

MASTER EN DIRECCIÓN FINANCIERA Y CONTABLE DE LA EMPRESA
(Official Master's Degree in Accounting and Financial Management)
COURSE 2024-2025

SUBJECT

Name: Sustainable Finance

Type of subject: compulsory

Credits: 3 ECTS

Hours of dedication: 18 hours (in classroom) 60 hours (out classroom)

Professor: Albert Martí

COURSE DESCRIPTION

Sustainable finance plays a crucial role in the transition towards a sustainable economic model, promoting responsible practices in the financial industry and facilitating the redirection of economic flows towards sustainable activities. In this module we will see how the integration of environmental, social and governance criteria in decision-making facilitates the allocation of capital towards projects that mitigate climate change and promote sustainability. Additionally, we will analyze in depth how the implementation of ESG criteria in all financial activities impacts the governance of entities, credit granting processes, climate risk management and all investment processes and products.

From the concepts of sustainable finance, we are going to see new products, new processes, new opportunities and new risks; and we are also going to analyze how this new paradigm impacts traditional business models. Finally, we will make a small incursion into the customer dimension to see how sustainable finance is perceived by these customers and understand how their interaction influences the management of financial entities.

Contents

- Introduction to sustainable finance. Relevance and concepts.
- Main frameworks and standards of sustainable finance in the world.
- Regulatory framework: the EU as Best Practice.
- Governance and corporate structure for the implementation of ESG criteria in financial entities.
- Management of ESG risks in bank financing processes.
- Climate risk management.
- Sustainable financing products
- Sustainable investment: investment products and methodologies with ESG criteria.
- Customer interaction with entities and products that apply ESG criteria.

Objectives

After the subject, the student must be able to:

- Know the main concepts of sustainable finance and how ESG criteria are taken into account in the financial industry.
- Identify the main standards and regulatory frameworks that are essential to promote the development of sustainable finance by all actors in the financial markets.
- Know sustainable finance from the perspective of asset management, ratings and sustainable investment products.
- Interpret how ESG criteria are taken into account in financing policies and how this impacts risk management and financing products.

Methodology

There will be 4 sessions of four and a half hours each. The course will combine lectures with case discussions, and presentation of reports about cases made by groups of students. During the discussion of some cases, the students will be divided in groups using the role-playing approach.

Evaluation criteria

Grading will be done through:

20% Class participation

60% Exam

20% Exercises

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

Total course

Students need to obtain a minimum of 5 in the final exam to pass the course. This condition applies to both the regular exam and the retake exam. The final course grade of students that do not obtain **a minimum of 5 in the exam** will have a retake exam opportunity that will be programmed in accordance with the academic calendar. If a student has to retake the exam, his **maximal grade for the course will be a 5**.

Students are required to **attend 80% of classes**. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

Plagiarism is to use another's work and to present it as one's own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original

work completed by the student. By enrolling at any UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

Reading Materials/ Bibliography/Resources

- Serrano, A. & Calleja, M. (2020). Finanzas Sostenibles: Una Nueva Forma de Invertir en el Futuro. Madrid: Deusto.
- Gutiérrez, J. & Núñez, C. (2019). Inversiones responsables y sostenibles: Desafíos y oportunidades. Madrid: Alianza Editorial.
- Llorente, B. (2018). Inversiones sostenibles: La perspectiva de los mercados financieros. Madrid: Ediciones Pirámide.
- Mendizábal, C. (2019). Cambio Climático y Finanzas Sostenibles: Desafíos para el futuro. Buenos Aires: Editorial Teseo.
- Schoenmaker, D. & Schramade, W. (2018). Principles of Sustainable Finance. Oxford University Press.
- Jansson, M. & Biel, A. (2019). Sustainable Investments: A Path to a Better Future. Routledge.
- Boffo, R., & Patalano, R. (2020). ESG Investing: Practices, Progress and Challenges. OECD.
- Puaschunder, J. (2019). Corporate Social Responsibility and Opportunities for Sustainable Financial Success. IGI Global.
- Kumar, S. & Ghosh, D. (2021). Sustainable Finance: Frameworks, Principles, and Practices. Palgrave Macmillan.
- Brooks, C. & Oikonomou, I. (2018). Sustainable Investments and ESG Reporting: Global Practices and Standards. Springer.
- PwC. ESG oversight: The corporate director’s guide, 2022. Available from: <https://www.pwc.com/us/en/services/governance-insights-center/library/esg-corporate-directors-guide.html>.
- Sustainable Finance trends. https://unctad.org/system/files/official-document/wir2024_ch03_en.pdf.
- ESG and Global Investor Returns Study. <https://www.kroll.com/en/insights/publications/cost-of-capital/esg-global-investor-returns-study>