Introduction to Sustainable Finance

Educational subject description sheet

Basic information

Field of study Joint Bachelor in Sustainability	**Education cycle** 2025/26
Speciality Social Sciences & Humanities	**Subject code** UJ.WPAJBSSSHS.880.16588.25
Organizational unit Faculty of Law and Administration	**Lecture languages** english
Study level first cycle (joint degree programme)	**Subject related to scientific research** Yes
Study form full-time degree programme	**Disciplines** Economics and finance
Education profile General academic	**ISCED classification** 0412 Finance, banking and insurance
Mandatory obligatory	**USOS code**

Subject coordinator	Piotr Szwedo
Lecturer	Annette Krauss, Zacharias Sautner

Period Semester 4	**Examination** exam **Activities and hours** Lecture: 18 Classes: 8	**Number of ECTS points** 3.0

Goals

C1	The aim of the course for students to understand the main theories and practicalities of sustainable finance within the context of societal responsibilities. Specifically, students learn how the theoretical frameworks of finance, economics, and management science contribute to understanding sustainable development and the role of finance, and to explain the major impediments and challenges of these frameworks. The course aims at equipping students with a fundamental understanding of how risks, information, and expectations shape financial markets, and how sustainability affects finance-driven solutions to advance sustainability. In addition, the course aims to develop competencies that will enable students to apply their knowledge to advance sustainability in financial market contexts.

Subject's learning outcomes

Code	Outcomes in terms of	Effects	Examination methods
Knowledge – Student knows and understands:			
W1	the basic theories and different views that guide economics, finance, and management science in integrating sustainability in financial decision-making.	JBS_K1_W01, JBS_K1_W02	written exam
W2	how ESG (Environmental, Social and Governance) factors influence financial markets, and students are familiar with the different tools that financial market participants use to assess and implement sustainable finance practices.	JBS_K1_W03, JBS_K1_W06	written exam
W3	the role of public policies to promote sustainability through finance, and the challenges in shaping policies in interaction with private sector financial market participants.	JBS_K1_W03, JBS_K1_W04, JBS_K1_W05	written exam
W4	pathways and concrete mechanisms and tools to improve sustainability through the means of finance.	JBS_K1_W04, JBS_K1_W05	written exam
W5	the main methodological issues and findings of empirical studies on sustainable finance	JBS_K1_W07	written exam
Skills – Student can:			
U1	explain how sustainability-related assessments influence financial market outcomes and vice versa.	JBS_K1_U02	written exam, credit
U2	discuss and propose concepts to further advance the compatibility of financial markets and sustainable development.	JBS_K1_U03	written exam, credit
U3	propose solutions to market failures related to sustainability.	JBS_K1_U04	written exam, credit
Social competences – Student is ready for:			
K1	to actively participate in and take a standpoint in scientifically-founded conversations and initiatives surrounding sustainable finance.	JBS_K1_K03, JBS_K1_K05	written exam, credit
K2	to constructively contribute to nuanced and science-based reasoning regarding sustainable finance.	JBS_K1_K05	written exam, credit
K3	to integrate sustainability considerations in professional functions in their future workplace in the financial industry or corporations.	JBS_K1_K01	written exam, credit

Calculation of ECTS points

Activity form	Activity hours*	
Lecture	18	
Classes	8	
problem analysis	2	
preparation for classes	27	
exercises performance	3	
preparation for the exam	32	
Student workload	**Hours** 90	**ECTS** 3.0

* hour means 45 minutes

Study content

No.	Course content	Subject's learning outcomes
1.	Introduction to Sustainable Finance • Overview of sustainable finance, its importance in the modern world, and how it relates to the economy and the broader sustainability agenda • Main elements and decision logic of financial markets • Course objectives, expectations, and an introduction to the key concepts and terminologies	W1, W2, W5
2.	Sustainable Finance as a Long-Term Transition • History of sustainable finance in the context of environmental and social movements and public policy initiatives • Major milestones and current frameworks for financial market participants in the EU and Switzerland • Theoretical framework(s) to analyse motivations, interests, and incentives of financial market participants to integrate sustainability into financial decisions	W1, W2, W3, W5
3.	Ethical Foundations of Sustainable Finance • Ethical imperatives that underpin sustainable finance, including stewardship, intergenerational equity, and the precautionary principle. • Ethical frameworks and how they apply to financial decision-making	W1, W2, W3, W5

No.	Course content	Subject's learning outcomes
4.	Market Failures and Solutions for Sustainable Finance • Market failures, market imperfections, and how they impede the goals of sustainable finance • State/government/public policy interventions and their failures • How standard and innovative solutions are used to correct market and public policy failures to achieve the goals of sustainable finance; current examples (emission certificate trading, CO2 taxes, sustainability disclosure regulations, etc.)	W1, W2, W3, W4, W5, U3
5.	Environmental Risks and Opportunities • Interdependence of financial markets and climate change, resource depletion, biodiversity loss • Concepts of natural capital in financial markets • Environmental risks and financial risks • Environmental risks and financial opportunities • Empirical evidence	W1, W2, W3, W4, W5, U1, K1, K2, K3
6.	Social Considerations and Financial Analysis • Social dimension of sustainability (labour rights, community impact, income inequality, etc.) • Social dimensions of sustainability around the world • Concept of social capital • Relationship between social dimension and firm valuation / financial performance of firms	W1, W2, W3, W4, W5, U1, K1, K2, K3
7.	Governance in Sustainable Financial Markets • How sustainability relates to corporate governance – corporate governance concepts and theory of the firm • Is there a political dimension in the G of ESG? • Corporate governance performance metrics • Governance criteria around the world	W1, W2, W3, W4, W5, U1, K1, K2, K3
8.	Sustainability Information and Regulations in Financial Markets • Landscape of sustainability reporting frameworks and standards, such as GRI, SASB, and TCFD. • Why transparency and accountability matter in sustainable finance • Overview over the regulatory landscape affecting sustainable finance in the EU and Switzerland (policies, laws, regulations) designed to promote sustainable economic activities	W1, W2, W3, W4, W5, U1, K1, K2, K3

No.	Course content	Subject's learning outcomes
9.	ESG Integration in Investment Analysis • Investment analysis in equity markets • How equity analysis uses Environmental, Social, and Governance (ESG) criteria in financial analysis and investment decisions • Challenges and opportunities of ESG integration • Empirical evidence	W1, W2, W3, W4, W5, U1, U2, K1, K2, K3
10.	Sustainability Impacts of Finance • Methodologies for measuring and reporting the impact of finance • Sustainability impacts and secondary financial markets • Sustainability impacts through investing in private markets • Sustainability impacts through lending and underwriting (commercial credit, insurance)	W1, W2, W3, W4, W5, U1, U2, K1, K2, K3
11.	Innovative Financing Instruments • Basic functioning of innovative green financing instruments (ex. green bonds, debt-for-nature swaps, etc.) to combat climate change, loss of biodiversity and other environmental issues • Motivations of issuers, financial intermediaries, investors • Criteria and processes for certification and reporting	W1, W2, W3, W4, W5, U1, U2, K1, K2, K3
12.	Shareholder Activism and Corporate Engagement • Stewardship, shareholder activism and corporate engagement • Shareholder strategies to influence corporate behaviour (proxy voting, dialogue) • Effectiveness of shareholder activism • Empirical evidence	W1, W2, W3, W4, W5, U1, U2, K1, K2, K3
13.	Selected topics/practice case study • Joint review of student exercise tasks and results • Topic deep dive TBD depending on current topics • Practitioner presentation & Q&A	U1, U2, U3, K1, K2, K3

Course advanced

Teaching methods :

text analysis, conversation lecture, case study, gamification

Activities	Examination methods	Credit conditions
Lecture	written exam	Written exam, surpassing minimal quality threshold (graded)
Classes	credit	Case study exercise assignment, surpassing minimum quality threshold; peer review exercises;

Entry requirements

None

Literature

Obligatory

1. Chesney, M., Gheyssens, J., Pana, A., & Taschini, L. (2016). Environmental Finance and Investments. Springer (2nd edition), Berlin and Heidelberg. Matos, P. (2020). ESG and responsible institutional investing around the world: A critical review. CFA Institute. Schoenmaker, D., & Schramade, W. (2018). Principles of sustainable finance. Starks, L., (2023). Presidential Address: Sustainable Finance and ESG Issues—Value versus Values. The Journal of Finance 78(4), 1837-1872.

Effects

Code	Content
JBS_K1_K01	The graduate can encourage sustainability-driven practices in the workplace and appraise sustainability of own values, perceptions, roles, and actions, with a special focus on environmental wellbeing.
JBS_K1_K03	The graduate can consider different visions of the future and develop own evidence-based opinions in reference to the balance of values linked to economic development, social welfare, and environmental protection.
JBS_K1_K05	The graduate can defend the importance of scientific data and methods as a basis for decision-making.
JBS_K1_U02	The graduate can present and report knowledge, methodologies, ideas, problems and solutions, clearly and comprehensively, in different forms destined for different audiences – including discussions and debates which require defending a substantiated opinion, as well as conversations in a foreign language at the CEFR B2 level.
JBS_K1_U03	The graduate can apply adequate methods and tools, including selected IT tools, to solve problems related to data collection, analysis, and management in the context of sustainability.
JBS_K1_U04	The graduate can plan and effectuate simple sustainability-related projects under supervision and in the context of personal lifelong learning, both individually and in a team, using appropriate transversal skills and taking shared responsibility for the outcome.
JBS_K1_W01	The graduate can describe the concept of sustainability and recognize the differences in relevant definitions, models and approaches.
JBS_K1_W02	The graduate can explain the axiological background of sustainability and summarize key stages of development of the concept.
JBS_K1_W03	The graduate can give examples of sustainability-related dilemmas and hypothesize on the optimal course of action.
JBS_K1_W04	The graduate can identify sustainability-related problems specific to selected cultural, geographical, and political contexts.
JBS_K1_W05	The graduate can identify essential international instruments and institutions related to sustainability and explain their potential role in resolution of a given problem.
JBS_K1_W06	The graduate can describe interconnections between various aspects of sustainability and identify their significance in the context of natural and social sciences, with a special focus on disciplines included in the selected specialisation track (law and politics; chemistry and physics; chemistry and biology; economics and geography; economics, management and engineering; humanities).
JBS_K1_W07	The graduate can apply the theory and methodology of disciplines included in the selected specialisation track to sustainability-related problems, taking into consideration practical limitations such as protection of intellectual property.