.'
  (a) is disclosed
  (b) be disclosed
  (c) will be disclosed
  (d) disclosing
  Answer key: (b) be disclosed
- 'It is imperative that no director ____ the room until the vote has been recorded.'
  (a) leaves
  (b) leave
  (c) will leave
  (d) leaving
  Answer key: (b) leave
- 'The chair proposed that the meeting ____ into executive session for the whistleblower matter.'
  (a) moves
  (b) move
  (c) will move
  (d) moving
  Answer key: (b) move
- 'Were the target ____ by more than five per cent, the coupon step-up would be triggered.'
  (a) to miss
  (b) missed
  (c) missing
  (d) to be missed
  Answer key: (d) to be missed

ASK THE TEACHER — notes to bring to class

- 'Should the auditor ____ additional evidence, the CFO undertook to produce it within 48 hours.'
  - (a) require
  - (b) requires
  - (c) required
  - (d) requiring
  - *Answer key: (a) require*
- 'Had the recommendation not been drafted in the mandative register, the auditor ____ signed the certification.'
  - (a) would not have
  - (b) will not have
  - (c) did not
  - (d) does not
  - *Answer key: (a) would not have*

Complete in the correct subjunctive or inverted form.

- 'It is essential that every board paper be accompanied_ be accompanied_ (accompany) by a written recommendation from the responsible officer.'
- 'The audit committee requires that the emissions target be validated_ be validated_ (validate) against the 1.5°C pathway before adoption.'
- 'Should the coupon step-up trigger_ (trigger), the finance director is to notify the trustee within one business day.'
- 'We recommend that the board adopt_ (adopt) the enhanced disclosure protocol with immediate effect.'

Discursive practice:

DESCRIBE THE SITUATION

Look at the picture and use the grammar you just studied

You are the CSO drafting the front-page recommendation. Write 6–7 sentences using at least four mandative-subjunctive clauses (after 'it is essential that / we recommend that / the auditor requires that / it is imperative that'), one were-inversion in an escalation clause, and one had-inversion in the counterfactual defence.

TRY TO USE

It is essential that the board approve…

We recommend that a fresh assessment be commissioned…

The auditor requires that the target be validated…

Were the milestone to be missed…

Should the trustee require…

Had the recommendation not been drafted in this register…

SAMPLE ANSWER

It is essential that the board approve the enhanced disclosure protocol at the July meeting, that a fresh materiality assessment be commissioned before the next reporting cycle, and that the 2030 emissions target be validated against the 1.5°C pathway with immediate effect. The auditor requires, in writing, that the scope-3 methodology be re-examined and, on the basis of the appended analysis, that the CFO countersign the resulting disclosure. Were the 2027 emissions milestone to be missed by more than five per cent, the step-up coupon on the €600 million sustainability-linked bond would be triggered and the trustee notified within one business day. Should the trustee require additional evidence, the CFO undertakes to procure and sign the certification personally within 48 hours. Had this recommendation not been drafted in the mandative register, the assurance partner would not have been in a position to sign the certification against the disclosure timetable this filing depends on.

VIDEO LESSON · REAL SPEAKERS

Christiana Figueres — the inside story of the Paris climate agreement

Source: TED

C1+

 15 min

The former UNFCCC Executive Secretary who convened the Paris Agreement on the specific register a signed climate commitment has to be drafted in — and on why the mandative-subjunctive verb the parties agreed to in Article 4 was the single sentence that made the Agreement, in the following decade, priceable.

Watch once for gist, then again pausing on the questions below. Use the original on YouTube for subtitles if needed.

1. WATCH FOR GIST

- 1. What is Figueres's central claim about the specific grammar of a serious climate commitment?
  Answer key: That a commitment drafted in the mandative subjunctive is signable and priceable; a commitment in the modal-indicative is a preference the counterparty can quietly re-scope.
- 2. Why did the Paris Agreement's Article 4 verb-choice matter to the market that followed?
  Answer key: Because 'shall pursue' in the mandative register committed parties to the action; 'should aim to' would have left the option value open, and the market would have priced the whole agreement at the hedge.
- 3. What is her paired discipline for company-level ESG commitments?
  Answer key: The were-inversion escalation clause — the counterparty has, in writing, contemplated the outcome and drafted the response.

2. WATCH FOR DETAIL

- 1. What does Figueres say happens to a climate commitment drafted in the modal-indicative over successive review cycles?
  Answer key: It is quietly re-scoped, cycle by cycle, until the outside world stops pricing it as a commitment at all.
- 2. Why was the mandative-subjunctive verb choice in Article 4 more consequential than the specific temperature target?
  Answer key: Because the target without the mandative verb would have been aspirational; the mandative verb made the target enforceable — and enforceable targets attract capital.
- 3. What is the specific institutional discipline she names for a company that wants its transition finance to trade tight?
  Answer key: The CSO drafts the front-page recommendation in the mandative subjunctive and the covenant escalation in the were-inversion, and the CFO countersigns both — every filing.

ASK THE TEACHER — notes to bring to class

3. KEY LANGUAGE

shall pursue

the mandative-register verb form used in Article 4 that made the Paris Agreement enforceable and, in consequence, priceable

should aim to

the modal-indicative alternative that would have left the option value open and priced the whole agreement at the hedge

signable commitment

a commitment drafted in a register the officer can, and does, sign — as against a preference the officer has left themselves an out of

priceable disclosure

a disclosure whose register the market can, without further advice, price against outcome — the mandative-subjunctive front page is its precondition

4. DISCUSS IN PAIRS

- Which of your company's climate commitments is, on close reading, in the modal-indicative — and what would the mandative-subjunctive version read like?
- Which of your covenant escalation clauses is in the 'if' form — and would the were-inversion improve the pricing?
- Draft the mandative-subjunctive sentence you would need to be able to sign for your 2030 climate target to be priced as a commitment.

SPEAKING

Deliver the recommendation the auditor will sign against

15 min

Task 1 — Solo (2 min): Prepare, out loud, the 90-second front-page recommendation for a real or realistic ESG matter. Include at least three chained mandative-subjunctive clauses and one were-inversion escalation sentence.

Task 2 — Solo delivery (8 min): Record yourself delivering the recommendation. Then re-record, this time forcing yourself to remove every 'should', 'ought to' and 'we think', and to replace each with 'it is essential that', 'we recommend that' or 'the auditor requires that'. Which take would you rather your assurance partner heard?

Speaking challenge: Re-record a third time and, this time, close with a single had-inversion counterfactual sentence ('had this recommendation not been drafted…') that defends the timing of the recommendation. Read out loud why that construction protects the officer signing.

Teacher notes

Coaching: Watch for two failure modes — the modal-indicative drift ('should probably', 'we think') and the piled-up subjunctive that never lands on a specific action. C1 register lives in the deliberate mandative subjunctive with a named actor and a named deadline.

Record your answer

ASK THE TEACHER — notes to bring to class

WRITING

A one-page mandative-subjunctive recommendation memo

25 min homework

Task (260–300 words): Draft the front-page recommendation memo for a real or realistic ESG decision. Include a three-clause mandative-subjunctive front sentence, a were-inversion escalation clause, a should-inversion formal request, and a had-inversion counterfactual defence.

Requirements:

- At least four mandative-subjunctive clauses (after it is essential / imperative / vital that…, we recommend / require / insist that…).
- One were-inversion escalation sentence in a covenant or milestone clause.
- One should-inversion formal request in a paragraph addressed to the trustee or auditor.
- One had-inversion counterfactual defending the timing of the recommendation.
- End with the sentence the CFO would be prepared to countersign.

Re-read the following day and underline every 'should' and 'we think'. Rewrite each into the register the sentence actually needs.

WRAP-UP

Consolidate before you leave

5 min

Answer each prompt out loud or in a note to yourself.

- Name one recommendation you have been carrying in the modal-indicative that ought to be in the mandative subjunctive by the next board.
- Which of your escalation clauses is in the 'if' form — and would the were-inversion improve the pricing?
- Give one example of a target of yours that has been quietly re-scoped cycle over cycle. What mandative-subjunctive sentence at the front of the memo would have made the re-scope more visible?
- One writing discipline you will stop (modal-indicative drift?); one you will start (were-inversion escalation?).

ASK THE TEACHER — notes to bring to class

- Rate your last ESG memo 1–5 on: mandative-subjunctive discipline / were-inversion escalation / should-inversion formality / had-inversion counterfactual / countersign readiness. Which is weakest?

Take-away:

WORKBOOK · HOME PRACTICE

Unit 8B Workbook

Do this after class. Answers are marked for your teacher.

ASK THE TEACHER — notes to bring to class

VOCABULARY

The ESG-recommendation lexicon

8 min

- An 'enhanced disclosure' regime typically requires:
  (a) less reporting
  (b) greater granularity or frequency of ESG data
  (c) only voluntary reporting
  (d) only assurance
  Answer key: (b) greater granularity or frequency of ESG data
- A 'materiality threshold' is:
  (a) a legal fee
  (b) the level at which a topic becomes reportable
  (c) a hedge ratio
  (d) a rating downgrade trigger
  Answer key: (b) the level at which a topic becomes reportable
- 'Assurance' in ESG reporting is:
  (a) insurance
  (b) independent verification of disclosures
  (c) internal audit only
  (d) a rating agency review
  Answer key: (b) independent verification of disclosures
- A 'transition plan' is:
  (a) a hiring plan
  (b) a formal plan to move the business toward a stated ESG target
  (c) a divestment programme
  (d) a merger plan
  Answer key: (b) a formal plan to move the business toward a stated ESG target
- 'Scope 3 emissions' cover:
  (a) only direct emissions
  (b) only purchased energy
  (c) emissions across the value chain (upstream and downstream)
  (d) only office energy
  Answer key: (c) emissions across the value chain (upstream and downstream)

GRAMMAR

Mandative subjunctive & formal register — the sentence a CSO signs a recommendation in

12 min

- The committee recommends that the board ____ the enhanced disclosure protocol.
  (a) approves
  (b) approve
  (c) will approve
  (d) should approve
  Answer key: (b) approve

ASK THE TEACHER — notes to bring to class

- It is essential that the transition plan ____ signed off before year-end.
  (a) is
  (b) be
  (c) will be
  (d) would be
  Answer key: (b) be
- We propose that the CSO ____ authority to issue the interim statement.
  (a) is granted
  (b) be granted
  (c) will be granted
  (d) would be granted
  Answer key: (b) be granted
- The auditor requires that the register ____ maintained in a specified format.
  (a) is
  (b) be
  (c) should be
  (d) would be
  Answer key: (b) be
- It is imperative that no material information ____ withheld from the assurance team.
  (a) is
  (b) be
  (c) will be
  (d) would be
  Answer key: (b) be
- The board recommended that management ____ the assurance vendor by Q3.
  (a) appoint
  (b) appoints
  (c) would appoint
  (d) will appoint
  Answer key: (a) appoint

Now rewrite each sentence using the phrase in bold.

- Rewrite formally: 'We think the board should approve.' We recommend that_ recommend that_ the board approve.
- Rewrite formally: 'The plan absolutely has to be signed off.' it is essential that_ it is essential that_ it is essential that_ it is essential that_ the plan be signed off.
- Rewrite formally: 'We suggest the CSO gets authority.' We propose that_ propose that_ the CSO be granted authority.
- Rewrite formally: 'Nothing material can be withheld.' it is imperative that_ it is imperative that_ it is imperative that_ it is imperative that_ no material information be withheld.
- Rewrite formally: 'We really need them to appoint the vendor.' We insist that_ insist that_ management appoint the vendor by Q3.

WRITING

A one-page CSO recommendation

20 min

Task (160–200 words): Draft the opening two paragraphs of a Chief Sustainability Officer's formal recommendation to the board on adopting an enhanced disclosure protocol. Paragraph 1: the recommendation. Paragraph 2: what the board is being asked to approve, and by when.

ASK THE TEACHER — notes to bring to class

- Use at least three mandative-subjunctive constructions (recommend that…, essential that…, propose that…, imperative that…, insist that…).
- Include Scope 3, transition plan and assurance.
- Avoid the word should.

Teacher notes

Marking focus: Does the register carry the weight of a board recommendation, or does it read as a suggestion?