



ESG INVESTING

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Syllabus:

- Introduction. ESG investing definitions, history.
- Reporting. Regulatory framework.
- The market for ESG investing: investors, products, ESG investment strategies.
- ESG Scoring
- ESG Ratings
- ESG investing and its impact on Asset Prices
 - Theory. Mean-variance portfolios with ESG preferences
 - ESG and performance. Sorted Portfolios and regression models.
 - ESG and the cost of capital.
- Active ownership
- Impact investing
- Climate finance: Climate Risks, transition risks, carbon emissions, climate finance.

Main references:

T. Roncalli, The handbook of sustainable finance, <http://www.thierry-roncalli.com/SustainableFinance.html>

Gibson Brandon, R. and P. Krueger, The role of institutional investors as responsible investors, (2023), 2nd LTI Report.

Pedersen, L., Fitzgibbons, S. and L. Pomorski, Responsible investing: the ESG-efficient frontier, (2021), *Journal of Financial Economics*

Pastor, L., Stambaugh, R. and L. Taylor, Sustainable investing in equilibrium, (2021), *Journal of Financial Economics*

Bolton, P. and M. Kacperczyk, Do investors care about carbon risk, (2021), *Journal of Financial Economics*

Bolton, P. and M. Kacperczyk, Global Pricing of Carbon-Transition Risk, (2023), *Journal of Finance*