





5 credits	30.0 h	Q1
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Teacher(s)	Dumas Christel ;Iania Leonardo ;Nguyen Anh ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	<p>I. Course overview</p> <p>Socially responsible investment (SRI) represent a growing part of assets under management. Research has shown that asset managers incorporate ESG (environmental, social and governance) issues in their decision-making processes. Asset owners such as pension funds, wealthy private investors and more generally retail investors increasingly demand sustainable finance products from their banks.</p> <p>Despite this growing demand and research evidencing the positive return of socially responsible investment, financial institutions still need to overcome many challenges, beliefs and paradoxes linked to SRI. Not only do they have to gather and interpret material data to guide their investment decisions, combining quantitative and qualitative data, they also need to select appropriate measures to assess the impact of their investment decisions.</p> <p>This course provides students with methods and tools to guide sustainable investment decisions, taking into account the different challenges identified by literature and practitioners. It is half of a full course on Finance and Responsible Investment practices, consisting in 15 hours, two of them which can be dedicate to the final case study, with no class attendance.</p>
Aims	<p><b>During their programme, students of the LSM Master's in management or Master's in Business engineering will have developed the following capabilities'</b></p> <p><b>KNOWLEDGE AND REASONING</b></p> <p>2.2 Master highly specific knowledge in one or two areas of management : advanced and current research-based knowledge and methods.</p> <p><b>A SCIENTIFIC AND SYSTEMATIC APPROACH</b></p> <p>3.3 Consider problems using a systemic and holistic approach : recognize the different aspects of the situation and their interactions in a dynamic process.</p> <p>1 <b>WORK EFFECTIVELY IN AN INTERNATIONAL AND MULTICULTURAL ENVIRONMENT</b></p> <p>5.2 Position and understand the functioning of an organization, in its local and international socio-economic dimensions and identify the associated strategic issues and operational decisions.</p> <p><b>TEAMWORK AND LEADERSHIP</b></p> <p>6.1 Work in a team :Join in and collaborate with team members. Be open and take into consideration the different points of view and ways of thinking, manage differences and conflicts constructively, accept diversity.</p> <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>

<p>Evaluation methods</p>	<p><b>1. Readings for classroom contribution (30%):</b> There is a reading to do before each class (3 readings in all). Your reading will be evaluated based on your individual answers to a questionnaire posted on the class Moodle, before the start of the corresponding class.</p> <p><b>2. Case study – Team Based (70%):</b> The final evaluation is a group assignment that will give you the opportunity to apply the insights from the course to a real case.</p> <p>The case study is a group project. You will have to write a report of maximum of 5,000 words per group, plus any exhibits, in which you must answer the following five questions:</p> <ul style="list-style-type: none"> <li>• Question 1: What does responsible investment mean? What are its aims and what is the rationale for its adoption by institutional investors?</li> <li>• Question 2: How do specific investment practices instituted support responsible investment? What changes are required to existing financial practices to support these new practices?</li> <li>• Question 3: Discuss the construction methodology of a sustainable finance Fund. Why might investors choose to invest in this fund rather than other passive funds?</li> <li>• Question 4: In what sense can SRI investors be considered as institutional entrepreneurs? What resistance to change would have to be overcome to mainstream SRI?</li> <li>• Question 5: What further actions could strengthen responsible investment? Explain how we should motivate these actions and suggest some obstacles we might encounter.</li> </ul> <p>It is important that you i) reference all sources throughout the text, and ii) provide a complete list of references. The report must be your own original work, written specifically for the course. Your report must not be a repetition of another course work. And, you may not use existing published case study material or reports. Make sure your report has sufficient depth to demonstrate your understanding of key course concepts. This is a group assignment and every student is expected to contribute substantially to the teamwork. In order to mitigate any potential free-rider problem, you will each be asked to assess your peers in the group.</p> <p>You will need to upload your case study report (one per team) on <b>Moodle</b> by <b>January 5th, 11PM</b>.</p>
<p>Teaching methods</p>	<p>In-class lectures. Online forums. Group work. Self-study at the Bloomberg terminals.</p>
<p>Content</p>	<ul style="list-style-type: none"> <li>• I. Course overview</li> </ul> <p>Socially responsible investment (SRI) represent a growing part of assets under management. Research has shown that asset managers incorporate ESG (environmental, social and governance) issues in their decision-making processes. Asset owners such as pension funds, wealthy private investors and more generally retail investors increasingly demand sustainable finance products from their banks.</p> <p>Despite this growing demand and research evidencing the positive return of socially responsible investment, financial institutions still need to overcome many challenges, beliefs and paradoxes linked to SRI. Not only do they have to gather and interpret material data to guide their investment decisions, combining quantitative and qualitative data, they also need to select appropriate measures to assess the impact of their investment decisions.</p> <p>This course provides students with methods and tools to guide sustainable investment decisions, taking into account the different challenges identified by literature and practitioners. It is half of a full course on Finance and Responsible Investment practices, consisting in 15 hours, two of them which can be dedicate to the final case study, with no class attendance.</p>
<p>Bibliography</p>	<ul style="list-style-type: none"> <li>• Albert Hirschman. 1972. Exit, Voice, and Loyalty, Harvard University Press, 1972</li> <li>• Bailey, J., Klempner, B., &amp; Zoffer, J. (2016). Sustaining sustainability: What institutional investors should do next on ESG.</li> <li>• Chatterji, A. K., Durand, R., Levine, D. I., &amp; Touboul, S. (2016). Do ratings of firms converge? Implications for managers, investors and strategy researchers. Strategic Management Journal, 37(8):1597-1614</li> <li>• Dumas, C., &amp; Louche, C. (2016). Collective beliefs on responsible investment. Business &amp; Society, 55(3), 427-457.</li> <li>• European Commission action plan on financing sustainable growth. <a href="https://ec.europa.eu/info/publications/180308-action-plan-sustainable-growth_en">https://ec.europa.eu/info/publications/180308-action-plan-sustainable-growth_en</a></li> <li>• Paetzold, F., &amp; Busch, T. (2014). Unleashing the powerful few: Sustainable investing behaviour of wealthy private investors. Organization &amp; Environment, 27(4), 347-367.</li> <li>• Juravle, C., &amp; Lewis, A. (2008). Identifying impediments to SRI in Europe: a review of the practitioner and academic literature. Business Ethics: A European Review, 17(3), 285-310.</li> <li>• Margolis, Joshua D., and James P. Walsh. 2002. "Misery Loves Companies" Harvard University working paper.</li> </ul> <p><b>Videos:</b></p> <ul style="list-style-type: none"> <li>• Chris McKnett. The Investment Logic for Sustainability. Accessible from <a href="https://youtu.be/rpOwTspdwkI">https://youtu.be/rpOwTspdwkI</a></li> <li>• RobeccoSam. The Truth Behind Sustainability Investing. Accessible from <a href="https://youtu.be/qQIgvRX9Apc">https://youtu.be/qQIgvRX9Apc</a></li> </ul> <p><b>Guest Lecturer Bios</b></p> <ul style="list-style-type: none"> <li>• Frederic Dalaidenne, Investment Officer Funds at ING</li> <li>• Philippe Ledent - Senior Economist at ING Belgium</li> </ul>
<p>Faculty or entity in charge</p>	<p>CLSM</p>

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Aims
Master [60] in Management	<a href="#">GESM2M1</a>	5		
Master [120] in Business Engineering	<a href="#">INGM2M</a>	5		
Master [120] in Management	<a href="#">GEST2M</a>	5		
Master [120] in Management	<a href="#">GESM2M</a>	5		
Master [120] in Business Engineering	<a href="#">INGE2M</a>	5		