SUST 1101 – Environmental, Social, and Governance Fundamentals

School:	**Academy of Interdisciplinary Studies**
Subject Area:	**Sustainability**
Course Credit:	**3**
Instructor:	**ZHOU Zoey Yiyuan**
Pre-requisite/co-requisite:	**Nil**

Notes:

- The syllabi provided here is for reference only and may be subject to changes and adjustments as determined by the course instructors.

Environmental, Social, and Governance Fundamentals

Course Code: SUST 1101   Level: Undergrad   Semester: 2025 Spring

Instructor: Prof. Zoey Zhou, zoeyzhou@ust.hk

TA1: Han Lv, hlvaa@connect.ust.hk
TA2: Chouyue Huang, chuangbn@connect.ust.hk

(Please send your questions to the instructor and copy the TA)

Time: TuTh 09:00 AM - 10:20 AM
Classroom: LG3009, Lift 10-12

Office Hours: Th 10:30 - 11:00 AM
(Students are encouraged to request a meeting during office hours by email in advance.)

Course Description

This course provides a comprehensive introduction to Environmental, Social, and Governance (ESG) considerations in business decision-making. Students will explore how ESG factors drive corporate sustainability, influence financial markets, and shape regulatory landscapes. The course incorporates real-world case studies, industry insights, and hands-on assignments to cultivate critical thinking, analytical skills, and a deep understanding of the evolving ESG ecosystem.

Learning Objectives

By the end of this course, students will be able to:

- Define key ESG concepts and explain their role in corporate sustainability.

- Analyze environmental risks and business strategies related to climate change, resource management, and ecological impact.

- Evaluate the social responsibilities of businesses, including diversity, labor rights, and community engagement.

- Assess corporate governance mechanisms and their impact on ethical business conduct and long-term value creation.

- Apply ESG metrics to evaluate corporate performance, risk management, and investment decision-making.

- Formulate ESG-aligned business strategies to address emerging challenges and opportunities.

Course Modules Overview

- **Module 1: Introduction to ESG**

  Environmental, Social, and Governance (ESG) principles have become critical in shaping modern business strategies and investment decisions. This module provides a foundational understanding of ESG, exploring its historical evolution, key milestones, and the growing role of sustainability in corporate decision-making. It delves into the global trends driving ESG adoption, such as regulatory changes, investor demand, and societal expectations. Additionally, the module discusses major regulatory frameworks, including international standards and country-specific policies, highlighting why ESG matters for businesses, investors, and society as a whole.

- **Module 2: Environmental Dimension**

  Climate change, carbon footprint reduction, resource efficiency, and biodiversity conservation are now top priorities for organizations worldwide. This module examines the pressing environmental challenges businesses face and the strategies they adopt to mitigate their impact. It covers sustainable business models, circular economy practices, renewable energy adoption, and corporate commitments to net-zero emissions. Furthermore, it explores the importance of regulatory compliance, environmental reporting, and transparency, emphasizing how organizations can enhance their sustainability performance while maintaining competitiveness in an increasingly eco-conscious market.

- **Module 3: Social Dimension**

  Companies today are expected to go beyond profits and actively contribute to social well-being. This module explores key social factors such as labor rights, workplace diversity, consumer protection, and ethical supply chain management. It discusses the role of corporate social responsibility (CSR) and stakeholder engagement in building trust and long-term value. By analyzing real-world case studies, students will understand how organizations navigate complex social issues, implement inclusive policies, and address emerging challenges like employee well-being, mental health, and fair wages in a globalized economy.

- **Module 4: Governance Dimension**

  Strong governance is at the core of sustainable and ethical business operations. This module examines corporate governance structures, board composition, ethical leadership, and executive compensation. It highlights best practices in risk management, regulatory compliance, and corporate accountability. Students will explore high-profile governance failures, the role of whistleblowing policies, and the impact of poor governance on financial performance and reputation. The discussion also includes emerging

governance trends, such as increased transparency in decision-making and the role of AI in corporate oversight.

- **Module 5: ESG Management and Investment**

  Investors are increasingly considering ESG factors when making financial decisions. This module provides an in-depth look at how ESG is integrated into investment strategies, its impact on financial performance, and the evolving landscape of sustainable finance. Topics include ESG ratings, sustainability reporting, green bonds, transition finance, and climate-related risk assessment. Additionally, students will explore the latest regulatory trends, including ISSB standards and the growing role of ESG in shaping global financial markets. Practical insights on responsible investing and portfolio management will help students apply ESG principles in real-world investment scenarios.

- **Module 6: Emerging ESG Trends and Industry Perspectives**

  As ESG continues to evolve, new trends and innovations are shaping the future of sustainability. This module covers groundbreaking developments such as the rise of Anti-ESG, green fintech, AI-driven ESG analytics, and the transition towards a circular economy. Students will gain insights into emerging regulatory frameworks and their impact on businesses worldwide. Interactive elements, including student presentations and guest lectures from industry leaders, will provide practical perspectives on current ESG challenges and opportunities. By the end of this module, students will be equipped with forward-thinking strategies to navigate the future ESG landscape effectively.

Guest Lecturers

This class features industry practitioners who will provide real-world insights. Experts include:

- Integrated Assessment Models (IAMs)

- ISSB

- ESG Rating

- Stakeholder Engagement

- Environmental Law

- Sustainable Investment

Assessment and Grading

Component	Percentage of Final Grade
Class Participation	10% (starting from week 3)
Midterm Exam (Multiple Choice)	20%
Group Project	30%
Final Project	40%

Final Grade Descriptors

Grade	Description
A	Excellent performance with deep understanding and critical analysis.
B	Good performance, demonstrating strong comprehension and analysis.
C	Satisfactory performance, showing adequate understanding.
D	Marginal pass, with basic knowledge and limited critical analysis.
F	Failing grade, demonstrating insufficient understanding and engagement.

Course Policies

- **AI Policy:** Generative AI tools may be used for research purposes, but students must write Assignments I and II in their own words.

- **Communication and Feedback:** Assessment marks will be communicated via Canvas within two weeks. Students should consult instructors within five working days if they have feedback concerns.

- **Late Submission Policy:** Under exceptional circumstances, late submissions may be allowed except for the Group Presentation in Week 13. Requests must be made in advance.

- **Academic Integrity:** Students must adhere to the university's academic integrity policy. Plagiarism and academic misconduct are strictly prohibited.

Time Table

Classes	Important Notes
1. Feb 4	
2. Feb 6	
3. Feb 11	
4. Feb 13	
5. Feb 18	**Group Research:** Finalize group assignments (Feb 18)
6. Feb 20	**Group Research:** Draw presentation order (Feb 20).
Feb 24	**Group Research:** Submit presentation slides BEFORE 24:00.
7. Feb 25	**Group Research:** Group presentations in class.
8. Feb 27	**Group Research:** Group presentations in class.
9. Mar 4	
10. Mar 6	
11. Mar 11	
12. Mar 14	
13. Mar 18	
14. Mar 20	
15. Mar 25	
16. Mar 27	
Mid-term Break	—
17. Apr 8	**Mid-Term:** In class exam 20 min. **Final Project:** Submit group list to TAs.
18. Apr 10	
19. Apr 15	
20. Apr 17	
21. Apr 22	
22. Apr 24	
23. Apr 29	**Final Project:** Draw final project presentation order.
Holiday	—
May 5	**Final Project:** Submit presentation slides BEFORE 24:00.
24. May 6	**Final Project:** Group presentations in class.
25. May 8	**Final Project:** Group presentations in class.

Assignment: Group Research on ESG Reports

Group Formation

Form groups of 6-7 students per group. Each group will be assigned to analyze and compare the ESG reports of three companies within the same industry from a pre-selected list of industry groups. Each group will focus on the "Environmental" section of the ESG reports.

- – Tesla, BYD, Volkswagen

- – Apple, Huawei, Siemens

- – Delta Airlines, China Southern Airlines, Airbus

- – ExxonMobil, PetroChina, Royal Dutch Shell

- – JPMorgan Chase, Industrial and Commercial Bank of China, Deutsche Bank

- – Brookfield Property Partners, Vanke, Simon Property Group

- – Walmart, Alibaba, Inditex

- – China Mengniu Dairy, Nestlé, Coca-Cola

- – Unilever, Procter & Gamble, L'Oréal

- – Verizon, China Mobile, Vodafone

- – Intel, SMIC, ASML

- – Johnson Johnson, WuXi Biologics, Novartis

- – NextEra Energy, Goldwind, Vestas

- – FedEx, SF Express, DHL

Focus Area: "Environmental" (E) Section

The primary focus of the analysis is on the "Environmental" section of the ESG reports, which includes areas such as:

- – Carbon footprint and emissions reduction efforts

- – Waste management and recycling practices

- – Resource usage and efficiency (e.g., water, energy)

- – Biodiversity and conservation initiatives

- – Sustainable products and services

- – Other relevant environmental strategies

These are examples of key areas to consider. You should adapt the analysis to reflect the specific context of the industry and companies you are examining.

Comparison and Analysis

– Compare the "Environmental" section of each company's ESG report.

– Identify similarities and differences in their strategies and goals related to environmental sustainability.

– Analyze the strengths and weaknesses of each company's approach to environmental issues.

– Discuss the transparency and comprehensiveness of the information provided.

Deliverables

Prepare a 10-minute presentation with a 2-minute Q&A session that includes:

1. Introduction to the industry and the selected companies.

2. Comparison of the "Environmental" sections of the three ESG reports.

3. Key findings and analysis of the environmental practices.

4. Conclusion summarizing the group's insights and recommendations.

Timeline

– February 18: Finalize course group assignments.

– February 20 (Class session): Draw and confirm the order of group presentations.

– February 24: Submit slides for the presentation.

– February 25 & February 27: Group presentations in class.

Grading Criteria

– 60% Student Evaluation

– 30% Lecturer Evaluation

– 10% Teamwork Evaluation

Final Project: ESG Fund Design and Presentation

Group Formation

Each group (6-7 students) will design an ESG investment fund, with no restrictions on the specific investment direction (equities, bonds, etc.).

Fund Design

Each group must define the following key elements of their ESG investment fund:

- **Investment Strategy:** Define asset classes, ESG criteria, and company screening.

- **Governance:** Explain fund management and engagement with companies.

- **Risk Management:** Outline how ESG-related risks and non-ESG risks will be handled.

- **Performance & Fees:** Define the expected return, investment horizon, and fee structure.

Deliverables

Prepare a 10-minute pitch with a 2-minute Q&A session that includes an overview of the fund, investment strategy, governance, risk management, and performance. The format will be a pitch to classmates and the lecturer as potential investors.

Timeline

- April 6: Finalize course group assignments.

- April 29 (Class session): Draw and confirm the order of group presentations.

- May 5: Submit slides for the presentation.

- May 6 & May 8: Group presentations in class.

Grading Criteria

- 60% Student Evaluation

- 30% Lecturer Evaluation

- 10% Teamwork Evaluation

This syllabus is subject to modifications as needed to support student learning and engagement.