

SYLLABUS

CR407E

Ethics and CSR in Finance

ACADEMIC AREA :	FINANCE AND GEOPOLITICS
PROGRAMME :	MASTER IF / PGE / UGTC LEVEL 4 PGE
PERIOD :	SPRING
COORDINATOR :	Dr. Dieter VANWALLEGHEM
INSTRUCTOR(S) :	Dr. Dieter VANWALLEGHEM
CONTACT HOURS :	24.0 hours
STUDY TIME :	null hours (Class preparation, homework and assessments)
CREDITS :	4.0 ECTS
AOL :	NO

PRE-REQUISITE MODULES :

Basic understanding of business, accounting and finance.

MODULE DESCRIPTION :

CONTRIBUTION TO PROGRAMME LEARNING OBJECTIVES :

- Combine professional expertise with resilience, critical thinking & personal influence to Change mindsets #ChangeMindsets
- Combine professional expertise with resilience, critical thinking & personal influence to Change mindsets #ChangeMindsets

MODULE INTENDED LEARNING OUTCOMES (ILOs) :

Students in this module will develop the skills and ability to: 1. Explain ethics; describe the need for high ethical standards; compare and contrast ethical standards with legal standards.; 2. Identify challenges to ethical behaviour and describe a framework for ethical decision-making. 3. Describe a profession and professionalism in investment management and describe the role of a code of ethics in defining a profession; 4. Describe how environmental, social, and governance factors may be used in investment analysis. 5. Describe how ESG-related risk exposures and investment opportunities may be identified and evaluated; evaluate ESG risk exposures and investment opportunities related to a company. 6. Describe a company's stakeholder groups and compare interests of stakeholder groups; describe mechanisms to manage stakeholder relationships and mitigate associated risks; 7. Describe corporate governance; describe principal-agent and other relationships in corporate governance and the conflicts that may arise in these relationships; describe market 8. Identify potential risks of poor corporate governance and stakeholder management and identify benefits from effective corporate governance and stakeholder management 9. Give voice to values and express ethical considerations

TOPICS COVERED :

1. Ethical decision making 2. Ethics theory 3. Giving voice to values 4. Environmental, social and governance (ESG) risk analysis and ESG investment strategies 5. Stakeholder management 6. Corporate governance

RESEARCH-LED TEACHING :

References to research findings in the relevant area are made throughout the course. Academic papers form background reading for students to further develop their insights and understanding of the course material.

CSR AND SUSTAINABLE DEVELOPMENT GOALS :

This course is entirely dedicated to developing the skills and ability to act in ones profession with the highest ethical standards, to manage effectively stakeholder relationships and to analyze, manage and integrate environmental, social and governance risk factors in the finance and accounting profession.

CSR NB HOURS :

27

SUSTAINABLE DEVELOPMENT GOALS COVERED :

- 01 - No poverty
- 02 - Zero hunger
- 03 - Good health and well-being
- 04 - Quality education
- 05 - Gender equality
- 06 - Clean water and sanitation
- 07 - Affordable and clean energy
- 08 - Decent work and economic growth
- 09 - Industry, innovation and infrastructure
- 10 - Reduced inequalities
- 11 - Sustainable cities and communities
- 12 - Responsible consumption and production
- 13 - Climate action
- 14 - Life below water
- 15 - Life on land
- 16 - Peace, justice and strong institutions
- 17 - Partnership for the goals

TEACHING METHODS :

- Knowledge sharing through general lectures
- In class exercises and activities focussed on ethical decision making and giving voice to values
- Case study type exercises focussing on ethical decision making and ESG factors in finance and accounting

METHODS OF ASSESSMENT :

Continuous/Final	Group/Individual	Assessment	Weight	Duration	ILOs assessed
Continuous	Individual	Quiz	20%	30 Minutes	ALL ILOs
Continuous	Individual	Quiz	20%	1,5 Heure	5,6,7,8
Continuous	Group	Group project	40%		ALL ILOs
Continuous	Individual	Peer evaluation	20%		ALL ILOS

Assessment 1 details:

1. This is a test of your comprehension of the GVV Ways of Thinking about Our Values in the Workplace paper contained in the Readings Pack.
2. As the test is conducted on Moodle you will need access to a computer with wifi access.
3. You will have 30 minutes in which to complete the test. There will be 10 questions, each carrying 2 points, totaling 20 points in all.

4. The questions will be in multiple-choice format. You can move backwards and forwards between questions.
5. The questions are designed to check that you have read and properly understood the reading. The questions will address particular points made in the document. All the answers to the questions are to be found within the text.
6. It is an open book test.
7. If you have not read the document before the test, you will not be able to pass it.

Assessment 2 details:

1. This is a test of your understanding of the second part of the course material focussing on ESG integration in finance.
2. The exam is conducted on Moodle and will consist out of a set of analytical and conceptual questions that will test your understanding of the material covered in the sessions 4-8
3. The test will be open book but ample preparation is required beforehand to do well in the exam.

Assessment 3 details:

OBJECTIVE

The objective of the exercise is to demonstrate that you can cut through the arcane, complex, opaque situations that give rise to ethical issues in finance and see what is really at stake in ethical terms, and to whom. Doing this will require you both to revise and expand on our work on stakeholder analysis, the CFA's ethical decision-making framework, ethics theory, and the CFA Code of Ethics and Professional Standards, and also to develop self-directed research skills on ethical issues in your areas of professional interest.

DELIVERABLES

In the GPFE presentation session each team will deliver a presentation on a finance ethics issue. The presentation must be no longer than 15 minutes, followed by up to 5 minutes of Q&A.

GENERAL INSTRUCTIONS

1. The teams are those allocated in the Teams List. Not all team members need to speak in the final presentation, but the group should satisfy itself that everyone has made an approximately equal contribution to the overall project workload as everyone will get the same team grade. NB Each team member is also graded on their individual contributions to the project. Below I explain how individual contributions are to be evidenced.
2. The topic of the presentation is to be chosen from a list of appropriate topics that I will circulate via Moodle in a session early in the course. No two teams can do the same topic. To make a choice, your group should indicate your chosen topic on whatever means I prescribe at the time (eg whiteboard, online forum). If more than one team selects the same topic then the teams should toss a coin to decide who gets the topic. The team that does not win the topic must then choose a topic that has not been chosen by any other team.
3. All teams must have chosen their topic by the end of the session when the list is posted or I will allocate them one.
4. Prepare your presentation. In broad terms, your presentation will be an analysis of your chosen topic through the lens of the CFA's ethical decision-making framework.

Further detailed instructions are provided on Moodle

Assessment 4 details:

The peer assessment will evaluate your personal contribution to the GPFE.

A peer evaluation form will be distributed on Moodle indicating the assessment criteria and performance expectations.

ACADEMIC INTEGRITY :

Academic misconduct encompasses various behaviors or actions that violate the principles of academic integrity, fairness, and honesty, thereby undermining the credibility of academic work, assessments, or research. Examples of academic misconduct include:

- Cheating
- Plagiarism
- Fabrication
- Gaining an unfair advantage
- Assisting others in committing academic misconduct, such as by utilizing generative AI
- Falsification of records or official documents
- Unauthorized access to restricted information or data
- Unauthorized or unethical use of generative AIS

Academic misconduct is a serious offense and can result in consequences such as module failure, research project failure, or even expulsion from the school. To prevent unintentional academic misconduct, it is essential to consult with your instructor to understand the specific rules and instructions pertaining to the use of AI in learning and assessment.

For more comprehensive information on academic integrity rules, principles, and disciplinary procedures, please refer to the Academic Integrity section of the Student Handbook.

BIBLIOGRAPHY :

Boatright, J. 2014. Ethics in Finance (3rd ed.). Chichester, UK: Wiley-Blackwell. [eBook <https://bit.ly/3GtIRqF>]

Tricker, Rl. (2019). Corporate Governance: Values, Ethics and Leadership. Crc Press. [eBook <https://bit.ly/3Z15IVk>]

Additional Reading

MODULE PLAN SESSIONS :

Plan Session 01 :

- Session 1: Introduction
- Defining ethics and values
 - Moral dilemmas
 - Distinguishing between empirical/normative and instrumental claims

Plan Session 02 :

- Session 2: Ethical decision making and voicing values
- CFA ethical decision making framework
 - Utilitarianism, Deontologic and Virtue ethics
 - Giving voice to values: the seven pillars of the GVV curriculum

Plan Session 03 :

- Session 3: Professional and legal obligations and scripting and coaching for GVV
- Professional and legal ethical obligations
 - CFA code of ethics and professional standards
 - GVV scripting and coaching

Plan Session 04 :

- Session 4: ESG investing & stakeholder analysis
- Defining ESG investing
 - Motives for ESG investing
 - Stakeholder analysis and management

Plan Session 05 :

- Session 5: Transmission channel, ESG and firm value
- Transmission of ESG performance to financial performance
 - Corporate reputation and culture analysis

Plan Session 06 :

- Session 6: Corporate governance and shareholder activism
- Corporate governance mechanisms
 - Corporate governance and stakeholder management
 - Shareholder rights and active ownership

Plan Session 07 :

Session 7: Financing transition and environmental standards

- Financial markets and climate risk
- Finance as a transition tool

Plan Session 08 :

Session 8: GVV in class presentations