Syllabus

Course Title	**SUSTAINABLE FINANCE AND INVESTMENT**
Instructor	Christian Schopper
Email	christian.schopper@aon.at
Office Hours	For consultations, approach me either before or after class.
Credits	2 US credits (4 ECTS credits)
Module	Financial Management
Term	Spring 2026
Course Level	MSc Finance elective. All students are required to take the course for grades. This course is delivered with a class cap of 25 students (please note that no exceptions will be made on this).
Prerequisites	Financial Management (or a similar introductory course in finance) and Financial Reporting & Control (or a similar introductory course in accounting)
Course Drop	As described by the Regulations of the MS in Finance program: Overview of the MS in Finance | Department of Economics and Business (ceu.edu)

Course description

In the financial sector, sustainability is becoming increasingly relevant and important. What is considered sustainable finance today will soon form the very essence of the finance industry. Sustainable finance responds to growing concerns about climate change, environmental degradation, and social injustice. It considers how companies and projects contribute to society and the environment, as sustainable investors seek to ensure that their investments are not only financially viable but also generate a positive impact on the world.

This course in **Sustainable Finance and Investment** (the "Course") focuses on financing, capital markets, and bank-related investment decisions that integrate environmental, social, and governance (ESG) considerations into decisions concerning sustainable economic activities or projects.

At the core of the Course are case studies that require participants to make analytically sound and thoughtful executive management decisions in complex contexts. Participants will be expected to consider sustainability-related aspects while balancing diverse investor perspectives, stakeholder-imposed limitations, potential legal and corporate governance constraints, and alternative avenues for value creation.

The Course will be highly intensive and emphasize both individual and group work, interaction, and discussion in the classroom. Corporate finance concepts previously introduced and discussed in earlier CEU courses will be applied throughout.

Course requirements, grading, and attendance policies

Requirements

- Full and timely participation in all classes is **mandatory** and a prerequisite for grading.
- To be able to actively participate, students must:
  - Prepare all assigned literature; and
  - Submit each Case Study Assignment at least 12 hours prior to the respective session.
- Please note:
  - Therefore, Case #1 must be submitted **prior** to **Session 1**.
  - Session 1 will start with a small **basic test** on selected sections of Schopper / Corporate Finance Concepts (3rd edition), covering foremost following chapters: (i) Risk and Return; (ii) Corporate Financial Analysis; (iii) Cost of Capital; (iv) Capital Markets; and (v) ESG / Sustainable Finance.
- Case Study Assignments will be completed **individually.**

Grading

- Grading will be dependent upon the **quality** of preparation and submissions of the Case Study Assignments, as well as the active participation and qualitative participation in class room discussions.
- With a total score of a maximum of 100 points achievable, grading follows CEU's standard guidelines:

Grade	Name	Austrian equivalent	Points
A	Outstanding	Excellent (1)	100-96
A-	Excellent	Excellent (1)	95-88
B+	Good	Good (2)	87-80
B	Fair	Satisfactory (3)	79-71
B-	Satisfactory	Sufficient (4)	70-63
C+	Minimum	Pass Sufficient (4)	62-58
F	Fail	Insufficient (5)	57-0

- Points distribution:
  - Classroom participation: up to 28 points (3–4 points per session).
  - Case Study Assignments: up to 72 points (8 points per mandatory hand-in).
  - Bonus points: up to 3 additional points per presentation in class.

Attitude

The Course is intensive and requires substantial time, effort, energy, and concentration. However, our aim is to learn and enjoy the process. A professional attitude is therefore essential:

- You are expected to thoroughly work through all relevant sections of Schopper / Corporate Finance Concepts **prior** to the Course.
- You must prepare and submit each Case Study Assignment 12 hours **prior** to the respective session, attend all classes on time, and actively participate.
- You must always **bring to class**:
  - A financial calculator;
  - The current Case Study Assignment; and
  - Your presentation material on a USB stick.

- Mobile phones and other devices must be switched off for the entire duration of each session — without exception. Chatting on social media or similar during class will result in **instant disqualification** from the Course.

Case Study Assignments

- You are required to submit PowerPoint presentations for a total of 9 case studies.
- Grading will be conducted on an **individual** basis.
- The volume, structure, and number of slides are at your discretion (ideally not exceeding 10 slides, excluding appendices). Quality and creativity take precedence over quantity.
    - Often, for assignments, creativity is key — provided conclusions are supported by analysis, data, or financial modeling (to be included in an appendix).
    - A suggested presentation structure:
        - Analytical status quo / current situation
        - Identification of key issues
        - Evaluation of feasible alternatives
        - Recommended action and rationale
        - Next steps
        - Appendix
- Submit presentations via **email** to christian.schopper@aon.at **no later than 12 hours prior** to the respective session, and bring a copy on a USB stick to class.
    - Downloading presentations during class has proven inefficient and takes away from discussion time.
- Two to three students will be randomly selected to **present** their conclusions **in class** (max. 15 minutes), followed by a Q&A session.
    - It is strongly recommended to rehearse presentations beforehand, as the 15-minute time limit is strict.
- A maximum of 8 points will be awarded for each written Case Study Assignment. Presenters may earn up to 3 additional bonus points for the quality of their verbal presentation.

Case Study 1: In October 2021, Ashish Agarwal, vice-president of the solar business vertical at **Blupine Energy** Pvt. Ltd., was preparing for an upcoming tender for a 300 megawatt solar project. Relying on his industry experience, Agarwal noted all the assumptions related to the capital and operating expenses for setting up this plant. He wanted to compute a tariff that he could bid that would be competitive while generating a 16 per cent equity internal rate of return-the minimum Blupine required for greenfield projects. Agarwal knew the most critical project risks were a delay in arranging the required land and module price fluctuations, so he wanted to also consider their effect on the rate of return.

Case Study 2: At **Dax Water Tech Industries** Pvt. Ltd (Dax), a multinational enterprise specializing in high-performance desalination equipment, the future appeared positive but challenging. Chief financial officer (CFO), Amol Paranjpe, was pondering the challenge of investing ₹200 million to meet the recent surge in demand that called for an immediate scaling up of operations, the purchase of new machinery, staff recruitment, and enhancing the logistics system. Paranjpe had to decide between bank loans, long-term bonds, and venture equity. The numbers were clear, but the decision was not; each option was promising but came with risks.

Case Study 3: Warren Adams founded **Patagonia Sur** in 2007 as one of the world's first for-profit land conservation businesses. His goal was to purchase over 100,000 acres of land in southern

Chile and to run a variety of sustainable businesses to generate annual returns for investors. Patagonia Sur planned to derive various streams of revenue from the land-including eco-tourism, sustainable land development, carbon credits, water rights and eco-brokerage-thereby giving a financial return to investors on top of achieving a positive environmental impact. By 2011, Warren had raised over $20 million from high net worth individuals and Patagonia Sur had over 60,000 acres in Patagonia under management. However, institutional investors seriously questioned whether Patagonia Sur could ever do more than break even on an annual basis. Further, they worried that in fact the risk of the investment went up significantly as the company spent both its capital and management time on so many different revenue streams. In addition, some investors felt that for-profit conservation was morally wrong. Warren needed to convince both individual and institutional investors that his vision would succeed in both generating returns and preserving the natural beauty of Patagonia.

Case Study 4: In June 2017, **Barry Callebaut**, the largest B2B cocoa and chocolate company in the world renewed its revolving credit facility (RCF) introducing a novel feature suggested by the Dutch bank ING: the margin on the RCF would be tied to the company's ESG score from Sustainalytics, a leading sustainability agency, as a way to "make sustainability truly pay". A year later, Barry Callebaut has made progress towards the ambitious environmental and social goals of its Forever Chocolate programme, yet its ESG score has fallen almost to the level where the margin on the RCF will increase.

Case Study 5: **Green Consultant**, a Singapore-based environmental consulting firm, had worked with several financial institutions before 2023 and was aware that many were interested in expanding their loan portfolios to include more environmentally inclined clients. In January 2023, one such client, a Singapore-based small and medium enterprise (SME) named Chang & Lee Manufacturing (CLM), approached Green Consultant to prepare a business proposal on how the SME could transition to solar energy. A green finance analyst at Green Consultant had one month to deliver a proposal to CLM. He had to consider the type of solar business model, the financing option, and the CLM stakeholders to engage, alongside CLM's operational and financial conditions, to recommend the most economically feasible solar solution for CLM.

Case Study 6: Matthew Haertzen, a timber portfolio manager for Cogent Partners, the fund manager for Cambium Global Timberland (a UK listed timber investment fund), was tasked with the analysis of a managed **teak plantation in Honduras** for potential cumulative investment in the amount of $21-25 million. Matt was evaluating an opportunity from Beyond Forestry, a Honduran Company that employed a unique accelerated teak growth model. This accelerated growth model allowed for harvesting of teak wood in as few as 7-12 years, as compared to 20-30 years for traditional commercial plantations. The demand for teak was growing and the supply was dwindling due to significant restrictions regarding the harvest of native teak forests, which traditionally have a very long growth cycle of 70-80 years. The current supply/demand conditions led to a shortage of teak and created an opportunity for investment in companies who could grow teak in an ongoing, sustainable basis with manageable harvest rotations. Mr. Haertzen needed to perform a capital budgeting analysis, including deriving an appropriate risk-adjusted cost of capital, to use in his investment analysis. He obtained data from Beyond Forestry in Honduras including growth rates of managed teak plantations, teak pricing, and operational expenses necessary to estimate cash flows associated with the managed teak plantations. Of equal importance was an assessment of the many risks associated with the teak plantation investment, given the political and economic environment in a developing market such as Honduras.

Case Study 7: **Telus Corporation** (TELUS) issued Canada's first sustainability-linked bond (SLB), in mid-June 2021. An SLB was a newer category of green bond that allowed companies to raise funds for general corporate purposes instead of specific environmental projects. This SLB supported TELUS's sustainability journey and commitments, towards which it had made significant progress since setting its first climate targets in 2011. Building on this success, TELUS set new goals in 2021 to achieve net-zero carbon emissions by 2030 and had its targets approved by the Science Based Targets initiative-the first telecommunications company in Canada to do so. Two analysts were tasked with analyzing the bond's structure, pricing, and other features to recommend the credit spread for the SLB.

Case Study 8: Nicole San Juan, a portfolio manager for Crown Asset Management Philippines' Peso Global Sustainability Fund, was trying to complete her valuation of **Alternergy** Holdings Corporation (the Company) stock in time for its initial public offering (IPO) in March 2023. San Juan needed to assess the Company' value, strengths, weaknesses, and prospects to determine whether the stock would be a good investment. The Company had many renewable energy projects in various phases of development, from early stage to commercial operations, which required a sum-of-the-parts approach including discounted cash flow and comparable multiples analyses.

Case Study 9: In July 2019, **Graphic Packaging** CEO Michael Doss was proposing a $600 million investment in a new machine to produce coated recycled board (CRB), a type of paper packaging used for consumer products (cups, cereal boxes, beverage boxes, etc.) that utilized recycled paper as an input. Graphic Packaging was an integrated producer of paperboard packaging for consumer products and the market leader in CRB. What made this decision difficult was that for the past 30 years, plastic packaging had been replacing paper packaging because of cost and ease of manufacturing. Yet a growing interest in environmental sustainability among paperboard manufacturers, consumer goods companies (immediate customers), and consumers (end users) was creating the possibility of a transition from plastics back to paper-based products. If these trends actually materialized, there would be greater demand for CRB mills that could use recycled inputs and create recyclable products. Was this the right time for a capacity neutral investment (GPK planned to shut older plants when the new one came online) particularly when the sustainability trends were still unclear. By closing older, less efficient mills in favor of a newer, larger, and more efficient machine, GPK could save $100 million per year in costs. In short, this decision had a clear economic benefit as long as sustainability trends continued, competitors did not add new or more efficient capacity, and GPK actually removed existing capacity once the new machine was operational.

Course contents

Content

The Course aims to equip participants with essential skills and valuable insights into the field of sustainable finance and investment. These skills will enable you to stay current with one of the most dynamic trends in finance and develop a deep understanding of its concepts and applications. You will:

- Become familiar with key concepts related to sustainability and learn how to integrate them into financial decision-making — both from a **corporate perspective** (seeking funding) and an **investor perspective** (assessing opportunities).
- Establish core knowledge of the key sustainability-related factors relevant to financial analysis and investment assessment.

- Learn how to apply financial tools to incorporate sustainability factors in the selection and management of investment propositions, with the aim of integrating them into a portfolio.
- Develop the ability to assess the viability of ESG investments across the **equity, bond, and loan spectrum.**

Learning Approach

Learning will primarily build on your existing knowledge of Corporate Finance principles and apply these through case study exercises. Lecture components will complement the case study work as needed. Learning therefore takes place both through **individual preparation** and **active classroom engagement**.

Learning Outcomes

During intensive Course provides an opportunity to rapidly gain familiarity with key themes in sustainable finance and investment. By the end of the Course, you will be able to:

- Understand the importance, relevance, and viability of sustainable investing.
- Recognize the challenges and disruptions currently facing financial systems and businesses.
- Develop an understanding of ESG-related factors in both private and public market investing.
- Acquire knowledge of tools and frameworks for addressing financial risks associated with sustainability issues.
- Appreciate ESG-related valuation as a tool for strategic decision-making.
- Understand the risk–return dynamics of ESG-based investment strategies.
- Identify the sources of value in impact investing.
- Distinguish between different types of sustainable debt instruments.
- Measure and evaluate environmental and social performance factors.
- Develop the capability to design sustainable finance strategies and integrate them into traditional financial management practices.
- Formulate a vision for the future of sustainable investing.

Schedule

	7.Jänner 2026	8.Jänner 2026	9.Jänner 2026	14.Jänner 2026	15.Jänner 2026	16.Jänner 2026	21.Jänner 2026	22.Jänner 2026	23.Jänner 2026
08:50									
10:30									
10:50			**Patagonia Sur**						**Graphic Packaging**
12:30			Green Entrepreneurship						Green Transition
13:30	**Blupine Energy**			**Barry Callebaut**			**Telus**		Wrap Up
15:10	Greenfield Investment			ESG Rating			Sustainability Bond		
15:40						**Honduran Teak**		**Alternergy**	
17:20						Investment Analysis		IPO	
17:40		**Dax Water Tec**			**Green Consultant**	Business Plan		IPO Mechanics	
19:20		Funding Mix			Solar Transition	Working with VCs			
	Interactive Lecture								
	Case Study								

Course materials

Preparation

- All relevant themes and topics covered in the Course can be found in the textbook: Schopper, Corporate Finance Concepts, 3rd edition (2024). **You are expected to thoroughly read and work through all relevant sections prior to the start of the Course.**

- Other useful references include general Corporate Finance textbooks, such as those authored by Aswath Damodaran.
- Please be mindful of the intensity of the Course: Preparing **each** Case Study Assignment can realistically be expected to require **a minimum of 4–5 hours.**

Bio

Information regarding my background can be found on www.christianschopper.com

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at CEU are not tolerated and will lead to immediate disqualification.