| DEREE COLLEGE SYLLABUS FOR: FN 4007 SUSTAINABLE FINANCE AND INVESTING | |
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| (Same as EC 4007 SUSTAINABLE FINANCE AND INVESTING)<br><br>(Fall 2023) | **UK LEVEL: 6**<br>**UK CREDITS: 15**<br>**US CREDITS: 3/0/3** |
| **PREREQUISITES:** | None |
| **CATALOG DESCRIPTION:** | Economic and financial aspects of sustainability. Sustainable financial products and markets. Sustainable investments, effective financial valuation and effective risk assessment. |
| **RATIONALE:** | The financial sector of the economy plays a key role in addressing environmental, social, and governance challenges. This course provides knowledge that is useful to future business and economics professionals exploring questions around why and how to choose sustainable finance solutions over conventional investment, as well as how sustainable financial engagement fits with an organization's broader strategy. Theory, empirical data, and policy are combined to explain the sustainability challenges for investment and to illustrate how finance can steer funding to certain companies and projects without sacrificing return, thus fostering the transition to a sustainable economy. Students acquaint themselves with skills and tools for applying the sustainable finance mechanisms to a real-world policy or business context. |
| **LEARNING OUTCOMES:** | As a result of taking this course, students should be able to:<br><br>1. Demonstrate understanding of sustainability challenges.<br>2. Demonstrate understanding of sustainable financial products and market participants.<br>3. Apply economics and finance metrics to assess the viability of solutions for sustainability.<br>4. Discuss the impact of environmental, social and governance factors on valuation and pricing for investment and lending decisions. |
| **METHOD OF TEACHING AND LEARNING:** | In congruence with the teaching and learning strategy of the college, the following tools are used:<br><br>➢ Class lectures.<br>➢ In-class discussion of real examples and cases that aim to enhance students' critical and analytical skills.<br>➢ Guest lectures by invited scholars and professionals.<br>➢ Office hours: students are encouraged to make full use of the office hours of their instructor.<br>➢ Use of Blackboard learning platform. |

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<td>ASSESSMENT:</td>
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Summative:
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<tr><td>1st assessment: Term project (group project 3,800-4,200 words; presentation of group project; reflective essay on group project – individual, 300-400 words)</td><td>50%</td></tr>
<tr><td>Final assessment: In-class written examination (Two-hour, closed-book, essay questions, comprehensive)</td><td>50%</td></tr>
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Formative:
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<tr><td>Formative assignments; group project progress reports</td><td>0%</td></tr>
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The formative assignments prepare students for the examination and ensure that students are actively engaged during the term.<br><br>
The 1st assessment tests Learning Outcomes 3 and 4.<br>
The final assessment tests Learning Outcomes 1, 2, 3, 4.<br><br>
The final grade for this module will be determined by averaging all summative assessment grades, based on the predetermined weights for each assessment. If students pass the comprehensive assessment that tests all Learning Outcomes for this module and the average grade for the module is 40 or higher, students are not required to resit any failed assessments.
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<td>INDICATIVE READING:</td>
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REQUIRED READING:<br><br>
Thompson S. (2023). Green and Sustainable Finance -Principles and Practice in Banking, Investment and Insurance. Chartered Banker Series, 2nd Edition, Kogan Page.<br><br>
Journal articles, accessible through the Library, as assigned by the instructor.<br><br>
RECOMMENDED READING:<br><br>
Esty, D. C. and Winston, A.S. (2009), Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage, John Wiley<br><br>
Krosinsky, C, Robins, N., Viederman, S. (2012), Evolutions in Sustainable Investing: Strategies, Funds and Thought Leadership, John Wiley & Sons, Inc. / Wiley Finance<br><br>
Jeucken, M. (2001), Sustainable Finance and Banking: The Financial Sector and the Future of the Planet, Earthscan Publications Ltd<br><br>
Krosinsky, C. and Robins, N. (2008) (eds), Sustainable Investing. The Art of Long-Term Performance, Earthscan Publications Ltd<br><br>
Labatt, S. and White, R.R. (2002), Environmental Finance: A Guide to Environmental Risk Assessment and Financial Products, John Wiley & Sons, Inc. / Wiley Finance Emerson, Jed, Tim Freundlich and Shari
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| | Freireich, J. and Fulton, K. (2009), Investing for Social & Environmental Impact, Monitor Institute<br><br>Porter, M. E. and Kramer, M. (2011), The Big Idea: Creating Shared Value, Harvard Business Review, January-February<br><br>Nicholls, A. (2011), The Institutionalization of Social Investment: The Interplay of Investment Logics and Investor Rationalities, Journal of Social Entrepreneurship, 1(1)<br><br>Christian, L. (2011), A New Foundation for Portfolio Management, RSF Social Finance and Portfolio Investments.<br><br>Foundation Center, Tools and Resources for Assessing Social Impact (TRASI), http://trasi.foundationcenter.org/<br><br>Global Impact Investing Network (GIIN)'s Impact Reporting and Investment Standards: http://irisstandards.org/<br><br>Callanan, L. Law, J. and Mendonca, L. (2012), From Potential to Action: Bringing Social Impact Bonds to the US, McKinsey & Company, May.<br><br>Credit Suisse Research Institute (2012), Investing for Impact.<br><br>Yunus, M. (2009), Creating a World Without Poverty, Social Business and the Future of Capitalism, Public Affairs.<br><br>UN Sustainable Development Goals https://sdgs.un.org/goals |
| **INDICATIVE MATERIAL:**<br>*(e.g. audiovisual, digital material, etc.)* | **REQUIRED MATERIAL:** N/A<br><br>**RECOMMENDED MATERIAL:** N/A |
| **COMMUNICATION REQUIREMENTS:** | Use of appropriate academic conventions as applicable in oral and written communications. |
| **SOFTWARE REQUIREMENTS:** | Word, Excel, PowerPoint, Refinitiv: ESG data |
| **WWW RESOURCES:** | Social Finance US: http://www.socialfinanceus.org/<br>Impact Assets: http://www.impactassets.org<br>Mission Markets: http://missionmarkets.com/<br>WRI New Ventures: http://www.new-ventures.org/ |
| **INDICATIVE CONTENT:** | 1. Definition and importance of sustainability<br>2. Externalities and internalisation<br>3. Governance<br>4. Strategy and intangibles<br>5. Reporting, metrics, data<br>6. Financing sustainability<br>7. Investing for value creation<br>8. Equity investing<br>9. Bonds investing<br>10. Banking and new forms of lending<br>11. Long-term risk management<br>12. Transition management |