

ESG, Sustainability and Environmental Economics

Mini-semester: 6

Cooper building- classroom 214

Class Meeting times – Fridays 09:00-13:00 29/10/22-16/12/22

Teaching Staff:

Instructor: Michal Fonea Alexandron michalfonea@gmail.com 0545-797963

Office Hours: by appointment

Credits: [points]

Study hours per week: 4 hours per week in attendance, 1 hour reading and preparing

Course Goals and Description

This course's overarching objective is to familiarize students with the global discourse and mindset-shift towards sustainability along, and around, the chain of investment (from corporate level through investors to policy makers).

The course will examine issues with classic economic theory, will go through basic concepts of environmental economics which address these issues and will cover practical, real-life changes and emerging trends happening rapidly in markets today and reshaping the business landscape.

ESG (Environmental, Social and corporate Governance issues) has emerged in the last decade as a paradigm for mainstream investors to act responsibly and in the last three years has become an industry standard and, in some geographies, a mandatory management tool. This course will cover the ins and outs of ESG, its advantages and its drawbacks and will encourage students to think critically and in a forward looking way about it.

The course will also touch Impact investment and corporate metrics.

The course will host senior guest lecturers who specialize in specific topics (See course schedule below).

The objectives of this course are threefold:

- (1) Knowledge acquisition- Understanding concepts; methodologies, metrics, and ratings in the sphere of environmental economics, ESG and corporate sustainability.
- (2) Overarching ecosystem understanding – understanding the big picture and interdependencies within it- exposing the incentives behind players within the ecosystem and how their un-

coordinated action is fueling change in different directions. end-users. The course offers relevant tools and methods for each of the six stages.

- (3) Implementation: adjusting strategies and future proofing organisations and ventures to comply with and prepare for a business environment that values the environment.

Learning Outcomes

- The student will have an overarching understanding of global and local trends in the fields of sustainability and ESG and their impact on their ventures.
- The student will have practical knowledge on how to implement ESG considerations and measurements into their line of business.
- The student will be literate in sustainability concepts and definitions, and able to follow trends and developments independently.
- The student will devise a strategy for their line of business OR uncover a relevant case study.

Course Content/Topics

The course will broadly cover the following topics and concepts among others:

Anthropocene and climate change, Classic economics incentives, Circular economy, Doughnut economy, Product as service, You manage what you measure, Materiality, Tragedy of the commons, Externalities, GDP alternatives, Carbon footprint, Carbon Trading, Sustainability standards, ESG- Screening, active ownership, ESG reporting, ESG ratings and rating agencies, Impact , SDGs , Process-output- outcomes, Corporate responsibility, sustainable development, Triple bottom line, UN climate negotiations, Policy and regulations, Corporate law- Legal implications for corporates and executives, Civil society- grassroots action, Israel Regulation and civil society

Assignments and Grading Procedures

Course assignments will consist of one course assignment to be submitted during the course (2 pager) which will account for 15% of the course grade and a final presentation to be presented at the end of the course which will account to 85% of the final course grade.

The final assignment would be a presentation of a strategy to implement ESG in the Student's line of business or to present a case study of ESG implementation where not applicable.

Course Schedule

28/10	<p>Introduction to sustainability: Concepts and definitions Players in the ecosystem History of Climate Change discourse and Mindshift in economic thinking Sustainable development, Carbon Markets and circular economy</p>
04/11	<p>Chain of investments: Materiality Spectrum of investments traditional-philanthropy What is ESG? How asset owners and investment managers, pension funds, insurance companies and institutional investors drive ESG voluntarily? How private equity and VCs fit in? How does this affect Corporates and start ups?</p> <ul style="list-style-type: none"> • Introduce first assignment*
11/11	<p>The corporate level: What corporates need to measure, manage and report to satisfy investors, regulators and NGOs? Reporting frameworks overview</p> <p>GUEST SPEAKER: Mor Stoller, head of ESG at Entropy</p> <p>Civil Society: How NGOs, activist groups and the media shape the pressures on investors and corporates?</p>
18/11	<p>Policy and regulations: Trends in global legislation, regulation and policy in ESG and sustainability, role of governments VS role of investors. Mandatory VS Voluntary and trends going forward.</p> <p>GUEST SPEAKER: Will Martindale, Group Head of sustainability at Cardano UK (ex Head of Policy at UNPRI)</p> <p>Overview of regulation and policy shifts in Israel</p>

	<ul style="list-style-type: none"> • Introduce final assignment*
25/11	<p>Data and information in the ecosystem: ESG rating and rating agencies. Methodologies, data used and problems.</p> <p>GUEST SPEAKER: Carla Shuchman, ESG manager at TEVA pharmaceuticals</p> <p>Debt tools: Green Bonds , Social Bonds and Sustainability linked bonds</p>
02/12	<p>Legal obligations Managers' and executive board's legal responsibility over ESG issues</p> <p>Ultra-long term Beyond ESG and compliance, how to utilize concepts from behavioural economics and ancient cultures to ensure an economic system that supports future generations</p>
09/12	<p>ClimaTECH- Innovations and gaps in sustainability markets</p> <p>Student Presentations</p>

About Michal Fonea Alexandron:

Michal Fonea Alexandron is an ESG and long term investments expert, who manages a portfolio of energy and infrastructure companies in Europe and Eastern Europe. She heads the Business Impact Forum at the Hurvitz Institute for Strategic Management at Tel Aviv University and heads the *ESG for Growth* course for Directors and Managers at Tel Aviv University. She is also the Chair of trustees of Oxford University's Climate Alumni Network (OXCAN). She advises investors, start ups and government bodies about ESG (recently advised the Bank of Israel, Israel Sovereign Wealth fund and Israel General Accountant).

Michal had previously acted as a senior manager of Networks and Global Outreach and manager of Reporting and Assessment at the United Nations backed Principles for Responsible investments in London (PRI - UNPRI.ORG) where she developed, together with institutional investors, the global reporting standard for ESG investments. She holds a Master's degree (Msc) in Environmental policy from the University of Oxford and a BA in Philosophy, Politics and Economics (PPE) from the Hebrew University.