

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY

Approval of Undergraduate Course

Section 1: Academic Administration ⁽¹⁾

1.1 Catalog

- a) Course to be effective from: Academic Year 2021-22 Term Fall
- b) Department Code⁽³⁾: FINA Subject Area⁽³⁾: FINA Course Number ⁽⁴⁾: 4703
- Previous Course Code⁽⁵⁾: _____
- c) Full Title⁽⁶⁾ (max. 100 characters): ESG Investing
- d) Abbreviated Title⁽⁷⁾ (max. 30 characters): _____
- e) Course Credits⁽⁸⁾: ☒ Fixed: 3 ☐ Range: From _____ To _____

- f) Catalog Description⁽⁹⁾ (word limit = 150):

This course focuses on the relevance of sustainability factors on financial performance of firms and securities. Topics in this course include the market terminology, practices, usages and impact of environmental, social and governance (ESG) factors and climate risk. Students will learn to analyze complex financial problems, adapt investment strategies to meet business needs, propose solutions that maximize stakeholder value, and apply ESG related concepts to the process of investment management and valuation.

- g) Grading Type⁽¹⁰⁾: ☒ Letter Grades ☐ Distinction/Credit/Pass/Fail ☐ Pass/ Fail
☐ Distinction/Pass/Fail ☐ Others (please specify): _____

- h) ☒ Prerequisites⁽¹¹⁾:

| Course Code / Public Exam | Course Title / Exam Subject and Level / Grade attained |
|---------------------------|--|
| FINA3103 | Intermediate Investments |
| | |

- i) ☐ Corequisites⁽¹²⁾:

| Course Code | Course Title |
|-------------|--------------|
| | |
| | |

- j) ☐ Exclusions⁽¹³⁾:

| Course Code / Public Exam | Course Title / Exam Subject and Level / Grade attained |
|---------------------------|--|
| | |
| | |

- k) ☐ Co-listing⁽¹⁴⁾: ☐ Multi-coding⁽¹⁴⁾:

| Course Code | Course Title |
|-------------|--------------|
| | |
| | |

- l) Other Enrollment Restrictions⁽¹⁵⁾ ☒ No ☐ Yes

☐ Instructor's approval required

☐ Restricted to specified student group(s)

(please specify, e.g. year and program of study): _____

☐ Others (please specify): _____

m) Medium of Instruction/Materials⁽¹⁶⁾: ☒ English ☐ Others, (Pls specify and provide a justification in Section 1.3): _____

n) Allow course repetition for credit⁽¹⁷⁾: ☒ No ☐ Yes

1.2 Contribution of course to Programs of Study [Check all appropriate boxes below]

| <input checked="" type="checkbox"/> Major | <table border="1"><thead><tr><th>Program of Study</th><th colspan="3">As</th></tr></thead><tbody><tr><td>BBA in Finance</td><td><input type="checkbox"/> Required Course</td><td><input checked="" type="checkbox"/> Elective</td><td><input type="checkbox"/> Prerequisite</td></tr></tbody></table> | Program of Study | As | | | BBA in Finance | <input type="checkbox"/> Required Course | <input checked="" type="checkbox"/> Elective | <input type="checkbox"/> Prerequisite |
|--|---|--|---------------------------------------|--|--|----------------|--|--|---------------------------------------|
| Program of Study | As | | | | | | | | |
| BBA in Finance | <input type="checkbox"/> Required Course | <input checked="" type="checkbox"/> Elective | <input type="checkbox"/> Prerequisite | | | | | | |
| <input type="checkbox"/> Minor | <table border="1"><thead><tr><th>Program of Study</th><th colspan="3">As</th></tr></thead><tbody><tr><td></td><td><input type="checkbox"/> Required Course</td><td><input type="checkbox"/> Elective</td><td><input type="checkbox"/> Prerequisite</td></tr></tbody></table> | Program of Study | As | | | | <input type="checkbox"/> Required Course | <input type="checkbox"/> Elective | <input type="checkbox"/> Prerequisite |
| Program of Study | As | | | | | | | | |
| | <input type="checkbox"/> Required Course | <input type="checkbox"/> Elective | <input type="checkbox"/> Prerequisite | | | | | | |
| <input type="checkbox"/> Common Core | | | | | | | | | |
| <input type="checkbox"/> Others (pls specify): | <table border="1"><thead><tr><th>Program of Study</th><th colspan="3">As</th></tr></thead><tbody><tr><td></td><td><input type="checkbox"/> Required Course</td><td><input type="checkbox"/> Elective</td><td><input type="checkbox"/> Prerequisite</td></tr></tbody></table> | Program of Study | As | | | | <input type="checkbox"/> Required Course | <input type="checkbox"/> Elective | <input type="checkbox"/> Prerequisite |
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| | <input type="checkbox"/> Required Course | <input type="checkbox"/> Elective | <input type="checkbox"/> Prerequisite | | | | | | |

1.3 Rationale for Introducing this course and other relevant information⁽¹⁸⁾

Those market players who originally shunned away from ESG themes are now looking for integration of this ESG into their core strategies. ESG is now becoming part of their fiduciary duties. Green bonds are used as a way to express commitment to ESG approach and raise funding for climate-related projects.

Nonetheless, many still hesitate to consider ESG Investing approach and green finance under the banner of “greenwashing”. There is still ample room to grow. Sustainable investing is only \$32bn compare to \$85tn. Despite the exponential growth, green bonds are less than 1% the bond market. So, what prevents institutions from embracing ESG and its instruments? The easy answer is the unconvincing empirical evidence that it creates value. The true answer is that the concept and application of ESG are not clear to them and many others. ESG applied in the vacuum leads to underperformance. In addressing the growing need for ESG investing knowledge, this course puts together a collection of industry articles, cases, projects and academic papers.

Bottom line is that it is an investment approach that integrates three additional factors - environment (E), social (S) and governance (G), into the security analysis and portfolio allocation. In doing so, it creates market opportunities, mitigates risks, it lowers financing costs while leading to innovation and better resource allocation.

Last but not least, unlike any other course, you will be the first ones to learn about climate risk and climate finance. Climate risk will be **the most important risk** to be pricing in in asset allocation and investment decision. So far the industry is desperately in need of knowledge and expertise on climate risk. This will give you a strong edge for job application and for your future career.

The course benefits are as follows:

- Learn the latest market practice and market trends on sustainability.
- Acquire cutting edge knowledge for an increasingly complex and demanding market.
- Boost your ability to make a more informed investment decision.
- Industry networking.

Section 2A: Learning Outcomes and Alignment (for courses not proposed to be Common Core Courses)

2.1 Key Course Intended Learning Outcomes (Should not normally exceed six or eight outcomes)

Upon completion of this course, students are expected to be able to do the following:

| | Course ILOs | Nature of the learning outcomes (A - Knowledge/Content Related; B - Academic Skills/Competencies; C - Others) |
|---|--|--|
| 1 | Analyze and comment on complex real-world financial problems. | A,B |
| 2 | Adapt investment strategies to meet business needs. | A,B |
| 3 | Propose asset/risk-management solutions that maximize stakeholder value. | A,B |
| 4 | Apply the principles, skills, methods, techniques, and knowledge of modern finance to the process of investment management and securities valuation. | B |

2.2 Contribution of Learning Outcomes to Programs of Study identified in Section 1.2

(Please also complete Section 4.1)

| | Program of study 1: BBA in Finance Program ILOs | To be achieved through these course ILOs (Write CILO-1, CILO-2, etc.) |
|---|---|--|
| 1 | Graduates will be critical and creative thinkers who make effective decisions supported by analytical and quantitative techniques | CILO-1 |
| 2 | Graduates will be effective communicators in oral and written English for general business applications. | |
| 3 | Graduates will have broad understanding of the core business functions and integrate these functions to solve business problems | CILO-1, 2, 3, 4 |
| 4 | Graduates will have in-depth grasp of their area of business concentration or major. | CILO-1, 2, 3, 4 |
| 5 | Graduates will be effective team members and leaders | |
| 6 | Graduates will be effective in multi-cultural and international settings | |
| 7 | Graduates will be effective users of information technology and sources of information in business applications. | |
| 8 | Graduates will understand their professional and ethical responsibility. | |

| | Program of study 2: Program ILOs | To be achieved through these course ILOs (Write CILO-1, CILO-2, etc.) |
|----|-------------------------------------|--|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |

Section 2B: Additional Information⁽²⁾ (for courses not proposed to be Common Core Courses)

2.3 Planned Teaching & Learning Arrangement

| Teaching & Learning Arrangement | | Weekly Scheduled Hours/ Estimated Weekly Learning Hours | Indicate which course ILOs this activity serves to achieve (Write CILO-1, CILO-2, etc.) | Additional Information (optional) |
|--|--|---|--|-----------------------------------|
| Face-to-face activities | <input checked="" type="checkbox"/> Lecture* | 3 | CILO-1, 2, 3, 4 | |
| | <input type="checkbox"/> Tutorial* | | | |
| | <input type="checkbox"/> Seminar/Small-class* | | | |
| | <input type="checkbox"/> Laboratory* | | | |
| | *Does the above scheduled component(s) involve structured active learning activities? ⁽¹⁹⁾ <input checked="" type="radio"/> No <input type="radio"/> Yes If yes, please specify for each scheduled component, the percentage and the type of active learning involved in the "Additional Information" column. | | | |
| | <input type="checkbox"/> Others (e.g. fieldtrip, visit, etc.), pls specify: _____ | | | |
| Online activities | <input type="checkbox"/> Online lecture videos | | | |
| | <input type="checkbox"/> Other online learning tasks, pls specify: _____ | | | |
| The total learning hours of the course# is equivalent to <u>120</u> hours ⁽⁸⁾ # including both scheduled instructional hours and hours for selfstudy activities & assessment | | | | |

- For course adopting a pedagogic approach other than lecture, tutorial and laboratory, please indicate the pedagogy used:

- ☐ Blended learning⁽²⁰⁾
☐ Pure online delivery⁽²¹⁾
☐ Experiential learning⁽²²⁾
☐ Others, pls specify: _____

2.4 Planned Assessment Weightings

| Assessment Task | Proportion of Final Grade (%) | Indicate which course ILOs this task is to assess (Write CILO-1, CILO-2, etc.) | Additional Information (optional) |
|--|-------------------------------|---|-----------------------------------|
| <input type="checkbox"/> In-class test | | | |
| <input type="checkbox"/> Mid-term test | | | |
| <input checked="" type="checkbox"/> Final exam | 45 | CILO-1, 2, 3, 4 | |
| <input type="checkbox"/> Written assignment | | | |
| <input checked="" type="checkbox"/> Project report | 40 | CILO-1, 2, 3, 4 | |
| <input type="checkbox"/> Presentation | | | |
| <input type="checkbox"/> Learning portfolio | | | |
| <input checked="" type="checkbox"/> Course participation | 10 | CILO-1, 2, 3, 4 | |
| <input checked="" type="checkbox"/> Peer evaluation | 5 | CILO-1, 2, 3, 4 | |
| <input type="checkbox"/> Others (e.g. proctored online exam, etc.), pls specify: _____ | | | |

2.5 Course Duration

☒ 1 term ☐ 2 terms ☐ Others, pls specify: _____

2.6 Planned Frequency of Offerings [Check all appropriate boxes]:

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Every Fall | <input type="checkbox"/> Every Winter |
| <input type="checkbox"/> Every Spring | <input type="checkbox"/> Every Summer |
| <input checked="" type="checkbox"/> No fixed pattern | |
| <input type="checkbox"/> Other (pls specify): _____ | |

2.7 Course outline attached

☐ No ☒ Yes

• **Internationalization:**

Internationalization in a course refers to course content and/or pedagogic approaches which incorporate an intercultural and international perspective. Examples may include:

- *Collaboration with overseas institutions to develop and adopt international course content, or to arrange international field trip*
- *Insertion of international theme as part of the course*
- *Integrating the course content with international material as examples or case studies*
- *Elements to provide global diversified perspectives and/or practices around the world*

Please briefly list or summarize any component(s) in the course that contributes to internationalizing the curriculum:

2.8 Resources

Request extra resources for teaching this course? ☐ No ☒ Yes

BBA FINA Program ILOs (22 June 2018)

- (1) **Goal:** Graduates will be critical and creative thinkers who make effective decisions supported by appropriate analytical techniques.

Objectives: Graduates will:

- Analyze the core issues and weigh the significance of key assumptions used in business decision-making scenarios.
- Solve business problems using appropriate analytical techniques.

- (2) **Goal:** Graduates will be effective communicators in oral and written English for general business applications.

Objectives: Graduates will:

- Produce professional quality business documents in English.
- Deliver professional quality presentations in English.

- (3) **Goal:** Graduates will have broad understanding of the core business functions and integrate these functions to solve business problems.

Objectives: Graduates will:

- Identify the key functional areas that are involved in specific business problems and articulate contributions made by these functional areas to the overall well-being of an organization.
- Connect different functional areas to formulate integrated solutions.

- (4) **Goal:** Graduates will have in-depth grasp of financial knowledge and applications.

Objectives: Graduates will:

- Demonstrate substantial knowledge in finance.
- Apply financial skills and techniques to solve financial problems.

- (5) **Goal:** Graduates will be effective team leaders and members.

Objectives: Graduates will:

- Demonstrate an understanding of the various roles played within the team.
- Collaborate and lead positively by actively seeking and engaging in discussion of the views of others while showing sensitivity to opposing views.

- (6) **Goal:** Graduates will be effective in multi-cultural and international settings.

Objectives: Graduates will:

- Demonstrate a global outlook and an understanding of cultural diversity.
- Apply business concepts and theories to make proper business decisions in international settings.

(7) Goal: Graduates will be effective users of information technology and sources of information in business applications.

Objectives: Graduates will:

- Demonstrate proficiency in using IT applications in business and management.
- Locate, gather, organize and evaluate information using appropriate information technology and systems.

(8) Goal: Graduates will understand their professional and ethical responsibility

Objectives: Graduates will:

- Demonstrate an understanding of the role played by managers in ensuring the integrity of the firm and maintaining appropriate levels of social responsibility.
- Identify the activities/issues in their chosen profession that may present ethical challenges, and articulate the consequences associated with unethical behavior.

Section 4: Development, Concurrence and Approval

4.1 Contribution to the Program Learning Outcomes

The course is confirmed by the following Major/Minor program department(s)/unit(s) as indicated in Section 1.2 that it would contribute appropriately to overall program learning outcomes.

| <i>Department/Program unit</i> | <i>Position</i> | <i>Name</i> | <i>Date</i> |
|--------------------------------|-----------------|----------------|-------------|
| Dept of Finance | Head of Dept | Prof Chu ZHANG | 23-Feb-21 |
| | | | |
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| | | | |
| | | | |
| | | | |

4.2 Approvals

Recommendation from offering department(s) and School(s)/IPO

| Offering Department/Program Unit | Position | Name | Date |
|----------------------------------|--------------|----------------|-----------|
| Dept of Finance | Head of Dept | Prof Chu ZHANG | 23-Feb-21 |
| | | | |
| | | | |
| | | | |

| <i>Recommending School/IPO</i> | <i>Position</i> | <i>Name</i> | <i>Date</i> |
|--|-----------------------|-------------------------|------------------|
| <u>School of Business and Management</u> | <u>Associate Dean</u> | <u>Prof Allen HUANG</u> | <u>23-Feb-21</u> |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Concurrence from other Schools or departments/units

[illegible]