

**FBE 499**  
**SUSTAINABLE FINANCE – PRINCIPLES AND PRACTICE**

**Fall 2022**

**Class days/times: Mondays and Wednesdays 10:00 AM - 12:00 Noon**

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**Course Description**

The financial sector is critical for achieving environmental, social and governance (ESG) transformation across a broad universe of corporations, industry sectors, and other organizations. Environmental and climate sustainability would require adjustments in our production and consumption patterns across food production, fossil fuel usage, and physical pollution. It is expected that \$20-30 trillion will be invested over the next two decades towards this transformation, and to arrest the rise in atmospheric temperatures and prevent catastrophic impact to our planet. Financial institutions and markets will be instrumental in allocating investments to sustainable projects and corporations in order to accelerate the transition to low-carbon and more circular economies.

This course covers ESG concepts, their applications, and transition challenges. We will learn how the broad goals for ESG transformation apply to current economic models that were developed in the age of resource abundance. On the environmental front we will cover climate change, land-use adjustment, biodiversity loss, and depletion of natural resources.

The central question we will address in this course is how capital and financial systems can be mobilized towards climate-mitigation, environmental, and societal goals. We will learn how capital investment should be feasibly deployed to ensure that current and future generations have the resources needed – sustainable energy, food, water, and health care – without stressing our planet's natural resources and processes.

In the second half of the course, we will cover practical applications in the creation and quantification of economic and shareholder value for corporations and banks. This will include thematic concepts including strategy, return expectations, governance, and integrated reporting. Several case studies will provide practical insights into sustainable finance investment across equity and bonds, and implementation of ESG strategies.

**Learning Objectives**

At the end of this course, students will be able to:

1. Explain environmental, social and governance (ESG) policies and their importance.
2. Demonstrate the ability to identify and explain the stages of sustainable finance and policy and technology uncertainties.

3. Critically analyze the changing objectives of corporates in the context of market short-termism.
4. Recognize why and how companies should connect sustainability to their competitive positions.
5. Connect corporate sustainability performance with corporate financial performance.
6. Explain business models, intangible assets, and strategies to incorporate ESG initiatives.
7. Explain the benefits and limitations of traditional internal and external reporting in the context of ESG.

Please see additional learning objectives associated with group project below:

### **Group Project: ESG value creation**

This project is designed for student groups to apply value based ESG investing concepts and framework learnt in first half of the course to one public company for each group (to be selected in consultation with the instructor).

Learning outcomes from this project:

8. Explain which fundamental factors drive value creation through ESG investments and projects.
9. Quantify ESG contribution to shareholder value.
10. Critically examine how can business enterprises can invest in sustainable projects while increasing returns for their stakeholders.

### **Required Materials**

- Required Readings
  - A. Class presentations prepared by instructor (in three parts for the course) with power point slides and illustrations. These will be provided in advance.
  - B. Nine cases listed below – a case pack will be referenced for students to procure the first eight cases from Harvard Business School case library – this is a one step process. A web link to the course pack will be provided.
    1. Reversing Climate Change Through Sustainable Food: Patagonia Provisions Attempts to Scale a "Big Wall"
    2. Stripe: Encouraging Customers to invest in carbon removal
    3. Building Better Ventures
    4. Making Impact Investing Markets: IFC
    5. Massachusetts Bay Transit Authority Sustainable Bonds
    6. Waste not, want not: Eliminating Patagonia's Pre- and Post-Customer Textile Waste
    7. Patagonia's Path to Carbon Neutrality by 2025
    8. IMPAAKT - Harnessing Collective Intelligence to Improve ESG Ratings
    9. McDonald's: A Sustainable Finance Case Study
- Papers
  1. IPCC puts the world on high alert
  2. Agricultural sustainability – what the banking sector must do
  3. EU's green policies need essential support by financial institutions
  4. Climate change disclosures leave banks exposed
  5. Banking is the foundation of sustainable buildings
  6. Banks risk becoming a weak link in the greening of supply chains
  7. Banks need to square the circular economy or risk significant credit losses

Authors: Marcus Cree and Sanjay Sharma

Source: <https://www.greencap.live>

- Recommended Text
  - C. Principles of Sustainable Finance - Dirk Schoenmaker and Willem Schramade, Oxford University Press.
- Required Online Resources
  - D. Students will be expected to keep current on topical areas that will be discussed in class. Specific current articles will be cited and discussed. The following list of climate-finance related sections of the publications is suggested:
    1. Wall Street Journal
    2. New York Times
    3. Financial Times
    4. Bloomberg.com
    5. Business Insider
    6. [www.unsdg-un.org](http://www.unsdg-un.org)
- Supplementary Materials

Several publications by global organization and corporations will be posted and discussed in class.

All materials will be posted on Blackboard. If you have any questions or need assistance with the Blackboard Course Pages, please contact the Marshall HelpDesk at 213-740-3000 (option 2) or [HelpDesk@marshall.usc.edu](mailto:HelpDesk@marshall.usc.edu)." Alternatively, (213) 740-5555 will get you the USC ITS Help Desk.

### **Prerequisites and/or Recommended Preparation:**

Prerequisite Courses: BUAD 215 or BUAD 306 or BUAD 308 Business Finance

### **Grading Policies**

Assignments	Points	% of Overall Grade
Class Quizzes	15	15%
Individual Case Assignments	15	15%
Group Case Analyses	25	25%
Class Participation	10	10%
Final Exam	35	35%
<b>TOTAL</b>	<b>100</b>	<b>100%</b>

Final grades represent how you perform in the class relative to other students. Three factors are considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Individual student ranking among all students in the class.

## CLASS QUIZZES

There will be a multiple-choice, open-book quiz with 10-15 questions at the beginning of each class with expected completion time of 10 minutes.

## INDIVIDUAL CASE ASSIGNMENTS

For each case and other assigned topics covered in class, students will be required to submit a 1–2-page analysis of the main learning objectives of the case at the beginning of the following class. Late submissions will not be accepted.

## GROUP CASE ANALYSES

Groups of four students each will be formed in the class through random selection as per schedule. Case groups will prepare a comprehensive analysis and present their cases in class. These analyses would not have any limitation of the length for words or number of pages. In class presentations will be limited to 20-30 minutes depending on class size and number of groups. Specific questions that should be addressed for each case will be provided. The first draft of case submission will be due as per schedule.

It is expected that case submissions will identify problems and issues in a scenario, to demonstrate students' knowledge of theories and corporate policies and to make decisions and recommendations based on these to either prevent or solve some of the issues in that scenario.

## CLASS PARTICIPATION

This course is oriented from practitioners' perspectives and decisions in real life situations, and thus class participation is an extremely important part of the learning experience. The challenges and opportunities faced by firms/individuals in the cases will be discussed in a "boardroom" setting, with debates on options and decisions. The ability to present one's ideas concisely and persuasively and to respond effectively to the ideas of others is a key business skill. You will be expected to provide their opinions in group settings in their professional careers and thus, class participation is integrated in this course to prepare you for this experience.

One of the primary goals of this course is to help you develop the ability to clarify your own position on an issue, and to be able to articulate and defend it clearly. Sharing your perceptions and ideas with others is crucial for learning and for understanding how the diverse opinions that you are likely to encounter in an organization are debated. You will find yourself presenting and testing new ideas that are not wholly formulated and assisting others in shaping their ideas as well. You should be prepared to take some risks.

The richness of the learning experience will largely depend upon the degree of preparation by all students prior to each class session. Course instructor's expectation (and that of your classmates) will be that you are prepared for all classes and will actively participate in and meaningfully contribute to class discussions. Cold calling may take place to encourage active participation and to gain multiple perspectives and points of view.

In-class participation grading will be based on students' demonstrated willingness to participate, and critical thinking of the comments expressed, rather than quantity. While some students are far more comfortable than others with class participation, all students should make an effort to contribute meaningfully and be supportive of the efforts of others.

Effective class participation consists of analyzing, commenting, questioning, discussing, and building on others' contributions; it is not repeating facts or monopolizing class time. One of the goals of this course is to help you sharpen that ability.

- **Outstanding Contribution:** Your contributions reflect considerable preparation; they are substantive and supported by evidence from the case, readings, and logic. Your comments or questions create a springboard for discussion by making a critical insight. You synthesize and build upon what has already been said in the discussion. The class learns from you when you speak; in your absence, the discussions would suffer.
- **Good Contribution.** You come prepared with substantiated comments. You demonstrate good insight and clear thinking. You are able to make some connection to what has been said in prior discussion. The class notices when you're not part of the discussion.
- **Minimal Contribution.** You participate but are unprepared. You rarely offer interesting insights into the discussion. It appears that you are not listening to what others are saying during discussion.
- **No Contribution.** You say little or nothing in class. If you were not in the class, the discussion would not suffer.

The evaluating of in-class participation is based on the following:

1. Relevance – Does the comment or question meaningfully bear on the subject at hand? Irrelevant or inappropriate comments can detract from the learning experience.
2. Responsiveness – Does the comment or question connect to what someone else has said?
3. Analysis – Is the reasoning employed consistent and logical? Has data from course materials, personal experience, or general knowledge been employed to support the assertions/findings?
4. Value – Does the contribution further the understanding of the issues at hand?
5. Clarity – Is the comment concise and understandable?

During case discussions, the instructor will be the facilitator to encourage a discussion that includes perspectives from a variety of viewpoints and, secondly, to pull together prevailing analyses and recommendations. The direction and quality of a discussion will be the collective responsibility of the class.

Grading for each in class-session:

1. Two (2) points will be awarded to a student for relevant and meaningful participation,
2. One (1) point for modest contributions to the class
3. Zero (0) points for no participation or absence.

To underscore the importance of participation, 10% of the course grade is allocated to the assessment component.

### **Collaboration Policy (for non-quiz/exam assignments)**

Students are permitted and encouraged to discuss with others their ideas for completing assignments; however, once a student begins writing the deliverable, all work must be individual and independent. Students may not seek help from anyone outside the class, including but not limited to former students of this course, friends and family, tutors, and online forums. Students may consult course materials and web resources. Students may not post anything related to the assignments online. Failure to abide by the above guidelines may constitute a case of suspected plagiarism or cheating, which will be reported and

investigated. Please see the “Academic Integrity and Conduct” section below for further details. For more information about unauthorized collaboration, visit <https://libraries.usc.edu/tutorial/academic-dishonesty> or [http://lib-php.usc.edu/tutorials/academic-dishonesty/story\\_html5.html](http://lib-php.usc.edu/tutorials/academic-dishonesty/story_html5.html).

### **Assignment Submission Policy**

Assignments must be turned in on the due date/time electronically via Blackboard. Any assignment turned in late, even if by only a few minutes, will receive a grade deduction (for example, if your work is a B+ grade, you will be given a C+ grade). If your internet breaks down on the due date, you must deliver a hard copy at the beginning of class on that day. If you are unable to attend class on that day, make arrangements for it to be delivered to the classroom or to my box by the start of class. Late or not, however, you must complete all required assignments to pass this course.

### **Evaluation of Your Work**

You should regard each of your submissions as an “exam” in which you apply what you’ve learned according to the assignment. I will do my best to make my expectations for the various assignments clear and to evaluate them as fairly and objectively as I can. If you feel that an error has occurred in the grading of any assignment, you may, within one week of the date the assignment is returned to you, write me a memo in which you request that I re-evaluate the assignment. Attach the original assignment to the memo and explain fully and carefully why you think the assignment should be re-graded. Be aware that the re-evaluation process can result in three types of grade adjustments: positive, none, or negative.

## COURSE CALENDAR

	<b>Topics/ Daily Activities</b>	<b>Readings and Homework Before Class</b>	<b>In- and after- Class Deliverables</b>
<b>Week 1</b> Dates TBD	<p><b>Sustainability and the transition challenge</b></p> <p><u>Learning Objectives:</u></p> <ol style="list-style-type: none"> <li>Explain the planet's social and environmental challenges.</li> <li>List and understand UN Sustainable Development Goals (SDGs).</li> <li>Understand transition of the economic system.</li> <li>Explain main functions of the financial system and their deployment towards sustainable finance.</li> <li>Explain various stages of SF.</li> </ol>	<ol style="list-style-type: none"> <li>Course description, deliverables and deadlines.</li> <li>Slide presentation provided by instructor in advance covering:               <ul style="list-style-type: none"> <li>○ Sustainability challenges and transition</li> <li>○ Why does sustainability matter</li> <li>○ Foundations of sustainability and development</li> <li>○ System interactions and uncertain thresholds</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>In-class informational questionnaire</li> </ol>
<b>Week 2</b> Dates TBD	<p><b>Externalities—internalization</b></p> <p><u>Learning Objectives:</u></p> <ol style="list-style-type: none"> <li>Explain the concepts of externality and internalization.</li> <li>Understand the role of government regulation and taxation.</li> <li>Understand the integrated value approach for measuring externalities.</li> <li>Explain policy and technology uncertainty.</li> <li>Use scenario analysis.</li> </ol>	<ol style="list-style-type: none"> <li>Read materials from previous class to prepare for in-class quiz</li> <li>Slide presentation provided by instructor in advance covering:               <ul style="list-style-type: none"> <li>○ Externalities - social and environmental factors</li> <li>○ Cobb-Douglas production function</li> <li>○ Internalization of externalities</li> <li>○ Government interaction</li> <li>○ Measuring and pricing externalities</li> <li>○ Scenario analysis and stress testing</li> </ul> </li> <li>Read Case 1 - Reversing Climate Change Through Sustainable Food: Patagonia Provisions Attempts to Scale a "Big Wall"</li> <li>Read Paper 1 - IPCC puts the world on high alert</li> </ol>	<ol style="list-style-type: none"> <li>Read class presentations</li> <li>In class multiple-choice quiz on concepts covered in previous class</li> </ol>

<p><b>Week 3</b> Dates TBD</p>	<p><b>Governance and behavior</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Explain behavioral biases against change.</li> <li>ii. Understand changing objective of corporates.</li> <li>iii. Explain the role of corporate governance steering companies' behavior.</li> <li>iv. Explain how markets reinforce short-termism.</li> <li>v. Understand the design of incentives for long-term thinking.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Objective of the corporation</li> <li>○ Behavioral bases against sustainable development</li> <li>○ Corporate governance mechanisms</li> <li>○ Short-term and long-term market and investment thinking</li> <li>○ Guidelines governing sustainable finance</li> </ul> <p>B. Read Paper 2 - Stripe: Encouraging Customers to invest in carbon removal</p>	<p>A. Case 1 analysis submitted at start of class</p> <p>B. In class multiple choice quiz on concepts covered in previous class</p>
<p><b>Week 4</b> Dates TBD</p>	<p><b>Coalitions for sustainable finance</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Understand the role of institutional investors.</li> <li>ii. Explain the functioning of private coalitions.</li> <li>iii. Understand the mechanisms used to increase the effectiveness of coalitions.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Increasing role of institutional investors</li> <li>○ System approach towards sustainability</li> <li>○ Carbon budgeting</li> <li>○ Coalitions for sustainability finance</li> </ul> <p>B. Read Papers 3, 4</p> <ul style="list-style-type: none"> <li>3. EU's green policies need essential support by financial institutions</li> <li>4. Climate change disclosures leave banks exposed</li> </ul>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p>
<p><b>Week 5</b> Dates TBD</p>	<p><b>Strategy and intangibles—changing business models</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Explain how companies can prepare for the transition to sustainable economies.</li> <li>ii. Explain why and how companies should connect sustainability to their competitive position, business model, intangible assets, and strategy.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Preparing for transformational change</li> <li>○ Business model theories</li> <li>○ Material ESG issues</li> <li>○ Circular business models</li> </ul>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p>



	<ul style="list-style-type: none"> <li>iii. Connect corporate sustainability performance with corporate financial performance.</li> <li>iv. Identify the materiality of sustainability issues.</li> </ul>	<p>B. Read Case 2 - Stripe: Encouraging Customers to invest in carbon removal</p>	
<p><b>Week 6</b> Dates TBD</p>	<p><b>Integrated reporting—metrics and data</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Describe the benefits and limitations of traditional and ESG reporting.</li> <li>ii. Explain the emergence and relevance of integrated reports and obstacles.</li> <li>iii. Illustrate the characteristics of an integrated report.</li> <li>iv. Understand the range of sustainability data.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Merits and limitations of financial reporting</li> <li>○ Non-financial metrics, data and value drivers</li> <li>○ Integrated reporting (IR)</li> <li>○ Formation of International Integrated Reporting Council (IIRC)</li> <li>○ Sustainable Accounting Standards Board (SASB)</li> <li>○ Is IR a success or failure</li> </ul> <p>B. Read Paper 5 - Banking is the foundation of sustainable buildings</p>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p> <p>B. Case 2 analysis submitted at start of class</p>
<p><b>Week 7</b> Dates TBD</p>	<p><b>Investing for long-term value creation</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Explain the (over)reliance on market metrics in traditional finance.</li> <li>ii. Explain key differences between active and passive investment approaches.</li> <li>iii. Identify different parties, and their role, in the investment chain.</li> <li>iv. List and understand conditions for long-term value creation by investors.</li> <li>v. Contrast traditional performance measures with alternative ones.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Reliance on market metrics in finance</li> <li>○ Limitations for including ESG factors</li> <li>○ Active investment approach</li> <li>○ ESG and portfolio diversification</li> <li>○ Alternative performance measures</li> <li>○ ESG and long-term value creation</li> </ul> <p>B. Read Case 3 - Building better ventures</p> <p>C. Read Paper 6 - Banks risk becoming a weak link in the greening of supply chains</p>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p> <p>B. Project groups formed</p>

<p><b>Week 8</b> Dates TBD</p>	<p><b>Equity—investing with an ownership stake</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Explain state of play on ESG integration, and its impact on financial and non-financial returns.</li> <li>ii. Understand how fundamental equity investing can foster deeper understanding of companies, their value drivers, and their investment case.</li> <li>iii. Explain that fundamental equity investing is more inductive to ESG integration than quant and passive investment approaches.</li> <li>iv. Explain that impact investing takes societal impact as the first selection criterion.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Drivers of equity valuation</li> <li>○ Impact of ESG on equities and evidence</li> <li>○ Integrating sustainability into equity investing</li> <li>○ Impact investing framework and mechanisms</li> </ul>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p> <p>B. Case 3 – Analysis submitted at beginning of class</p>
<p><b>Week 9</b> Dates TBD</p>	<p><b>Bonds—investing without voting power</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Understand how ESG integration in bonds can bring about a deeper understanding of issuers.</li> <li>ii. Explain that bond investors are more focused on downside protection and lack voting power.</li> <li>iii. Explain that bond investors can choose from a wide range of issuers and projects.</li> <li>iv. Identity green bond market as a fast-emerging sector.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Bond valuation and its drivers</li> <li>○ Credit ratings</li> <li>○ ESG impact on bond valuation</li> <li>○ Green and Social bonds</li> </ul> <p>B. Read Paper 7 - Banks need to square the circular economy or risk significant credit losses</p>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p> <p>B. Submit group project company name</p>
<p><b>Week 10</b> Dates TBD</p>	<p><b>Banking—new forms of lending</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Explain the role of banks in evaluating and monitoring borrowers.</li> <li>ii. Explain the relevance of sustainability for banking.</li> <li>iii. Understand how ESG risks can be incorporated in credit risk assessment.</li> <li>iv. List the barriers and incentives to sustainable lending.</li> <li>v. Understand various forms of impact lending and microfinance.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Economics of lending business</li> <li>○ Types of lending</li> <li>○ Material ESG risks in banking</li> <li>○ Risk-based approach towards ESG</li> <li>○ Value-based lending</li> <li>○ Financing climate business models</li> </ul> <p>B. Read Case 4 - Making Impact Investing Markets: IFC</p>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p>

<p><b>Week 11</b> Dates TBD</p>	<p><b>Insurance—managing long-term risk</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Explain nature of the insurance business.</li> <li>ii. Identify physical risk of catastrophes.</li> <li>iii. Appreciate liability risk for environmental hazards.</li> <li>iv. Understand basics of catastrophe modelling.</li> <li>v. Explain the function of microinsurance.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Fundamentals of insurance business</li> <li>○ Modelling insurance exposures</li> <li>○ Impact of catastrophic disasters</li> <li>○ Re-insurance</li> <li>○ Material ESG risks in insurance</li> <li>○ Managing long-term catastrophic risk</li> </ul>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p> <p>B. Case 4 – Analysis submit of beginning of class</p>
<p><b>Week 12</b> Dates TBD</p>	<p><b>Transition management and ESG Reporting</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Understand dynamics of transition management.</li> <li>ii. Apply integrated thinking concepts.</li> <li>iii. Understand the importance of ESG reporting.</li> <li>iv. Analyze and assess current ESG reporting practices.</li> <li>v. Compare and contrast ESG reporting across industries and corporates.</li> <li>vi. Design an ESG reporting template.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Transition management and governance</li> <li>○ Initiating and managing change in mindset towards integrated thinking</li> <li>○ ESG reporting templates</li> </ul> <p>B. Read Cases 5 and 6</p> <ul style="list-style-type: none"> <li>5. Massachusetts Bay Transit Authority Sustainable Bonds</li> <li>6. Waste not, want not: Eliminating Patagonia's Pre- and Post-Customer Textile Waste</li> </ul>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p>
<p><b>Week 13</b> Dates TBD</p>	<p><b>Undertaking of ESG Implementation</b> <u>Learning Objectives:</u></p> <ul style="list-style-type: none"> <li>i. Understand how ESG strategies are integrated in corporations.</li> <li>ii. Apply value drivers to ESG strategies in corporate performance indicators including sales growth, margins, cashflow, and return on capital.</li> <li>iii. Quantify the impact of ESG strategies on performance indicators disclosed by public companies.</li> </ul>	<p>A. Slide presentation provided by instructor in advance covering:</p> <ul style="list-style-type: none"> <li>○ Understanding ESG integration</li> <li>○ Business model</li> <li>○ Strategy</li> <li>○ Valuation</li> <li>○ Investment conclusions</li> </ul> <p>B. Read Cases 7 and 8</p> <ul style="list-style-type: none"> <li>7. Patagonia's Path to Carbon Neutrality by 2025</li> </ul>	<p>A. In class multiple-choice quiz on concepts covered in previous class</p> <p>B. Submit case analyses 5 and 6 at beginning of class</p>

		8. IMPAAKT - Harnessing Collective Intelligence to Improve ESG Ratings	
<b>Week 14</b> Dates TBD	<b>ESG integration and value Creation</b> <u>Learning Objectives:</u> i. Practical integration of ESG into corporate strategies ii. Quantity value creation through ESG investment	A. Read Cases 9 9. McDonald's: A Sustainable Finance Case Study	A. Submit case analyses 7 and 8 at beginning of class B. Submit final draft of group case presentation, schedule office hours with instructor
<b>Week 15</b> Dates TBD	<b>Project: ESG value creation</b> This project is designed for student groups to apply value based ESG investing concepts and framework learnt in first half of the course to one public company for each group selected by them in consultation with the instructor.  Learning outcomes from this project:  1. Which fundamental factors drive value creation through ESG investments and projects 2. How can ESG contribution to shareholder value be qualified 3. How can business enterprises invest in sustainable projects while increasing returns for their stakeholders	A. Students Class Presentations	A. Complete peer evaluations.
<b>FINAL</b> Date as per Final Exam Schedule	<b>90/120 minutes – closed book with multiple choice questions.</b> <b>Time and Location - TBD</b>		

Please note: The date/time of the Final Exam is determined by the University. For the date and time of the final for this class, consult the USC *Schedule of Classes* at [www.usc.edu/soc](http://www.usc.edu/soc). Select the corresponding semester to view and click on the “Final Examinations Schedule” link on the left side of the screen.

## **ADDITIONAL INFORMATION**

### **Add/Drop Process**

Most Marshall classes are open enrollment (R-clearance) through the Add deadline. If there is an open seat, you can add the class using Web Registration. If the class is full, you will need to continue checking Web Registration or the *Schedule of Classes* ([classes.usc.edu](http://classes.usc.edu)) to see if a space becomes available.

Students who do not attend the first two class sessions (for classes that meet twice per week) or the first-class meeting (for classes that meet once per week) may be dropped from the course. There are no formal wait lists for Marshall undergraduate courses, and professors cannot add students or increase the course capacity. If all sections of the course are full, you can add your name to an interest list by contacting the Office of Undergraduate Advising & Student Affairs; if new seats or sections are added, students on the interest list will be notified.

The last day to add the class or withdraw without receiving a “W” (and receive a refund) is TBD. The last day to drop with a mark of a “W” (no refund) is *day, month date, year*.

If you are absent TBD or more times prior to TBD (the last day to withdraw from a course with a grade of “W”), I may ask you to withdraw from the class by that date.

### **Technology Policy**

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by the respective professor and/or staff. Use of other personal communication devices during academic or professional sessions is considered unprofessional and is not permitted. ANY e-devices (cell phones, iPads, other texting devices, laptops, I-pods) must be completely turned off during class time. Upon request, you must comply and put your device on the table in off mode and FACE DOWN. You might also be asked to deposit your devices in a designated area in the classroom. Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted if approved by the professor. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class. Exceptions to this policy may be granted to individual students with appropriate documentation on a case-by-case basis.

### **Use of Recordings**

Pursuant to the USC Student Handbook ([www.usc.edu/scampus](http://www.usc.edu/scampus), Part B, 11.12), students may not record a university class without the express permission of the instructor and announcement to the class. In addition, students may not distribute or use notes or recordings based on University classes or lectures without the express permission of the instructor for purposes other than personal or class-related group study by individuals registered for the class. This restriction on unauthorized use applies to all information that is distributed or displayed for use in relationship to the class.

### **USC Statement on Academic Conduct and Support Systems**

#### **Academic Conduct:**

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” [policy.usc.edu/scampus-part-b](http://policy.usc.edu/scampus-part-b). Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on [Research and Scholarship Misconduct](#).

## **Students and Disability Accommodations:**

USC welcomes students with disabilities into all of the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at [osas.usc.edu](https://osas.usc.edu). You may contact OSAS at (213) 740-0776 or via email at [osasfrontdesk@usc.edu](mailto:osasfrontdesk@usc.edu).

## **Support Systems:**

*Counseling and Mental Health - (213) 740-9355 – 24/7 on call*  
[studenthealth.usc.edu/counseling](https://studenthealth.usc.edu/counseling)

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

*National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call*  
[suicidepreventionlifeline.org](https://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

*Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press "0" after hours – 24/7 on call*  
[studenthealth.usc.edu/sexual-assault](https://studenthealth.usc.edu/sexual-assault)

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

*Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) - (213) 740-5086*  
[eeotix.usc.edu](https://eeotix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

*Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298*  
[usc-advocate.symplicity.com/care\\_report](https://usc-advocate.symplicity.com/care_report)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

*The Office of Student Accessibility Services (OSAS) - (213) 740-0776*  
[osas.usc.edu](https://osas.usc.edu)

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

*USC Campus Support and Intervention - (213) 821-4710*

[campussupport.usc.edu](https://campussupport.usc.edu)

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

*Diversity, Equity and Inclusion - (213) 740-2101*  
[diversity.usc.edu](https://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

*USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*

[dps.usc.edu](http://dps.usc.edu), [emergency.usc.edu](http://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

*USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call*

[dps.usc.edu](http://dps.usc.edu)

Non-emergency assistance or information.

*Office of the Ombuds - (213) 821-9556 (UPC) / (323-442-0382 (HSC)*

[ombuds.usc.edu](http://ombuds.usc.edu)

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

*Occupational Therapy Faculty Practice - (323) 442-3340 or [otfp@med.usc.edu](mailto:otfp@med.usc.edu)*

[chan.usc.edu/otfp](http://chan.usc.edu/otfp)

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

### **Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC's Blackboard learning management system ([blackboard.usc.edu](http://blackboard.usc.edu)), teleconferencing, and other technologies.

Appendix I



Undergraduate Program Learning Goals and Objectives

Marshall Undergraduate Program Learning Goals	Objectives that support this goal	Assessment Method
<p><b>Learning Goal #1:</b>  <b>Our graduates will demonstrate critical thinking skills so as to become future-oriented problem solvers, innovators and decision makers in diverse and rapidly changing business environments.</b></p>	<p>LO: 1,4</p>	<p>In-class quizzes, class participation, case assignments and final exam.</p>
<p>1.1 Students will demonstrate the ability to anticipate, identify and solve business problems. They will be able to identify and assess central problems, identify and evaluate potential solutions, and translate a chosen solution to an implementation plan that considers future contingencies</p>		
<p>1.2 Students will demonstrate the ability to be accurate, clear, expansive (thorough, detailed) and fair-minded in their thinking</p>		
<p>1.3 Students will critically analyze concepts, theories and processes by stating them in their own words, understanding key components, identifying assumptions, indicating how they are similar to and different from others and translating them to the real world</p>		
<p>1.4 Students will be effective at gathering, storing, and using qualitative and quantitative data and at using analytical tools and frameworks to understand and solve business problems</p>		
<p>1.5 Students will understand the concepts of critical thinking, entrepreneurial thinking and creative thinking as drivers of innovative ideas</p>		
<p><b>Learning Goal #2:</b>  <b>Our graduates will develop people and leadership skills to promote their effectiveness as business managers and leaders in the 21st century's evolving work and organizational structures.</b></p>	<p>LO: 6, 8, 9, 10</p>	<p>Group Project</p>
<p>2.1 Students will recognize, understand and analyze the roles, responsibilities and behaviors of effective managers and leaders in diverse business contexts e.g., functionally diverse, culturally diverse, geographically diverse, etc.</p>		



2.2 Students will understand factors that contribute to effective teamwork including how to elicit, manage and leverage diverse perspectives and competencies.		
2.3 Students will recognize, understand, and analyze the motivations and behaviors of stakeholders inside and outside organizations (e.g., teams, departments, consumers, investors, auditors).		
<b><i>Learning Goal #3:</i></b> <b>Our graduates will be effective communicators to facilitate information flow in organizational, social, and intercultural contexts.</b>	LO: 8, 9, 10	Group Company Project Analysis and Presentation
3.1 Students will identify and assess diverse personal and organizational communication goals and audience information needs.		
3.2 Students will demonstrate an ability to gather and disseminate information and communicate it clearly, logically, and persuasively in professional contexts.		
3.3 Students will understand individual and group communications patterns and dynamics in organizations and other professional contexts.		
<b><i>Learning Goal #4:</i></b> <b>Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities and aspire to add value to society.</b>	LO: 3	In-class quizzes, class participation, case assignments and final exam.
4.1 Students will recognize ethical challenges in business situations and assess appropriate courses of action.		
4.2 Students will understand professional codes of conduct.		
<b><i>Learning Goal #5:</i></b> <b>Our graduates will develop a global business perspective. They will understand how local, regional, and international markets, and economic, social and cultural issues impact business decisions so as to anticipate new opportunities in any marketplace.</b>	LO: 4, 5	In-class quizzes, class participation, case assignments and final exam.
5.1 Students will understand that stakeholders, stakeholder interests, business environments (legal, regulatory, competitor) and business practices vary across regions of the world.		
5.2 Students will understand how local, regional and global markets interact and are impacted by economic, social and cultural factors.		

<p><b><i>Learning Goal #6:</i></b>  <b>Our graduates will understand types of markets and key business areas and their interaction to effectively manage different types of enterprises.</b></p>	<p>LO: 2, 6, 7</p>	<p>In-class quizzes, class participation, case assignments and final exam.</p>
<p>6.1 Students will demonstrate foundational knowledge of core business disciplines, including business analytics and business economics.</p>		
<p>6.2 Students will understand the interrelationships between functional areas of business so as to develop a general perspective on business management.</p>		
<p>6.3 Students will apply theories, models, and frameworks to analyze relevant markets (e.g. product, capital, commodity, factor and labor markets).</p>		
<p>6.4 Students will be able to use technologies (e.g., spreadsheets, databases, software) relevant to contemporary business practices.</p>		

## Appendix II Peer Input Forms

Grades for individual student contributions to team projects are assigned by me, based on my observations of the team's working dynamics, my assessment of the team's project quality, and thoughtful consideration of the information provided through your peer evaluations.

### Peer Input/Evaluation Form

*Complete one form for each of your teammates/group members, including yourself.*

**Name of group member:**

<i>Assess your teammate's contributions on a scale of 1-5 (5 is excellent)</i>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Attended and was engaged in team meetings from beginning to end					
Asked important questions					
Listened to and acknowledged suggestions from every teammate					
Made valuable suggestions					
Took initiative to lead discussions, organize and complete tasks					
Contributed to organizing the assignment					
Contributed to writing the assignment					
Reliably completed tasks on time in a quality manner					
Demonstrated commitment to the team by quality of effort					
Was cooperative and worked well with others					
I would want to work with this team member again.					
Describe your teammate's (or your) contributions to the assignment:					
How might your teammate (or you) have made <b>more effective</b> contributions to the assignment?					
Your name:			Date:		

## PEER EVALUATION FORM

Please identify your team and team members for the \_\_\_\_ Project(s) that you worked on. Then rate all of your team members, *including yourself*, based on the contributions of each team member for the selected assignment according to the criteria listed below. On a scale of 0 – 2 with 0 equal to does not meet expectations, 1 meets expectations and 2 exceeds expectations, rate each person on each of the five criteria. Last, add up the points for each person with the maximum number of points for each person being 10.

<b>Team Members/ Assessment Criteria of Team Contributions</b>	<b>Team Member 1</b>	<b>Team Member 2</b>	<b>Team Member 3</b>	<b>Yourself</b>
<b>1. Role Performance</b>				
<b>2. Assists Team Members</b>				
<b>3. Listening and Discussing</b>				
<b>4. Research and Information Sharing</b>				
<b>5. Time Management</b>				
<b>Total</b>				

Comments: