



1. General Information

Course Subject	FINA
Course Number	3385
Course Title	Global Sustainable Investing and ESG Integration
Academic Years	2024-2025
Grading Method	Letter

2. Instructors

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Subclasses: 1A,2B

Ms MAK, Serena
Subclasses: 1A,2B

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.</p> <p>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.</p> <p>In addition, students will learn about sustainable investing across different asset classes and the various ESG Reporting frameworks.</p> <p>Students that finish the course will be prepared to sit the “Certified ESG Analyst (CESGA)” certification 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 finance, business, and law 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 businesses and corporates in driving their business strategies. Investment analysts and portfolio managers need to evaluate its investment not just from financial 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”) professional certification, which is one of the Eligible Programs under the Pilot Green and Sustainable Finance Capacity Building Support Scheme (<http://greentalent.org.hk>) and listed on the HKMA’s GSF Knowledge Hub. This course will prepare students to sit the CESGA examination for those who are interested to be accredited.

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

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

8. Course Teaching and Learning Activities

T&L2. Reading and preparation	20	15.9
T&L3. Assignment	20	15.9
T&L4. Case Study Preparation	20	15.9
T&L5. Test	33	26.1
	Total: 126	Total: 100

9. Assessment Methods

Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Attendance/ Participation—Interactive 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 issues	30%	1,2,3,4,5,6
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	ESG Investing - an Introduction

11. Course Content and Tentative Teaching Schedule

	Sustainable Investment - Where do we stand, definitions and developments, ESG trend from Global Sustainable Investment Review (GSIR)
2	Recent Development of Global ESG investing Market drivers, barriers to ESG, regulatory framework, empirical evidence about ESG and performance
3	Sustainable Investing and financing across Asset Classes Introduction of Sustainable Investing Strategies, Reflections on individual asset classes, Developing an ESG aware investment strategy
4	Introduction to ESG Reporting Voluntary and mandatory regimes, ESG Reporting Frameworks vs ESG Assessment Frameworks, Concept of Double vs. Financial Materiality
5	ESG Data Analysis: Data Availability, Quality and Usage Disclosure and data source, Data Availability & Quality
6	ESG Integration in Investment Analysis Identification of ESG value drivers, Analysis of Governance Aspect, Controversies, Analysis of Environmental and Social Aspects: sector specific, consistency with the business model
7	ESG Integration in Financial Valuation ESG integration and valuation models, ESG integration across Asset Classes: Equities, fixed incomes and infrastructure
8	ESG Integration in Investment process Introduction to Investment Process Chain, Investment guidelines and Objectives, Macro Research and asset allocation
9	ESG Integration in Financing and Investment decision Portfolio Construction, Portfolio Monitoring and Management, Active Ownership, proxy voting and Engagement, Compliance and Reporting)
10	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 additional 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.