

Course Outline

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|----------------|-----------------------------------------------------------|
| Course Code | RSM 436H1 |
| Course Name | Sustainable Finance |
| Term, Year | Fall, 2023 |
| Class Schedule | Thursdays 12noon - 2pm, SF |
| Web page URL | https://q.utoronto.ca |

Note: Class on September 28 will start at 12:30pm-2pm. Class on November 23 will be entirely online.

Instructor Details

| Name | Email | Phone |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------|
| Jan Mahrt-Smith | Jan.mahrt-smith@rotman.utoronto.ca | 416 946 8597 |
| Office hours: after class and anytime by email appointment. https://utoronto.zoom.us/my/jmahrt | | |

Course Description

This course prepares students for jobs where decision makers must apply business and finance training together with a deep understanding and appreciation for sustainability issues. Examples of these jobs include:

- Finance roles in investment, asset management and private equity where ESG/CSR and other sustainability related objectives/measures are fast becoming required knowledge.
- Equity analysis, corporate banking, risk management, and accounting roles, where understanding ESG and sustainability risks and opportunities of firms is important.
- Advising roles for institutions facing pressures to divest from fossil fuels and other “sin” stocks in their endowments, pension funds, etc.
- Roles inside large and small non-financial corporations and not-for-profit institutions where financial literacy and finance skills are required in the pursuit of goals related to sustainability.
- Work in sustainability related non-profit or government agencies where an understanding of finance is helpful for scaling up potential solutions by raising and deploying large amounts of financial capital.

This is a finance course, but it is not aimed specifically at students with mostly technical finance skills or highly technical finance career goals. We expect students to have a wide range of proficiency in finance as well as pursuing diverse career goals. There will be a bit of math, but not too much. We do believe that all students will share a commitment to understanding sustainability issues. A background in sustainability is not required, but an interest is helpful. The course is a mix of cases and lectures, including discussions and guest speakers, and it involves a final hands-on group project.

Finally, this course attracts students across a wide spectrum of sustainability “beliefs”: some who want to dedicate their lives to sustainability objectives and change to the world for the better, some who work for banks or fossil fuel or mining companies who seek to understand and consolidate and even expand the important roles of their firms in a modern world, and some who are merely curious and have not yet adopted firm positions. We all learn the most by understanding all perspectives and appreciating each other’s knowledge and energy – all in an environment of mutual respect.

Course Learning Outcomes

After completing this course, students will be able to:

- Apply financial tools and models to understanding and solving problems generally referred to as sustainability challenges (environment stresses, climate change, poverty, UN social development goals, income inequality, etc.).
- Measure and manage risks and opportunities associated with sustainability factors (ESG and other metrics) for investors, financial institutions and corporations.
- Evaluate the role of financial actors in generating sustainability problems and in solving these problems using financial markets and financial scale.
- Understand the role and impact of financial markets and instruments on sustainability related problems and solutions.

- Discuss sustainability from the perspective of a financially trained and sustainability-sensitive decision maker who faces audiences that may or may not be trained well in either finance or sustainability.
- Critically examine government policies and regulations and their impact on sustainability goals using the tools and models of financial economics.
- Comment on the opportunities and challenges faced by real companies (small and large) in the sustainability arena - especially as it intersects with finance. This can include Social Entrepreneurship, Fintech solutions, and applications of AI/Blockchain.
- Appreciate various career opportunities in the sustainable finance sector.

Course Prerequisites

Contact Rotman Commerce Academic Services for academic advising if needed.

Pre-requisites are RSM332 and RSM333 (Capital Markets and Corporate Finance).

Course Materials

There are no textbooks or electronic materials to purchase. Readings will be posted on Quercus.

Evaluation and Grades

Grades are a measure of the knowledge and skills developed by a student within individual courses. Each student will receive a grade on the basis of how well they have command of the course materials, skills and learning objectives of the course.

For situations in which students are not granted an academic accommodation from the Commerce Office or the Accessibility Services Office at UofT for a missed or late deliverable, the missed or late deliverable will not be accepted. If a student has an approved accommodation, the deadlines will be adjusted to reflect the individual circumstance.

At this point the plan is for students not to submit assignments through the Ouriginal platform (plagiarism prevention) unless the instructor deems it necessary at any point later during the course.

| Deliverable Item | Weight (%) | Due Date |
|---------------------------------------|------------|----------------------------------------|
| Class Participation | 15 | Ongoing |
| Individual Short Paper <u>Outline</u> | 5 | Class 6 (online) |
| Group Project <u>Outline</u> | 10 | Class 7 (online) |
| Group Project | 30 | Class 10 (online and in class) |
| Quiz | 25 | Class 12 (in class) |
| Individual Short Paper | 15 | Sunday 11:59pm after Class 12 (online) |

Course Format and Expectations

Writing Assignments and Presentations

The group project and the individual paper are – in part – intended to help you to continue to develop your communication skills. How well you communicate your ideas, in writing or orally, will be considered in the evaluation of the assignment but it is a very minor component for the individual paper in this course. In your written assignments, you should aim for clarity, strong organization, concision, professionalism, and correct grammar. Your presentations should reflect strong planning and organization, clarity of speech, and an engaging demeanor. Sources, whether in written or presentation assignments, should always be correctly attributed.

Support is available through the RC Centre for Professional Skills (CPS) for students who would like help or feedback on their writing or speaking (presentations). CPS offers both individual and group appointments with trained writing instructors and presentation coaches who are familiar with the RC program and common types of business assignments. You can also access your college Writing Centres for help with written assignments.

You can book an appointment with a writing or presentation coach through the RC Centre for Professional Skills Writing Centre. For more information about writing centres, student supports, and study resources, see the [Writing and Presentation Coaching academic support page](#).

Group Assignments

The group project – not surprisingly – requires students to work in teams. Learning to work together in teams is a crucial transferrable skill you will use not only in your coursework, but also in your future careers. Support is available if you encounter common teamwork challenges such as:

- Team members feeling left out of the team.
- Team members not responding in a timely manner to communication.
- Division or quality of work among team members being unequal or unfair.

Consult the [Centre for Professional Skills Teamwork Resources page](#) for tips, strategies, and best practices. You can also [book an appointment with a teamwork mentor](#) through the RC Centre for Professional Skills Writing Centre. Teamwork mentors can help you resolve or mitigate conflict, strategize on planning, or improve team communication.

If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, consult with your Accessibility Advisor about the teamwork in this course.

Class Participation

Class participation will occur in a safe, equitable, respectful, and kind classroom environment. This is non-negotiable and students are encouraged to provide feedback and help the instructor improve the course in this dimension. Student performance will be assessed based on the following criteria:

- Does the student help to advance class discussion (through questions or comments or answers)?
- Does the student participate actively during the in-class activities?
- Does the student know the case/reading facts and the business and/or sustainability issues raised?
- Can the student articulate focused, insightful, and relevant (non-repetitive) questions that bring the class forward in understanding a case or topic?
- Can the student respond to queries of the instructor and other students in ways that show thoughtfulness and some pre-class preparation of materials?
- Can the student distinguish the main, important ideas and refrain from simply listing a number of points without any good sense of which "matter" most?

The goal is to keep the conversation moving, to learn from each other, to challenge ideas, and to keep yourself and others focused and engaged and (yes) entertained.

Note: 5% (of the total 15%) for this grade component will come from providing very short peer comments on the video submissions of classmates. This happens between classes 10 and 12. This is graded as "credit/no credit" and is very easy and quick.

Missed Tests and Assignments (final-term assessment)

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may request special consideration **within 2 business days** of the missed midterm/test/assignment due date. In such cases, students must:

1. Complete the Request for Special Consideration form: <https://uoft.me/RSMConsideration>
2. Provide supporting documentation, e.g.: Absence Declaration from [ACORN](#), medical note etc.

Please note: As of September 2023, students may use the Absence Declaration on ACORN *one time per term* to report an absence and request consideration. **Any subsequent absence will require a [Verification of Illness form](#) or other similar relevant documentation.** Students who do not submit their requests and documentation within 2 days may receive a grade of 0 (zero) on the missed course deliverable.

In this course, the individual paper (including the outline) and the group project (including the outline) cannot be accepted late unless an accommodation request has been approved by the program office.

If a student misses the quiz with an approved accommodation, then a make-up quiz will be scheduled.

Class participation does not significantly suffer if a student misses one or two classes since the instructor only records “positive” contributions and does not punish for “negative” contributions or “absence”. However, missing significantly more than two classes will likely put students in a position to be disadvantaged in accumulating positive contributions. If you miss more than two classes due to circumstances beyond your control, contact the instructor so we can work things out – documentation will be expected in most cases.

Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another’s differences. U of T does not condone discrimination or harassment against any persons or communities.

Commitment to Accessibility

The University is committed to inclusivity and accessibility, and strives to provide support for, and facilitate the accommodation of, individuals with disabilities so that all may share the same level of access to opportunities and activities offered at the University.

If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please [email Accessibility Services](#) or visit the [Accessibility Services website](#) for more information as soon as possible. Obtaining your accommodation letter may take up to several weeks, so get in touch with them as soon as possible. If you have general questions or concerns about the accessibility of this course, you are encouraged to reach out to your instructor, course coordinator, or Accessibility Services.

Ouriginal

At this point, we do not expect students to use Ouriginal (plagiarism deterrence). However, if the instructor considers it necessary at a later point in the term, the following will apply:

Normally, students will be required to submit their course essays to the University’s plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool’s reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of this tool are described on the [University’s Plagiarism Detection Tool FAQ](#) page from Centre for Teaching Support & Innovation.

Use of Technology, including Generative AI (ChatGPT or similar tools)

- Students are encouraged to make use of technology to contribute to their understanding of course materials and express their thoughts. Students may use artificial intelligence tools, including generative AI, in this course as learning aids or to help produce assignments. However, students are ultimately accountable for the work they submit.
- There is absolutely no expectation (or need) to use generative AI if you do not want to. I do not believe it will put anyone at an advantage or disadvantage in achieving the course learning outcomes.
- Students may choose to use generative artificial intelligence tools as they work through the assignments in this course; **this use must be documented in an appendix for each assignment.** The documentation should include what tool(s) were used, how they were used, and how the results from the AI were incorporated into the submitted work.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued and respected as a true signifier of a student’s individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

- In papers and assignments
- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).
- On test and exams
- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers.
- Misrepresenting your identity.
- Submitting an altered test for re-grading.
- Misrepresentation
- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to) medical notes.

All suspected cases of academic dishonesty will be investigated by the procedures outlined in the [Code of Behaviour on Academic Matters](#). If you have any questions about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other U of T or RC resources such as the RC Centre for Professional Skills, the College Writing Centres or the Academic Success Centre.

I take academic integrity very seriously. You will be expected to attribute any ideas, concepts, words, pictures, or other submissions to their original source. All sources are no different. Please do not mess up here. Ask the instructor for guidance if you have any doubt. The basic message is this:

- 1) If you did not think of something, tell me who thought of it. I am a big fan of you looking up ideas from others, using their wording (if it is good – don't rewrite it). There are no deductions for using a lot of text from others as long as you tell me where it is from and if it fits your original paper and your original discussion of a topic. Don't hide your sources, but be proud of them.
- 2) I don't care too much about the specific formatting of your references. However, it is NOT enough to just include a list of sources at the end. Each time you use someone's idea in the text you need to indicate that (Mahrt-Smith, 2022) so I know if the words were yours or someone else's.
- 3) The same applies to the use of generative AI.
- 4) All group members are accountable to the academic integrity of their group submission. I am not interested in having a conversation where one group member is singled out as having "messed up".

Email

At times, the course instructor may decide to communicate important course information by email. As such, all U of T students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up and properly entered on ACORN. For more information visit the [Information Commons Help Desk](#). Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission and may not do so unless

permission is granted. Students who have been previously granted permission to record lectures as an accommodation for a disability are exempted. If permission for recording is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

In this course, the instructor will make all effort to provide a class recording for every class, but given the technological limits of the room that recording may be of low quality or even unavailable. If the availability of posted recordings reduces class participation to an extent that the discussion suffers, then this policy will stop without warning. Students may take pictures of whiteboards/blackboards if this does not interfere with others learning or participating. **Students are not allowed to use their own recording devices at any time.**

Weekly Schedule

This draft schedule may change, especially around guest speaker availability.

| Class | Class | Topic | Deliverables |
|-------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Sep. 7 | Introduction | Form groups of 5 for project before/during/after class |
| 2 | Sep. 14 | ESG Ratings | |
| 3 | Sep. 21 | Sustainable Investing in Public Equity Markets. Portfolio strategies and returns. | |
| 4 | Sep. 28 | THIS CLASS WILL BE FROM 12:30pm to 2pm. Climate Change – current evidence and future risks/opportunities. Possible Guest Speaker | |
| 5 | Oct. 5 | Climate Finance | |
| 6 | Oct. 12 | Fixed Income Markets: green bonds, green banks, other green/sustainable bonds and lending. Possible Guest Speaker. | Short Paper <u>Outline</u> due |
| 7 | Oct. 19 | Micro-finance, SME lending in developing countries | Group Project <u>Outline</u> due |
| 8 | Oct. 26 | Social Impact Financing | |
| 9 | Nov. 2 | FinTech and Sustainability | |
| 10 | Nov. 16 | Indigenous Topics. Possible Guest Speaker | Group Project due |
| 11 | Nov. 23 | THIS CLASS WILL BE ONLINE ONLY https://utoronto.zoom.us/my/jmahrt Biodiversity and Finance | Short peer feedback (part of class participation) |
| 12 | Nov. 30 | Quiz & Group Project Discussions | <ul style="list-style-type: none"> • Quiz (70 minutes in class) • Individual Short Paper due Sunday 11:59pm after class |

Please note that the last day you can drop this course without academic penalty is November 6, 2023.

Other Useful Links

- [Become a volunteer note taker](#)
- [Accessibility Services Note Taking Support](#)
- [Credit / No-Credit in RSM courses](#)
- [Rotman Commerce Academic Support](#)
- URL links for print
- ACORN: <http://www.acorn.utoronto.ca/>
- Email Accessibility Services: accessibility.services@utoronto.ca
- Accessibility Services website: <http://studentlife.utoronto.ca/as>
- University's Plagiarism Detection Tool FAQ: <https://uoft.me/pdt-faq>
- The University of Toronto's Code of Behaviour on Academic Matters: <http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>
- Information Commons Help Desk: <http://help.ic.utoronto.ca/category/3/utmail.html>

- Become a volunteer note taker: <https://studentlife.utoronto.ca/program/volunteer-note-taking/>
- Accessibility Services Note Taking Support: <https://studentlife.utoronto.ca/service/note-taking-support/>
- Credit / No-Credit in RSM courses: <https://rotmancommerce.utoronto.ca/current-students/degree-requirements/credit-no-credit-option/>
- Rotman Commerce Academic Support: <https://rotmancommerce.utoronto.ca/current-students/academic-support/>
- Book an appointment with a writing or presentation coach: <http://uoft.me/writingcentres>
- Writing and Presentation Coaching academic support page: <https://rotmancommerce.utoronto.ca/current-students/academic-support/writing-and-presentation-coaching/>
- Centre for Professional Skills Teamwork Resources page: <https://rotmancommerce.utoronto.ca/teamwork-resources>
- Book an appointment with a Teamwork Mentor: <http://uoft.me/writingcentres>