

## RESPONSIBLE INVESTING

ACADEMIC YEAR 2011-2012

### At a glance

- Title: “Responsible investing”
- Program: MSC DD
- Course proposed by: SNO
- Duration: 6 sessions \* 3 hours (18 hours)
- Language: English
- Instructors:
  - Diane-Laure Arjaliès (arjalies@hec.fr)
  - Afshin Mehrpouya (mehrpouya@hec.fr)

### Presentation and pedagogical purposes

#### Objectives

The course provides a strategic and technical understanding of the investment risks and opportunities related to the environment and social performance of the firms. The course attempts to provide coverage of the following topics:

- The history and evolution of responsible investments.
- Environmental and social risk and opportunity categories of the investment portfolios.
- Responsible investment markets place; the major product and investor categories.
- Different mechanisms used by investors to change firms’ environmental and social behavior.
- The responsible investment process and the types of careers that can be pursued in this area.

#### Course Audience

This course is suitable for students seeking careers in investment management who want to achieve a better understanding of the environmental and social portfolio risks and opportunities. It can be equally of interest to students specifically interested in or curious about responsible investments and thematic investments around the environmental and social issues.

### Format of the course

The course is designed in a highly interactive format. Building on a rich and up-to-date reading pack, it will benefit significantly from students’ insights and inputs. In addition, several presentations by relevant professionals from well-known French and international responsible investment organizations are included in the program.

## Content

### Session 1 – 10/10/2011: Introduction

#### Readings:

- Russell S.R. and Cowton C.J. (2004), “The Maturing of Socially Responsible Investment: A Review of the Developing Link with Corporate Social Responsibility” *Journal of Business Ethics*, Vol. 52, No. 1, p.45-57.
- McKinsey Study “Valuing corporate social responsibility”, 2009

### Session 2 – 17/10/2011: Socially Responsible Investment

#### Readings:

- Sandberg J. et al. (2009), ‘The Heterogeneity of Socially Responsible Investment’, *Journal of Business Ethics*, Volume 87, p.519-233
- Acquier, A. and F. Aggeri (2007), ‘The Development of a CSR Industry: Legitimacy and Feasibility as the two Pillars of the Institutionalization Process’, in *Managing CSR in action – Talking, doing and measuring*, Editions Ashgate.

### Session 3 – 24/10/2011: Overview of portfolio environmental and social risks

#### Readings:

- Bekefi, Jenkins, Kytly; 2006; Social risks as strategic risks [http://ksgbbs.harvard.edu/m-rcbg/CSRI/publications/workingpaper\\_30\\_bekefieta.pdf](http://ksgbbs.harvard.edu/m-rcbg/CSRI/publications/workingpaper_30_bekefieta.pdf)
- Marquez, Fombrun 2006; Measuring Corporate Social Responsibility <http://reputationinstitute.com/crr/V07/Markuez.pdf>

### Session 4 – 7/11/2011: Integrating E&S issues in portfolio management practices: some daily challenges

#### Case study to prepare:

- Driving Sustainability at Bloomberg L.P., Christopher Marquis, Daniel Beunza, Fabrizio Ferraro, Bobbi Thomason, Harvard Business Case (2010)

### Session 5 – 21/11/2011: Engagements aimed at improving environmental and social risk management

#### Readings:

- Parts II and III - UNEPFI - Legal and practical aspects of integrating environmental, social and governance issues into institutional investment <http://www.unepfi.org/fileadmin/documents/fiduciaryII.pdf>

- C.Girard; 2008; Comparative study of successful French and Anglo-Saxon shareholder activism; <http://ead.univ-angers.fr/~granem08/IMG/pdf/CGirard.pdf>

Case study to prepare:

- Asian Agri and the Future of Palm Oil, David E. Bell, Natalie Kindred, Harvard Business Case (2010)

## Session 6 – 24/11/2011: Students Presentations

### Evaluation

- Participation/behavior in class: 30%
- Preparation of a case study (either in session 4 or in session 5): 30%
  - Team of 4 or 5 to be identified at the first or second session
  - PPT (8>10 slides) to be sent before the beginning of the chosen session
- Thesis: 40%
  - Team of 4 or 5 (same team as for the case study) on a topic in relation to RI and consists of almost 15 pages – 1.5 space – 12 font
  - Students must choose their topic at the first or second session and will present the results of their study at the last session of the course (PPT encouraged to support the presentation – 15/20 minutes maximum)