

**Commerce 3FL3  
Sustainable and Social Finance  
Winter 2026 Course Outline**

**Finance Area  
DeGroote School of Business  
McMaster University**

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***INSTRUCTOR AND CONTACT INFORMATION***

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**Sections**

**C01 Mon 11:30 – 2:20**

**C02 Fri 11:30 – 2:20**

**C03 Thu 2:30 – 5:20**

**Dr. Rui Duan**

Instructor

[duanr10@mcmaster.ca](mailto:duanr10@mcmaster.ca)

Office: DSB 328

Office Hours: by appointment

**Student TA**

Yasi Hashemisanjani

[hashemiy@mcmaster.ca](mailto:hashemiy@mcmaster.ca)

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***COURSE ELEMENTS***

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Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
A2L:	Yes	Ethics:	Yes	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	No	Guest speaker(s):	Yes

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## ***COURSE INFORMATION***

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Businesses and investors today operate in an environment where environmental, social, and governance (ESG) considerations are reshaping markets, stakeholder expectations, and corporate behavior. Climate change, biodiversity loss, and social inequality have intensified the call for greater corporate accountability and sustainable investment practices. At the same time, financial markets are increasingly integrating ESG metrics and impact-focused products, as investors seek to align financial performance with broader societal goals. Sustainable finance, which bridges traditional capitalism with a framework of shared economic and social value, is rapidly becoming central to the strategies of financial institutions and corporations alike.

This course provides a comprehensive introduction to sustainability and its growing influence on modern finance and business decision-making. It examines key themes such as stakeholder value creation, ESG measurement and reporting, socially responsible and impact investing, responsible stewardship, and financial inclusion. The course illustrates key principles through a combination of theoretical frameworks, empirical findings, case studies, real-world examples, and guest lectures.

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## ***IMPORTANT LINKS***

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- [Mosaic](#)
- [Avenue to Learn](#)
- [Student Accessibility Services - Accommodations](#)
- [McMaster University Library](#)

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## ***COURSE LEARNING OUTCOMES***

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Upon successful completion of this course, students will develop an understanding of:

- The role of finance in driving social and environmental outcomes.
- The development, application, and limitations of metrics and standards for evaluating ESG performance.
- Responsible investing strategies and ESG-related financial products.
- The dynamics among key stakeholders and the opportunities for future progress in sustainability.
- Corporate sustainability risks and opportunities through a financial lens.
- The tensions between stakeholder and shareholder value in corporate decision-making.

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## ***REQUIRED MATERIALS AND TEXTS***

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### **Required:**

Course Materials Are Available on Avenue to Learn

- <http://avenue.mcmaster.ca>

All readings will be provided on Avenue.

To complete the two case study assignments, you will need to purchase the cases through Harvard Business Publishing. Prices may vary by case; as a reference, the cases used in the previous year were priced at \$7.90 and \$4.95, respectively.

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## ***CLASS FORMAT***

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This is an in-person, three-hour course. Each session typically combines lectures, case studies with in-depth discussions, and applied exercises, though the sequence may vary from week to week.

Please note that there are no tutorials associated with this course.

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## ***COURSE EVALUATION***

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Your learning in this course takes form primarily through in-class discussions, two case studies, and two assignments. Both the case studies and the assignments will be completed in groups of 5.

Since all group members will receive the same grade, it is the group's responsibility to:

- Form their team within the same section (e.g., C01) at the beginning of the course and collaborate throughout the semester on all group projects. Students who have not joined a group by the formation deadline will be randomly assigned by the TA to groups with fewer than five members. Groups with fewer than five members may be subjected to member additions.
- Ensure a fair and equitable distribution of workload among group members.
- Make reasonable efforts to communicate effectively, manage group conflicts, and leverage each member's strengths.
- In the event of a group dispute, promptly raise and document the issue with the instructor by completing peer evaluations. To initiate the formal peer evaluation process, please contact the

TA. Each member of the disputed group must complete the evaluation form and provide documented evidence of reasonable efforts made to resolve the conflict.

- Refer to the Group Policy for guidance on conflict resolution and the peer evaluation procedure.

Please note that the instructor reserves the right to adjust individual grades based on the results of peer evaluations in the event of a documented group dispute.

There will be **no mid-term or final exam** in this course.

Your final grade will be calculated as follows:

### Components and Weights

Case Study #1 (Group)	15%
Assignment #1 (Group)	20%
Case Study #2 (Group)	15%
Assignment #2 (Group)	30%
Class Participation (Individual)	20%

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## ***COURSE DELIVERABLES***

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### ***Individual Class Participation (20% weight)***

Active individual participation is essential to making this course a dynamic and engaging learning experience for everyone. Environmental and social issues are better understood through the exchange of diverse perspectives. Attendance at all in-class lectures is required. Marks will be awarded based on attendance, individual contributions to discussions, and completion of in-class exercises conducted through Top Hat.

Only absences submitted through the McMaster Student Absence Form (MSAF) will be accepted for missed participation activities. Please note that Top Hat questions are geo-fenced, and students must be physically present in class to receive credit.

The number of Top Hat questions will vary by class, which may result in differences in grade allocation. To receive full marks, students are expected to provide thoughtful and well-reasoned responses that demonstrate genuine effort in addressing each in-class question. The instructor will conduct spot checks and reserves the right to invalidate any responses that are non-informative or show insufficient effort.

### ***Case Studies (30% weight in total)***

You will complete two group case studies, each contributing 15% to your final grade. For each case, you will prepare a concise written report addressing the problem outlined. The report should be limited to three single-spaced pages, with an optional appendix for supporting tables, figures, or other relevant materials. The purpose of the case studies is to develop critical thinking and promote the practical application of course concepts to real-world situations. Reports will be evaluated based on the depth of analysis, clarity of argumentation, and soundness of reasoning.

### ***Group Assignment #1 (20% weight)***

In groups of 5, you will construct an investment portfolio composed of stocks that align with your principles of responsible investing. The objective of this assignment is to evaluate the portfolio in terms of its alignment with your values, its societal impact, and its financial performance. In a written report, you will describe the portfolio's ESG characteristics, explain how it achieves social responsibility, assess its risk/return profile, and analyze any financial overperformance or underperformance. Based on your findings, you will determine whether the portfolio is suitable for investors with financial motives, social motives, or both, and provide clear, well-supported recommendations. The report should be concise, limited to five single-spaced pages, with an additional appendix if needed.

### ***Group Assignment #2 (30% weight in total)***

In groups of 5, you will complete a project analyzing the sustainability policies of a publicly traded company. This project consists of two components: a 10-minute presentation worth 10% of your grade and a written report worth 20%. The written report should be limited to seven single-spaced pages, with an additional appendix if needed. Your task will be to select a publicly traded company, evaluate its current sustainability policies, and assess their appropriateness. Based on your findings, you will propose policy changes designed to ultimately enhance the company's shareholder value. These recommendations should incorporate course materials and address the roles of industries, investors, customers, and other relevant stakeholders. You should also include suggestions for how to integrate these policies with your corporate strategy (e.g., create incentives for the management).

The due dates for all group deliverables are outlined below:

<b>Deliverables</b>	<b>Due Dates</b>	<b>Corresponding Week</b>
Case Study #1	February 6, 2025	Week #5
Assignment #1	March 6, 2025	Week #8
Case Study #2	March 20, 2025	Week #10
Assignment #2	Week 12 In-Class Presentations Slides – March 28, 2025 Report – April 12, 2025	Week #12

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## ***LATE ASSIGNMENTS***

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In-class work cannot be submitted after the class is over. Make sure you upload your answers on Top Hat before you leave the classroom.

At the discretion of the instructor, late group assignments will be subject to a penalty of 10% per full or partial day, including weekends and holidays, up to maximum of three days. Note that an assignment submitted after the 3rd calendar day will be assigned a grade of zero.

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## ***REQUESTING RELIEF FOR MISSED ACADEMIC WORK***

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In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar [“Requests for Relief for Missed Academic Term Work”](#) and the link below\*;

<http://ug.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

Note:

- Missed Top Hat responses will receive a grade of zero unless the student has submitted and been approved for a MSAF.
- MSAF does **not** grant extensions for group assignment or case study deadlines. All group members are responsible for meeting the established due dates.

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## ***COMMUNICATION AND FEEDBACK***

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Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. The instructor will aim to respond to emails within 48 hours.

All students must receive feedback accounting for at least 10% of their final grade prior to March 27, 2025, which is the final date to withdraw from course without failure by default.

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

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### ***COURSE MODIFICATION***

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From time to time there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

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### ***GENERATIVE AI***

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Students may use generative AI for brainstorming, editing, and revising their work throughout the course so long as the use of generative AI is referenced and cited following citation instructions given in the syllabus. Use of generative AI outside the stated use of brainstorming, editing, and revising without citation will constitute academic dishonesty. It is the student's responsibility to be clear on the limitations for use and to be clear on the expectations for citation and reference and to do so appropriately.

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### ***ACADEMIC INTEGRITY***

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You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. **It is your responsibility to understand what constitutes academic dishonesty.**

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one's own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

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### ***AUTHENTICITY/PLAGIARISM DETECTION***

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This course uses a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. Students will be required to submit their work electronically on Avenue to Learn for verification against plagiarism through Turnitin.com.

Students who do not wish their work to be submitted through Turnitin must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software. **All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster's use of Turnitin.com please go to [www.mcmaster.ca/academicintegrity](http://www.mcmaster.ca/academicintegrity).

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### ***COURSES WITH AN ON-LINE ELEMENT***

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This course uses Avenue to Learn. Students should be aware that, when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

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### ***CONDUCT EXPECTATIONS***

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As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the "Code"). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students' access to these platforms.



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## ***ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES***

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Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or [sas@mcmaster.ca](mailto:sas@mcmaster.ca) to make arrangements with a Program Coordinator. For further information, consult McMaster University's [Academic Accommodation of Students with Disabilities](#) policy.

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## ***ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)***

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Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office ***normally within 10 working days*** of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

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## ***COPYRIGHT***

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Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors. Case study materials are provided exclusively for instructional use and are protected by copyright. Redistribution of these materials in any form is strictly prohibited.

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## ***EXTREME CIRCUMSTANCES***

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The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, Avenue to Learn and/or McMaster email.

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### ***ACKNOWLEDGEMENT OF COURSE POLICIES***

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Your enrolment in Commerce 3FL3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

## COURSE SCHEDULE

### Commerce 3FL3 – Sustainable and Social Finance Winter 2026 Course Schedule

Week	Class	Lecture Theme	Concept Coverage	Case Application
1	Jan 5-9	Introduction to sustainability and sustainable finance	<ul style="list-style-type: none"> <li>Sustainability challenges</li> <li>Role and limitations of key stakeholders</li> <li>What is sustainable finance?</li> </ul>	<ul style="list-style-type: none"> <li>Novo Nordisk: A Commitment to Sustainability</li> </ul>
2	Jan 12-16	Corporate perspective to sustainability I	<ul style="list-style-type: none"> <li>Challenges to integrating sustainability into financial decisions</li> <li>What is CSR?</li> <li>Corporate purpose and dilemma surrounding CSR</li> </ul>	<ul style="list-style-type: none"> <li>Nike: Sustainability and Labor Practices</li> </ul>
3	Jan 19-23	Corporate perspective to sustainability II	<ul style="list-style-type: none"> <li>Value creation of CSR</li> <li>Long-term vs. short-term value horizon</li> <li>Dual materiality</li> <li>Putting sustainability to practice</li> </ul>	<ul style="list-style-type: none"> <li>Growing a global forest: Ant Financial, Alipay, and the Ant Forest</li> </ul>
4	Jan 26-30	Corporate perspective to sustainability III	<ul style="list-style-type: none"> <li>“Incentivizing” sustainable finance</li> <li>External and internal stakeholder pressure</li> </ul>	<ul style="list-style-type: none"> <li>Reckitt Benckiser: The Role of CEO Pay</li> </ul>
5	Feb 2-6	ESG disclosures and measurements	<ul style="list-style-type: none"> <li>Issuers and users</li> <li>ESG reporting, standards, and mandates</li> <li>ESG ratings and associated challenges</li> <li>ESG measurements to impact measurements</li> </ul>	<ul style="list-style-type: none"> <li>Impaakt: Crowdsourcing better ESG ratings</li> </ul>
6	Feb 9-13	Responsible investing I	<ul style="list-style-type: none"> <li>What is SRI?</li> <li>Portfolio optimization with ESG</li> <li>SRI strategies and evolution</li> </ul>	<ul style="list-style-type: none"> <li>Towards a 1.5°C world: How sustainable finance decarbonized portfolios</li> </ul>
7	Feb 23-27	Responsible investing II  <b>Guest Speakers:</b> <i>Suchorita Sen</i> <i>Managing Director, Corporate Finance, UPP</i> <i>Brian Minns</i> <i>Senior Managing Director, Responsible Investing, UPP</i>	<ul style="list-style-type: none"> <li>Responsible investing in practice</li> <li>Responsible investing and its financial performance</li> </ul>	<ul style="list-style-type: none"> <li>University Pension Plan Ontario</li> </ul>

Week	Class	Lecture Theme	Concept Coverage	Case Application
8	Mar 2-6	Responsible investing III	<ul style="list-style-type: none"> <li>ESG integration into equity investing</li> <li>Explaining ESG and stock price</li> <li>The rise of SRI and emerging resistance</li> </ul>	<ul style="list-style-type: none"> <li>BlackRock's ESG investment dilemma: Managing stakeholder differences</li> </ul>
9	Mar 9-13	Responsible stewardship  <b>Guest Speaker:</b> <i>Jessica Carradine</i> <i>Senior Analyst</i> <i>Investors for Paris Compliance</i>	<ul style="list-style-type: none"> <li>Investor activism in ESG</li> <li>Institutional commitment to stewardship</li> <li>Voice vs. exit in ESG</li> </ul>	<ul style="list-style-type: none"> <li>Divesting Harvard's Endowment</li> </ul>
10	Mar 16-20	Impact investing  Financial inclusion	<ul style="list-style-type: none"> <li>Key features of impact investment</li> <li>Financial returns and social impact</li> <li>Challenges to impact investing</li> <li>What is financial inclusion?</li> <li>Microfinance</li> <li>Technology development and financial inclusion</li> </ul>	<ul style="list-style-type: none"> <li>International Finance Corporation</li> <li>Ant Financial: The Road to Financial Inclusion in China through QR Codes and Technology-as-a-Service</li> </ul>
11	Mar 23-27	Responsible lending  <b>Guest Speaker:</b> <i>Dana Krechowicz</i> <i>Director, Sustainable Finance</i> <i>Scotiabank</i>	<ul style="list-style-type: none"> <li>Does ESG matter to bonds?</li> <li>ESG integration into bonds</li> <li>GSSS+ bonds</li> <li>Incentives associated with green bonds</li> <li>Bond pricing</li> </ul>	
12	Mar 30-Apr 3	Class Presentation		
13	Apr 6	Optional office hours		