

Course Syllabus

Course	Sustainable Finance
Lecturer(s)	Prof Dirk Schoenmaker
Course Description	<p>This course provides insight in the sustainability challenges in Europe and the link to finance. The main task of the financial system is to allocate funding to its most productive use. Traditional finance focuses on financial return and regards the financial sector as separate from the society of which it is part and the environment in which it is embedded. By contrast, sustainable finance considers financial, social, and environmental returns in combination and shows how finance can accelerate the transition to a low-carbon, inclusive economy.</p> <p>The course reviews evidence that environmental and social factors matter and explains how to incorporate these in company business models and strategies, investing, and lending. The course examines the financial instruments and techniques that can be applied in the context of the EU's evolving climate policies (and other sustainability policies) and discuss the EU's sustainable finance action plan.</p>
Primary References and Additional Materials	<p>Schoenmaker, Dirk and Willem Schramade (2019), <i>Principles of Sustainable Finance</i>, Oxford University Press, Oxford.</p> <p>Steffen, Will, <i>et al.</i> (2015), 'Planetary boundaries: Guiding human development on a changing planet', <i>Science</i> 347(6223), 736-47.</p> <p>European Commission (2018), 'Action Plan: Financing Sustainable Growth', Brussels.</p>
Course Objectives	<ul style="list-style-type: none"> ➤ Clarify the sustainability challenges in Europe ➤ Explain the concept of integrated value based on corporate finance models ➤ Understand and apply the impact of ESG factors on valuation and pricing for investing and lending ➤ Critically review the EU's Sustainable Finance Action Plan
Prerequisite(s)	Familiarity with the basics of finance
Teaching Method(s)	Lectures
Assessment Method(s) and Grading Policy	Class-participation (20%) and take-home exam (80%)

EXTENDED COURSE PLAN & REFERENCES		
Lecture 1 20-4-2019 3 hours	<i>Topic</i>	Sustainability challenges
	<i>References</i>	<ul style="list-style-type: none"> • Ch 1, book • Steffen, <i>et al.</i> (2015), 'Planetary boundaries'.
Lecture 2 20-4-2019 2 hours	<i>Topic</i>	Externalities & corporate objective
	<i>References</i>	<ul style="list-style-type: none"> • Ch 2 & 3 book
Lecture 3 21-4-2019 3 hours	<i>Topic</i>	Business models & Equity investing
	<i>References</i>	<ul style="list-style-type: none"> • Ch 5 & 8, book
Lecture 4 22-4-2019 2 hours	<i>Topic</i>	Banking & EC's Action Plan
	<i>References</i>	<ul style="list-style-type: none"> • Ch 10, book • European Commission (2018), 'Action Plan: Financing Sustainable Growth', Brussels.