

SYLLABUS

Name of course	ESG INVESTMENT AND REPORTING				
Code of course					
University					
Faculty					
GENERAL INFORMATION					
Degree level	Master				
Year of study	1	Semester		2	
Subject of study	Environmental, Social, and Governance considerations in investment decision-making and reporting				
Language required for the course	English				
List of degree programs	The course can be beneficial for students pursuing various master's programs on sustainable development and management, sustainability, finance, or business, it can also provide valuable knowledge in programs such as Sustainability Studies, Financial Management, MBA, Environmental Studies, Public Administration.				
ACTIVITIES					
Number of credits, ECTS	To be determined				
Lectures, hours	16 sessions, 48 hours	Practices (laboratories, workshop), hours		Project, hours	
Per week	4 sessions, 12 hours	Per course		16 sessions, 48 hours	
COURSE DESCRIPTION					
<p>The sense of Environmental, Social, and Governance (ESG) Investment and Reporting lies in recognizing that investments should not only focus on financial returns but also take into account broader environmental, social, and governance considerations to address challenges such as climate change, gender inequality and others. This approach acknowledges the interconnectedness between financial performance and sustainability factors, aiming to create positive impacts on society and the environment while ensuring long-term value for investors.</p> <p>ESG reporting plays a crucial role in providing transparency and accountability for investors and other stakeholders. Through ESG reporting, companies disclose relevant information about their environmental, social, and governance performance, allowing investors to assess the impact and risks associated with their investment choices. ESG reporting frameworks and standards provide guidelines and metrics to ensure consistency and comparability in reporting practices. In terms of reporting, new concept of digital responsibility and its disclosure is also introduced.</p> <p>By integrating ESG factors into investment strategies and reporting, investors can align their financial objectives with their values, promote sustainable business practices, and contribute to positive social and environmental outcomes. ESG investing recognizes that companies that effectively manage ESG risks and opportunities are likely to be more resilient, generate long-term value, and contribute to a more sustainable and inclusive global economy.</p> <p>In the initial segment, we will lay the groundwork with a thorough exploration of ESG concepts and principles. Students will gain a nuanced understanding of the significance of ESG in sustainable development and how it intricately intertwines with investment decisions. Ethics in investing will be a focal point, examining the seamless integration of ESG considerations into the decision-making process, and making a compelling case for ESG investing.</p> <p>Moving forward, we delve into the environmental factors in ESG investing. Here, the focus will be on understanding environmental sustainability within the investment context. Climate risk, an increasingly crucial consideration for investors, will be explored along with methods for measuring environmental performance, emphasizing the comprehensive use of Life Cycle Assessment (LCA) as a systematic tool within the ESG framework.</p>					



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Transitioning to social and corporate governance factors, students will evaluate the impact of social responsibility on investment decisions. The critical role of corporate governance in shaping investment strategies will be unraveled, alongside an exploration of the relationship between corporate governance factors, such as board diversity, stakeholder engagement, and ESG performance.

The course will then turn its attention to ESG integration in investment analysis. Participants will learn how to seamlessly incorporate ESG factors into fundamental analysis and valuation models. Identifying ESG risks and opportunities in investment decision-making will be a key focus, along with an exploration of the connection between ESG performance and financial outcomes.

ESG data and metrics will be dissected, with an emphasis on understanding the reliability of various data sources and the significance of key metrics and performance indicators. Participants will gain practical insights into utilizing basic ESG data in investment analysis, supplemented by examples of leading ESG ratings and indices shaping the investment landscape.

Sustainable finance and impact investing will be explored in-depth, providing students with a contextual understanding of sustainable finance principles and an examination of various products and instruments within this realm. The course will conclude with a thorough exploration of ESG reporting and communication. Participants will be introduced to global ESG reporting frameworks and standards, learn effective communication strategies for conveying ESG performance and impact, and address ethical considerations in reporting, including concerns like greenwashing and bluewashing. Additionally, a forward-looking perspective will be provided by introducing a new paradigm—ESGD reporting related to new technologies and the concept of Corporate Digital Responsibility.

Embarking on this educational journey will provide students with a holistic understanding of ESG investing, equipping them with the knowledge and skills necessary for navigating the evolving landscape of sustainable and responsible financial practices.

AIM OF COURSE

To provide students with a comprehensive understanding of ESG principles, practices, methodologies, and their impact on investing and reporting.

CONTENT

Topic 1 Introduction to ESG Approach
 Topic 2 Environmental Factors in ESG Investing
 Topic 3 Social and Corporate Governance Factors in ESG Investing
 Topic 4 ESG Integration in Investment Analysis
 Topic 5 ESG Data and Metrics
 Topic 6 Sustainable Finance and Impact Investing
 Topic 7 ESG Reporting and Communication

EVALUATIONS *(add lines as needed)*

1	Activity on seminars	30 %
2	Individual or group projects	30 %
3	Final exam	40 %

ASSESSMENT CRITERIA

Activity on seminars (30%)



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Topic 1: Introduction to ESG Approach

- Seminar Activity: Active participation in discussions demonstrating a solid grasp of ESG concepts and their implications/Quiz/Other relevant activity (lecturer's choice)

Topic 2: Environmental Factors in ESG Investing

- Seminar Activity: Engaged participation in discussions on climate risk and environmental sustainability/Quiz/Other relevant activity (lecturer's choice)

Topic 3: Social and Corporate Governance Factors in ESG Investing

- Seminar Activity: Contribution to discussions on the role of corporate governance and social responsibility in investment decisions/Quiz/Other relevant activity (lecturer's choice)

Topic 4: ESG Integration in Investment Analysis

- Seminar Activity: Participation in discussions on incorporating ESG factors into investment analysis/Quiz/Other relevant activity (lecturer's choice)

Topic 5: ESG Data and Metrics

- Seminar Activity: Contribution to discussions on ESG data sources and metrics/Quiz/Other relevant activity (lecturer's choice)

Topic 6: Sustainable Finance and Impact Investing

- Seminar Activity: Engaged participation in discussions on sustainable finance principles/Quiz/Other relevant activity (lecturer's choice)

Topic 7: ESG Reporting and Communication

- Seminar Activity: Contribution to discussions on global ESG reporting frameworks and ethical considerations/Quiz/Other relevant activity (lecturer's choice)

Individual/Group Project (30%)

Students can choose the focus of their final project, which might be a) ESG investing or b) ESG reporting oriented.

Examples of Individual/Group Project Topics:

- Analyze and present a case study on a company's successful integration of ESG principles in its investment decisions.
- Propose a comprehensive environmental risk management strategy for a given investment portfolio.
- Evaluate and present the impact of corporate governance on a company's ESG performance.
- Evaluate a company's ESG performance using key metrics and present recommendations for improvement.
- Develop a communication strategy for a company to transparently communicate its ESG performance to investors.
- Develop an ESG reporting strategy for a chosen company, emphasizing transparency and adherence to global standards.



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- Assess and present the ESG reporting practices of a selected company.
- Develop a communication strategy for a company to transparently showcase its CSR initiatives.
- Develop an ESG reporting dashboard for a chosen company, highlighting key metrics for stakeholders.
- Create an innovative ESG reporting framework for a chosen company, addressing concerns such as greenwashing, bluewashing, or corporate digital responsibility.

Final Exam (40%)

Examples of the exam format and content:

- Multiple-choice and short-answer questions assessing understanding of the importance of ESG approach in sustainable development.
- Mix of scenario-based and theoretical questions on environmental factors in ESG investing.
- Evaluation of corporate governance and social practices in a given case study.
- Case-based questions on identifying ESG risks and opportunities in investment decision-making.
- In-depth questions on the reliability and application of ESG data in investment analysis.
- Assessment of understanding sustainable finance fundamentals and impact measurement methodologies.
- Evaluation of strategies for communicating ESG performance and addressing ethical concerns in reporting.

PRE-REQUIREMENTS FOR STUDENTS

To study the course, students should ideally possess a foundational knowledge base in the following areas:

- ✓ Sustainability Awareness: familiarity with environmental and social sustainability issues, such as climate change, resource scarcity, human rights, and social inequality.
- ✓ Corporate Governance: knowledge of corporate governance principles and practices, including board structures, executive compensation.
- ✓ Data Literacy: basic knowledge of data analysis, research methods, and statistical concepts.

LEARNING OUTCOMES

Competencies:

- ✓ Students will acquire key competencies to work in ESG investment and reporting area, and to make informed decisions that align financial performance with sustainable development goals.

Skills:

Students will be able to:

- ✓ Understand the fundamental concepts and principles of ESG investing.
- ✓ Analyze the impact of ESG factors on investment decision-making and performance.
- ✓ Identify and evaluate ESG risks and opportunities in investment portfolios.
- ✓ Use methodologies for making responsible investment decisions.
- ✓ Apply ESG reporting frameworks and guidelines to analyse and develop comprehensive ESG reports.
- ✓ Develop a corporate ESG report.
- ✓ Assess the integration of ESG considerations into investments and their implications.
- ✓ Critically evaluate ESG data sources and their relevance in investment analysis.
- ✓ Develop ESG strategies for companies.



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LEARNING STRATEGIES

- ✓ Lectures with interactive presentations.
- ✓ Case Studies that highlight the practical application of ESG investment and reporting at real companies.
- ✓ Group discussions and debates to encourage critical thinking and foster an exchange of ideas.
- ✓ Guest speakers from the industry, such as ESG practitioners.
- ✓ Research project for conducting primary or secondary research.
- ✓ Assignments for critically reflect on the ethical dilemmas, challenges, and opportunities associated with ESG investment and reporting.

RECOMMENDED SOURCES

Compulsory literature:

1. Lehmann, M. (2022). *ESG Investing and Analysis - A Practitioner's Guide*. Risks Books.
2. O'Connor, B. (2022). *The ESG Investing Handbook: Insights and developments in environmental, social and governance investment*. Harriman House.
3. Krzus, M.P., & Eccles, R.G. (2010). *One Report. Integrated Reporting for Sustainable Strategy*. Wiley & Sons, Hoboken, New Jersey.

Suggested reading:

1. Boffo, R., & Patalano, R. (2020). *ESG Investing: Practices, Progress and Challenges*. OECD Paris.
www.oecd.org/finance/ESG-Investing-Practices-Progress-and-Challenges.pdf
2. Carroll, A. (1991). Corporate social responsibility evolution of a definitional construct. *Business Society*, 38(3), 268–295. <http://dx.doi.org/10.1177/000765039903800303>
3. Cary Krosinsky, G. & Purdom, S. (2017). *Sustainable Investing: Revolutions in Theory and Practice*. Routledge. Taylor & Francies Group.
4. Cho, C. H., Guidry, R. P., Hageman, A. M., & Patten, D. M. (2012). Do actions speak louder than words? An empirical investigation of corporate environmental reputation. *Accounting, Organizations and Society*, 37, 14–25.
<http://dx.doi.org/10.1016/j.aos.2011.12.001>
5. Cormier, D., & Magnan, M. (2007). The revisited contribution of environmental reporting to investors' valuation of a firm's earnings: An international perspective. *Ecological Economics*, 32(3–4), 613–626.
6. Fowler, S. J., & Hope, C. (2007). A critical review of sustainable business indices and their impact. *Journal of Business Ethics*, 76(3), 243–252.
7. Freeman, E. (1984). *Strategic management: A stakeholder approach*. Pitman Publishing, Boston.
8. Roca, L. C., & Searcy, C. (2012). An analysis of indicators disclosed in corporate sustainability reports. *Journal of Cleaner Production*, 20, 103–118.



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9. Schoenmaker, D. & Schramade, W. (2018). *Principles of Sustainable Finance*. Oxford.

Selected internet sources:

UN Principles for Responsible Investment (PRI): <https://www.unpri.org/>
Global Reporting Initiative (GRI): <https://www.globalreporting.org/>
Sustainability Accounting Standards Board (SASB): <https://www.sasb.org/>
Integrated Reporting: <https://www.integratedreporting.org>
Task Force on Climate-related Financial Disclosures (TCFD): <https://www.fsb-tcfd.org/>
SAM Corporate Sustainability Assessment:
https://www.spglobal.com/esg/csa/static/docs/SAM_factsheet_CSA_2020.pdf
Carbon Disclosure Project (CDP): <https://www.cdp.net/en>
MSCI ESG Ratings: <https://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool>
Digital Responsibility Goals (DRGs): <https://identityvalley.org/drg>
CFA Institute ESG Investing: <https://www.cfainstitute.org/en/research/esg-investing>
The Global Sustainable Investment Alliance (GSIA): <https://www.gsi-alliance.org/>
Journal of Sustainable Finance & Investment: <https://www.tandfonline.com/toc/tsfi20/current>

GROUP OF COURSE DEVELOPERS

Course Leader:

Board:

Date of approval the course



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