



## 1. General Information

Course Subject	FINA
Course Number	3385
Course Title	Global Sustainable Investing and ESG Integration
Academic Years	2023-2024
Grading Method	Letter

## 2. Instructors

Mr Cheung, Chun Yue Anthony

## 4. Course Description

Course Description	<p>In this course, how environment, social, and governance (ESG) impacts on risk and return of investments and corporate financial performance will be explored. Different ESG investment approaches and strategies will be introduced and students will develop an understanding of ESG integration and how ESG will be embedded in the investment process and in valuation models. In addition, students will learn about sustainable investing across different asset classes and the various ESG Reporting frameworks.</p> <p>This course will prepare students to sit for the “Certified ESG Analyst (CESGA)” examination offered by EFFAS (The European Federation of Financial Analysts Societies).</p>
Prerequisites	FINA1310: Corporate Finance FINA2320: Investments and Portfolio Analysis

## 5. Course Objectives

1. The course aims to provide students with a practical understanding of how ESG is one of key investment decision drivers of asset owners and asset managers. Sustainable and responsible investing is making an impact on business corporates in driving their business strategies. Portfolio managers need to evaluate its investment not just from returns and risks, but also from ESG perspectives. This may complicate the process as portfolio managers and asset owners often challenge the co-relation as well as the benchmarking.

The course hopes to provide students with an integrated approach looking at investment decisions and ESG. The course will track the syllabus of the Certified ESG Analyst (“CESGA”) and will prepare the students who are interested to be accredited to sit the CESGA examination.

While the course matches students who are interested in finance and investment, it is also relevant to students who are interested in Business/Corporates or Policy as ESG is an inter-disciplinary topic that is required in today’s environment.

## 6. Faculty Learning Goals

Goal 1: Acquisition and internalization of knowledge of the programme discipline

Goal 2: Application and integration of knowledge

6. Faculty Learning Goals
Goal 3: Inculcating professionalism
Goal 4: Developing global outlook
Goal 5: Mastering communication skills
Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Identify the main drivers and barriers of ESG investing and explain the positive correlations between ESG performance and financial performance.	✓	✓	✓	✓		✓
CLO2. Differentiate different ESG investment strategies, discuss the global market developments with a focus on the Asia Pacific region, and list the differences between important ESG definitions.	✓	✓	✓	✓		✓
CLO3. Validate different ESG considerations in different asset classes.	✓	✓	✓	✓		✓
CLO4. Evaluate different ESG issues of corporates via case study.	✓	✓	✓	✓	✓	✓
CLO5. Demonstrate understanding of ESG Reporting and sources and applications of various data in the ESG Reporting.	✓	✓	✓	✓		✓
CLO6. Identify the challenges of integrating ESG factors in the investment process.	✓	✓	✓	✓		✓

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lectures and Guest Speakers	33	26.2
T&L2. Reading and preparation	20	15.9
T&L3. Mid-term Examination	20	15.9
T&L4. Group Case Study	20	15.9
T&L5. Final Project	33	26.1
	Total: 126	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Attendance/ Participation—I nteractive Lectures	Attendance and participation in in-class activities.	20%	1,2,3,4,5,6
A2. Mid-Term Test/ Assessment	Mid-term Examination Multiple choice exam to test students’ understanding of key ESG development, strategies, frameworks and	30%	1,2,3,4,5,6

## 9. Assessment Methods

	issues		
A3. Project (Group)—Presentation	Group Case Study Group presentation to enhance students' understanding by applying concepts covered in class to practical real-world examples.	20%	1,2,3,4,5,6
A4. Project (Individual)—Report	Final Project Individual assignment to undertake research and holistically evaluate ESG information for decision making, even when facing numerous uncertainties. Detailed assessment rubrics will be introduced to students during class and distributed via Moodle.	30%	1,2,3,4,5,6

## 10. Course Grade Descriptors

A+,A,A-	Demonstrate superior ability to fulfill learning outcomes and make strong contributions in class and group activities
B+,B,B-	Demonstrate strong ability to fulfil learning outcomes, apply the knowledge effectively and make solid contributions in class and group activities
C+,C,C-	Make adequate contributions in class and group activities, and demonstrate mastery of the subject, but show gaps in understanding, or inconsistent application of the learning outcomes to practical examples
D+,D	Demonstrate evidence of familiarity with ESG topics, and effort to contribute in class or group activities
F	Demonstrate limited evidence of basic familiarity with the subject and limited effort to contribute in class or group activities

## 11. Course Content and Tentative Teaching Schedule

Topic/ Session	Content
1	Sustainable Investing - an Introduction ESG Investment - Where do we stand, definitions and developments, ESG strategies
2	Recent Development of Global ESG investing (Market drivers, barriers to ESG, regulatory framework, empirical evidence about ESG and performance)
3	Responsible investing across asset classes (Introduction, reflections on individual asset classes, developing an ESG aware investment strategy)
4	Introduction to ESG Reporting (Voluntary and mandatory regimes, reporting frameworks)
5	Investment Process Chain (Introduction, macro research and asset allocation, company analysis, portfolio construction, trading, portfolio and risk analytics, compliance and reporting, engagement and voting)
6	Approaches of data analysis: Data availability, quality and usage (Disclosure and data source, concept of materiality, identification of ESG value drivers)
7	ESG Integration in Investment Analysis (Analysis of governance, controversies, analysis of environmental and social: sector specific, consistency with the business model)

## 11. Course Content and Tentative Teaching Schedule

8	ESG Integration in Financial Valuation (Introduction: ESG valuation models, ESG integration in valuation models, fundamental strategies: Equities, fixed incomes and infrastructure)
9	Investment decision in the context of the ESG investment process (Investment guidelines, asset allocation decision, portfolio construction, portfolio management & portfolio monitoring, active ownership and engagement, reporting: performance attribution and impact investing considerations)
10	Investment decision in the context of the ESG investment process (Investment guidelines, asset allocation decision, portfolio construction, portfolio management & portfolio monitoring, active ownership and engagement, reporting: performance attribution and impact investing considerations)
11	Sustainable Investing & ESG Integration in the Asia Pacific Region

## 12. Required/Recommended Readings & Online Materials

Reading	<p>1. Schoenmaker, D., Schramade, W. (2019): Principles of Sustainable Finance, Oxford University Press</p> <p>2. Hebb, T., Hawley, J. P., Hoepner, A.G.F., Neher, A.L., Wood, D. (editors) (2015): The Routledge Handbook of Responsible Investment, Routledge Companions in Business, Management and Accounting</p>
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## 13. Means / Processes for Student feedback on Course

	Conducting mid-term survey in addition to SETL around the end of the semester
	Online response via Moodle site
	Others

## 14. Course Policy

As per university standard policies.

Class Conduct: Respect for different opinions is an essential element of this course.