

## Principles of Sustainable Finance, ESG Investing, and SDG Business Management

### UNU-IAS Certificate Course for Professional Stakeholders *Syllabus for 2020/2021 (Short Version)*

- **Course Coordinators:** - Dr. Kim SCHUMACHER, Adjunct Lecturer, United Nations University - Advanced Studies of Sustainability (UNU-IAS)  
- Mr. Mitsuo KOJIMA, Affirmative Investment Management and UNU-IAS Board Member
- **Course Component:** Lecture and MBA-style Case Method Teaching
- **Academic year:** 2020/2021
- **Offered semester:** Spring/Summer
- **Course schedule:** 7 June - 2 July 2021(4 weeks)
- **Course/teaching format:** Hybrid (weekday courses are online; weekend seminars are in-person); (3 classes/week: 1x regular class / 1x case study class / and 1x workshop class)
- **Course Structure:**
  - 4x regular 120min sessions (Zoom)
  - 4x 120min case study sessions (Zoom)
  - 4x 120min weekend in-person/hybrid workshop and networking sessions over the course of 4 weeks (held at UNU Campus Tokyo if Covid-19 safety context permits)
- **Course fees:** ¥200,000/person
- **Language used:** English
- **Location:** United Nations University, Tokyo, Japan
- **Certificate:** UNU-IAS Certificate of Completion will be issued

#### I. Course description and aims

In light of the central role of the finance and investment sectors in fostering sustainable development and manage climate-related risks, this course will employ a mix of lectures and MBA-style applied case method teaching to familiarise graduate-level students and professionals in a practical manner with the challenges and the opportunities that arise through ESG (environmental, social, and governance) factor integration at the organizational and institutional levels. The lectures and cases will examine the approaches that various economic actors and sustainability stakeholders have been pursuing to promote sustainability and manage climate-related risks in the financial and corporate sectors.

#### II. Course rationale

Sustainable finance and investing based on environmental, social, and governance (ESG) factors remain a fairly novel concept in Japan, but numerous signs are pointing to a paradigm shift in Japan, Asia, and globally. This UNU course supports capacity building in the rapidly changing financial and corporate sectors where the integration of non-financial frameworks such as the TCFD (Task Force on Climate-related Financial Disclosure), initiatives like the CDP (Carbon Disclosure Project), PRI (Principles of Responsible Investment), or the FSA Stewardship Code's recent revision, are becoming material requirements across organizational value chains. Furthermore, this practitioner-oriented course on sustainable finance will be instructed by experts who have diverse graduate-level teaching experience and interact at the intersection of technology, innovation, business, finance, social and natural sciences, hence covering the complexities of the topic.

#### III. Learning outcomes

Participants will be able to:

- Gain practical knowledge through exposure to concrete real-world business scenarios that address the big ESG management challenges confronting organizations

- Develop problem-solving skills by being put in the role of the decision-maker and explore how present decisions will influence future financial and non-financial performance metrics and KPIs
- Further understand fundamental sustainability concepts across the financial and business sectors
- Integrate key ESG factors into portfolio management and investment decision-making processes
- Using ESG management and investing as climate impact and risk management tools

#### IV. Keywords

- Sustainable Finance, ESG Investment, SDGs, Climate Change, Management, Sustainability

#### V. Competencies that will be developed

- Intercultural skills
- Communication skills
- Specialist skills
- Critical thinking skills
- Practical and/or problem-solving skills

#### VI. Class flow

This course will apply a balanced structure between expert lectures, case method teaching group discussions), and industry practitioner talks. Participants may be assigned additional short reports/readings as complementary tasks to each week's discussed topic.

#### VII. Class structure (subject to adjustments, depending on availability of speakers)

Cluster	Calendar	Outline
<b>Week 1 (Cluster I)</b>	Mon, 7 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 1.1.1. SDG Finance Policy Discussion with UNU- IAS/International Leaders I + Contextualisation and Q&A
	Wed, 9 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 1.2: Case Study on Climate-related Risks and Financial Materiality (+ Group discussions)
	Fri, 11 June 2021 from 18:30 - 20:30 (120min, Hybrid)	Class 1.3: Applied Workshop and Networking Seminar with Invited Expert(s) I
<b>Week 2 (Cluster II)</b>	Mon, 14 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 2.1.1. SDG Finance Policy Discussion with UNU- IAS/International Leaders II + Contextualisation and Q&A
	Wed, 16 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 2.2: Case Study on Non-financial Reporting in Japan and the EU (+ Group discussions)
	Fri, 18 June 2021 from 18:30 - 20:30 (120min, Hybrid)	Class 2.3: Applied Workshop and Networking Seminar with Invited Expert(s) II
<b>Week 3 (Cluster III)</b>	Mon, 21 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 3.1.1. SDG Finance Policy Discussion with UNU- IAS/International Leaders III + Contextualisation and Q&A
	Wed, 23 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 3.2: Case Study on the reliability of ESG Ratings and Scores (+ Group discussions)
	Fri, 25 June 2021 from 18:30 - 20:30 (120min, Hybrid)	Class 3.3: Applied Workshop and Networking Seminar with Invited Expert(s) III
<b>Week 4 (Cluster IV)</b>	Mon, 28 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 4.1.1. SDG Finance Policy Discussion with UNU- IAS/International Leaders IV + Contextualisation and Q&A
	Wed, 30 June 2021 from 18:30 - 20:30 (120min, Zoom)	Class 4.2: Case Study on ESG Strategies and the Investment Universe in Japan (+ Group discussions)
	Fri, 2 July 2021 from 18:30 - 20:30 (120min, Hybrid)	Class 4.3: Applied Workshop and Networking Seminar with Invited Expert(s) IV Certificate Awarding Ceremony

## **VIII. Course outline**

### **Week 1: Cluster 1**

#### **Class 1.1.1: SDG Finance Policy Discussion with UNU-IAS/International Leaders I**

Class 1.1.2: Contextualisation of Cluster 1 (incl. Q&A):

- The Role of the Financial Sector in Achieving the SDGs
- Climate-related Risks and Financial Materiality
- Managing Climate-related Risks

#### **Class 1.2: Case Study on Climate-related Risks and Financial Materiality (+ Group discussions)**

#### **Class 1.3: Applied Workshop and Networking Seminar with Invited Expert(s) I**

### **Week 2: Applied Cluster 2**

#### **Class 2.1.1: SDG Finance Policy Discussion with UNU-IAS/International Leaders II**

Class 2.1.2: Contextualisation of Cluster 2 (incl. Q&A):

- Non-financial Reporting (I): Frameworks
- Non-financial Reporting (II): Implementation

#### **Class 2.2: Case Study on Non-financial Reporting in Japan and the EU (+ Group discussions)**

#### **Class 2.3: Applied Workshop and Networking Seminar with Invited Expert(s) II**

### **Week 3: Applied Cluster 3**

#### **Class 3.1.1: SDG Finance Policy Discussion with UNU-IAS/International Leaders III**

Class 3.1.2: Contextualisation of Cluster 3 (incl. Q&A):

- ESG Data I: Indicators and Metrics
- ESG Data II: Data Services, Ratings, Scores, Indexes, and Labels

#### **Class 3.2: Case Study on the reliability of ESG Ratings and Scores (+ Group discussions)**

#### **Class 3.3: Applied Workshop and Networking Seminar with Invited Expert(s) III**

### **Week 4: Applied Cluster 4**

#### **Class 4.1.1: SDG Finance Policy Discussion with UNU-IAS/International Leaders IV**

Class 4.1.2: Contextualisation of Cluster 4 (incl. Q&A):

- Integrating ESG Factors into Investment Strategies
- The ESG Investment Universe

#### **Class 4.2: Case Study on ESG Strategies and the Investment Universe in Japan (+ Group discussions)**

#### **Class 4.3: Applied Workshop and Networking Seminar with Invited Expert(s) IV**

## **IX. Recommended Reports and Articles (Final readings will be communicated one week in advance)**

- Schumacher, K., Chenet, H., & Volz, U. (2020). Sustainable finance in Japan. *Journal of Sustainable Finance and Investment*, 10(2), 213-246.
- Schumacher, K. (2020a). The Shape of Green Fixed Income Investing to Come. *The Journal of Environmental Investing*, 10(1), 5-29. <http://dx.doi.org/10.2139/ssrn.3663308>
- Schumacher, K. (2020b). 'Competence greenwashing' could be the next risk for the ESG industry. *Responsible Investor*. <https://www.responsible-investor.com/articles/competence-greenwashing-could-be-the-next-risk-for-the-esg-industry>
- Schumacher, K. (2020c). Green investments need global standards and independent scientific review. *584(7822)*, 524–524. <https://doi.org/10.1038/d41586-020-02472-5>

## **X. Course materials**

- Required materials/readings are announced and/or will either be distributed directly in class or need to be accessed by the participants via university or public resources after prior announcement.

## **XI. Assessment criteria and methods**

- Pass/Fail assessment based on the following criteria
  - Assigned course readings, case study preparation, and active workshop participation
  - Individual contributions and group presentations during case study segments
  - Optional: 2500-word essay (topic will be communicated during Week 3)

## **XII. Awarding certificate**

Upon successful completion of the course, UNU-IAS will award the Certificate of Completion of IC Course on Sustainable Finance. The award ceremony plans to be organized at the last day of the course.

## **XIII. Target Audience and Prerequisites (i.e., required knowledge, skills, courses, etc.)**

- This course works as a complementary academic unit for graduate-level students in sustainability-related areas but especially as a stand-alone training course for industry and business stakeholders, directors, executives, policymakers, regulators, civil servants, and financial sector professionals as the course workload is adjusted to MBA candidate knowledge levels.
- The course touches on key topics from the domains of sustainability, finance, management, (financial and non-financial) accounting, corporate finance (cost of capital, valuation), and marketing. Course participants are expected to be familiar with the basic concepts from these domains. Therefore, participants should have a solid grasp of global business, management or finance developments. Solid analytical skills and a decent level of English language comprehension are required.