UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

SYLLABUS DEL CORSO

Corporate Finance for Sustainability

2627-1-F7603Q002-F7603Q00202

Aims

The module provides an in-depth introduction to sustainability and non-financial reporting, with a focus on Corporate Social Responsibility (CSR), Environmental, Social, and Governance (ESG) disclosure, and integrated reporting. It equips students with theoretical foundations and practical tools to critically assess sustainability communication, ESG risks and opportunities, and their implications for corporate strategy, valuation and sources of financing (from banks and capital markets).

Knowledge and understanding
At the end of the course the student will have a fundamental understanding of:
• The evolution of Corporate Social Responsibility (CSR), Environmental, Social and Governance (ESG) frameworks, and the principles of double materiality.
• Relationship between corporate finance and corporate governance, including monitoring, incentives, and stakeholder perspectives.
• The correct definitions of sustainable finance and the links between corporate finance, sustainability, and responsible business.
• The European and international legislative frameworks connected to sustainable finance.
• The fundamentals of ESG reporting, disclosure practices, and the risks of greenwashing and social-washing.

Applying knowledge and understanding
At the end of the course the student will be able to:
• Use ESG and non-financial data to evaluate both sustainability performance and its financial implications.
• Assess how firms translate sustainability commitments into strategies, operational practices, and investment decisions.
• Present analyses of sustainability reports, ESG performance, and corporate strategies in a structured manner.
• Collaborate effectively in groups to prepare and deliver case-based presentations on real-world sustainability practices.

Making judgements
At the end of the course, students will be able to:

• Interpret and critically assess sustainability and integrated reports, linking disclosure practices to strategic and operational choices.
• Critically assess the credibility, coherence and strategic relevance of corporate sustainability strategies, ESG disclosures, sustainability reports and financing choices

Communication skills
At the end of the course, students will be able to:
• Communicate analyses of corporate sustainability strategies, ESG performance, governance mechanisms and sustainable finance instruments in a clear and structured manner.
• Present evidence-based arguments both orally and in written/project-based formats, drawing on corporate reports, ESG data, regulatory frameworks and academic concepts.
• Use appropriate managerial, strategic and financial terminology to discuss sustainability-related challenges, trade-offs and implications for firms and stakeholders.
• Use appropriate terminology and frameworks to bridge strategic, operational, and financial perspectives on sustainability.

Learning skills
At the end of the course, students will be able to:
• Autonomously search for and select relevant academic, regulatory and corporate sources on sustainability strategy, ESG reporting and sustainable finance.
• Interpret and critically compare different types of sources, including scientific articles, policy documents, sustainability reports, ESG ratings and financial disclosures.
• Update their knowledge independently in response to evolving sustainability frameworks, reporting standards, financial regulations and market practices.

Contents

• What is Corporate Finance? Equity and debt in the support of company growth
• Corporate Finance and Sustainability: definitions, core concepts and interconnections
• European Commission Action Plan on Financing Sustainable Growth and SDGs
• Fostering transparency and long-termism in companies
• Stakeholder management, stakeholder engagement and sustainability reporting
• Mainstreaming sustainability into risk management and the role of bank lending
• Reorienting capital flows towards sustainable investments
• Global Corporate Sustainability worldwide

Detailed program

• Corporate finance and the role of the financial system, including direct vs. intermediated transfers, market imperfections, and applications in venture capital, private equity, and capital markets.
• Investment and financing decisions, real vs. financial assets, role of financial managers, cost of capital, risk and return, agency problems, corporate governance, and equity vs. debt for growth.
• Corporate governance and sustainability: monitoring, incentives, shareholders vs. stakeholders, responsible business, and ESG reporting.
• Core financial concepts such as time value of money, present and future value, NPV, discount rates, annuities, interest rates, and compounding.
• Corporate finance and sustainable finance, definitions and importance of sustainability, and links between theory and practice.
• Key European and global sustainability frameworks: EU Action Plan, Paris Agreement, UN SDGs, and major

sustainability regulations.
• Global corporate sustainability trends: disclosure and assurance, investor behavior, sustainable bonds, board oversight, and OECD principles.
• ESG ratings and providers, disclosure frameworks, divergent methodologies, and risks of greenwashing.
• Sustainable investment instruments and indicators: EU Taxonomy, green bonds, sustainable funds, green asset ratio, and sector KPIs.
• Sustainability and risk management: ESG integration in banking, disclosure practices, credit and nature-related risks, central bank supervision, and transition planning.

Prerequisites

A basic knowledge of strategic management, innovation management and concepts of competitive advantage, as well as corporate finance, accounting and reporting is strongly recommended. Familiarity with sustainability issues and international policy frameworks is helpful but not required.

Teaching form

• Instructor-led lectures, delivered as delivered didactics (DE), in presence, with interactive discussion of concepts, frameworks and examples.
• Exercise sessions, delivered as interactive didactics (DI), in presence, including case-study discussions, pre-assigned readings, practitioner lectures, group assignments and presentation activities.
• Any remote synchronous or asynchronous activities, if scheduled, will not exceed 30% of the total teaching hours and will be communicated through the e-learning platform.

Textbook and teaching resource

• Recommended book: Aracil, E., & Sancak, I. E. (2024), Essential Concepts of Sustainable Finance: An A-Z guide, Routledge, 1st edition, ISBN: 9781032316871
• PPT slides used during lectures
• Additional readings (e.g., articles, book chapters, reports) made available by the lecturer on the e-learning website of the course.

Semester

II semester (March-June)

Assessment method

Students will receive one final mark for the 12 ECTS Business strategy and Advanced Corporate Finance for Sustainability course. The final score will be expressed on a 30-point scale. The assessment components sum up to 33 points; scores above 30 correspond to 30 cum laude.

Students’ evaluation is based on three components:

1. Class participation (5/33: 2.5 for BS4S and 2.5 for ACFS) - Active participation in class discussions, case analyses, and interactive exercises is an integral part of the learning process. Students are expected to engage critically with the topics covered, read the assigned readings in advance of classes, and contribute constructively to class debates.

2. Group project (14/33: 7 for BS4S and 7 for ACFS) - The objective of the group project is to develop critical analytical skills by analysing a company’s strategy, governance and financing with respect to sustainability issues. The project consists in analysing the sustainability strategy of selected companies by applying key concepts and theoretical lenses and evaluating the company’s corporate finance approach through the lens of sustainability frameworks discussed throughout the course. Two groups (A and B) will analyse the same company’s sustainability strategy with diverse objectives: (1) Group A’s aim is to prove that the company is implementing a «substantial» sustainability strategy, thus emphasising the most «material» sustainability initiatives and actions, while also showing strong integration of ESG factors into its financing, governance, disclosure, and risk management. (2) Group B’s aim is to prove that the company is adopting a merely «symbolic» stance on sustainability, thus emphasising inconsistencies between the company’s «material» sustainability issues and the actions implemented or communicated, and arguing that ESG integration in corporate finance is limited, compliance-driven, or inconsistent. During presentation of the group projects, the rest of the class will discuss which group did the best job in supporting their case/thesis. The list of companies will be provided by the course teachers during the course. Each group will autonomously search for all relevant information by consulting the company’s resources (e.g. sustainability reports, institutional website etc.) to develop the analysis.

3. Final exam (14/33: 7 for BS4S and 7 for ACFS) – The final exam consists in a written exam based on multiple-choice questions covering the content of both modules of the course Business Strategy and Advanced Corporate Finance for Sustainability

*For students who are unable to take part in the group project, the assessment will consist of an individual written exam based on multiple-choice questions covering the contents and learning objectives of both modules and an oral exam. *

Office hours

Wednesday - Thursday, after scheduling an appointment via phone or e-mail.

Sustainable Development Goals

QUALITY EDUCATION | DECENT WORK AND ECONOMIC GROWTH | INDUSTRY, INNOVATION AND INFRASTRUCTURE | SUSTAINABLE CITIES AND COMMUNITIES | RESPONSIBLE CONSUMPTION AND PRODUCTION | PARTNERSHIPS FOR THE GOALS