COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Sustainable Finance	

Academic staff	Core academic unit(s)
Coordinating: Eivilė Čipkutė	Vilnius University, Faculty of Economics and Business Administration

Study cycle	Type of the course unit
First cycle	Elective

Mode of delivery	Semester or period when it is delivered	Language of instruction
Lectures and seminars (contact work)	Spring semester	English

Requisites	
Prerequisites: Recommended prior completion of finance and/or economics courses. No mandatory prerequisites.	Co-requisites (if relevant): None.

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	48	82

Purpose of the course unit		
To introduce students to the concept, origins and principles of sustainable finance, ESG factors, and international and EU sustainable finance regulation; to develop understanding of sustainable financial instruments and initiatives; and to build the ability to apply acquired knowledge when analysing companies and financial institutions and making responsible investment decisions.		
Learning outcomes of the course unit	**Teaching and learning methods**	**Assessment methods**
Students will be able to explain the concept, objectives, operating principles, historical development and main theoretical approaches to sustainable finance.	Lectures, seminars, individual and group work, case studies, preparation and presentation of a group assignment, discussions.	Interim assessment (22 multiple-choice and 3 open-ended questions, topics 1–7); group assignment preparation and presentation; participation in lectures and seminars (up to 5 bonus points); final examination (35 multiple-choice and 5 open-ended questions, all topics).
Students will be able to identify and assess the principal ESG risks and opportunities across different sectors, explain their relationship to companies' financial performance and sustainable finance.		
Students will be able to describe and compare key international and EU sustainable finance initiatives and regulatory measures and their impact on financial markets.		
Students will be able to distinguish and explain different sustainable investment strategies (responsible investing, ESG, impact investing, etc.), their related financial instruments, their effects on		

sustainability objectives and the associated risks.		

Content	Contact hours							Individual work: time and assignments	
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship	**Contact hours, total**	**Individual work**	**Tasks for individual work**
1. Sustainable finance: definition, key elements, principles, main sustainable finance instruments, benefits, global initiatives, challenges and future prospects.	2		1				3	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 3–48; Information as a Driver of Sustainable Finance, pp. 39–73; Sustainable Finance and Financial Crime, pp. 3–61, 141–161; Sustainable Finance Fundamentals, pp. 14–36.
2. United Nations Sustainable Development Goals: concept, importance, implementation mechanisms through sustainable finance, and main challenges.	2		1				3	2	Sustainable Finance and Financial Crime, pp. 3–39, 165–188, 247–266; Štreimikienė, A. Mikalauskienė, G. Burbaitė (2023), The role of sustainable finance in achieving sustainable development goals, Economics & Sociology 16(1), 2306–3459.
3. History of sustainable finance: early ethical investing, socially responsible investing, ESG and sustainable finance evolution, sustainability-related initiatives and the changing role of financial markets.	2		1				3	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 3–21, 552–572; The Cambridge Global Handbook of Financial Infrastructure, pp. 274–284; Sustainable Finance and Financial Crime, pp. 41–61, 141–161.
4. Principles of sustainable finance: environmental and social impact, high-quality governance, risk management, links between innovation and sustainable finance.	2		1				3	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 22–41, 51–79, 251–279; Sustainable Finance and Financial Crime, pp. 3–61, 83–140, 267–287; Principles of Sustainable Finance, pp. 39–179.
5. Environmental dimension of sustainable finance: key environmental aspects (climate change, resource use, pollution, biodiversity, etc.), related risks and mitigation strategies, measurement indicators and sector examples.	3		1				4	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 22–41, 473–525, 643–685; The Cambridge Global Handbook of Financial Infrastructure, pp. 274–284; Sustainable Finance and ESG, pp. 91–145; Sustainable Finance and Financial Crime, pp. 41–105.
6. Social responsibility dimension of sustainable finance: key social responsibility areas (employee rights and safety, diversity and inclusion, human rights, etc.), related risks, mitigation strategies, measurement indicators and sector examples.	3		1				4	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 103–133, 154–186, 214–248, 712–742; The Cambridge Global Handbook of Financial Infrastructure, pp. 274–284; Sustainable Finance and Financial

									Crime, pp. 3–39, 107–126, 127–140, 165–188.
7. Governance dimension of sustainable finance: main governance elements (board composition, independence, shareholder rights, transparency, anti-corruption policy, etc.), related risks and their manifestations across sectors, governance risk mitigation strategies.	3		1				4	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 51–102, 134–186, 573–595; The Cambridge Global Handbook of Financial Infrastructure, pp. 274–284; Information as a Driver of Sustainable Finance, pp. 77–146; Sustainable Finance and Financial Crime, pp. 107–204, 267–328.
8. Interim assessment	1						1	12	Topics 1–7 (interim assessment).
9. Corporate social responsibility (CSR): main CSR areas, Carroll's pyramid and other theoretical approaches to CSR, CSR development, relationship with ESG and the role of CSR in sustainable finance.	2		1				3	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 51–153; Sustainable Finance in the Green Economy, pp. 19–46; Sustainable Finance and Financial Crime, pp. 107–161, 267–287.
10. Sustainable finance initiatives (1): Paris Agreement and its objectives, global temperature scenarios and implications, Lithuanian case, international climate and green finance initiatives (EU Green Deal, Glasgow Financial Alliance for Net Zero, G20 Sustainable Finance Working Group, etc.).	2		1				3	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 251–316, 357–380, 407–525, 552–572, 622–640; Information as a Driver of Sustainable Finance, pp. 207–321.
11. Sustainable finance initiatives (2): International Sustainability Standards Board (ISSB) – mission, characteristics and development of standards, relationship with IFRS; Task Force on Climate-related Financial Disclosures (TCFD) – objectives, four core disclosure elements, risk categories and scenario analysis; Global Reporting Initiative (GRI) – objectives, main types of standards, approach to stakeholders and materiality; comparison of sustainability initiatives.	2		1				3	2	
12. United Nations Principles for Responsible Investment (PRI): six principles, main objectives, evolution of PRI, PRI as a global initiative and its significance for sustainable finance and investor behaviour.	2		1				3	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 51–79, 280–316, 431–448.
13. Sustainable investing: responsible investing, ESG investing and impact investing — concepts and objectives, similarities and differences, principal sustainable investment strategies, advantages and challenges, impact measurement.	3		1				4	2	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance, pp. 251–316, 431–448, 643–662, 743–776; Information as a Driver of Sustainable Finance, pp. 77–203; Sustainable Finance and ESG, pp. 71–89; Sustainable Finance and Financial Crime, pp. 3–61, 83–105, 246–266.
14. Financial instruments linked to sustainability: green, social,	3		1				4	2	The Cambridge Handbook of EU Sustainable Finance Regulation,

sustainability and sustainability-linked bonds; green and sustainability-linked loans; ESG-oriented funds and ETFs; carbon markets and carbon credits; transition bonds; blue bonds; blended finance; the role of development finance institutions; social impact bonds; revenue-sharing agreements; circular economy funds; the concept of greenwashing and related topics.									Supervision and Governance, pp. 357–380, 473–551, 643–776; Contemporary Issues in Sustainable Finance, pp. 33–102; Sustainable Finance and Financial Crime, pp. 205–220, 291–328; Sustainable Finance Fundamentals, pp. 64–111.
15. Preparation of group assignment			1				1	24	Throughout the semester.
16. Group assignment presentations			2				2		Presentation during the seminar.
17. Final examination								20	All topics.
Total	32		16				48	82	

Assessment strategy	Weight %	Deadline	Assessment criteria
Interim assessment	25	26 March 2027	22 multiple-choice questions (with answer options) and 3 open-ended questions covering topics 1–7. Maximum 10 points; each question worth 0.40 points.
Group assignment	25	Prepared throughout the semester; presented during a seminar	Assessment of topic relevance and detail (50%), validity of conclusions and recommendations (20%), quality of presentation (30%). Maximum 10 points.
Participation	10	Throughout the semester	Students may earn up to 5 bonus points through active participation in lectures and seminars, with each bonus point worth 2 assessment points (maximum grade: 10). During each seminar, students may earn one bonus point by correctly answering more than half of the questions in the revision quiz.
Final examination	40	9 June 2027	35 multiple-choice questions and 5 open-ended questions covering all topics. Maximum 10 points; multiple-choice questions worth 0.2 points each and open-ended questions 0.6 points each.

Author (-s)	Publishing year	Title	Issue of a periodical or volume of a publication	Publishing house or web link
Required reading				
Alexander, K.; Gargantini, M.; Siri, M.	2025	The Cambridge Handbook of EU Sustainable Finance Regulation, Supervision and Governance	ISBN: 9781009483964; 100948396X; 9781009483957; 1009483951; 9781009483971; 1009483978	Cambridge University Press
Dion, M.	2023	Sustainable Finance and Financial Crime	ISBN: 9783031287527; 3031287525	Springer International Publishing
Gaganis, Ch.; Pasiouras, F.; Tasiou, M.; Zopounidis, C.	2023	Sustainable Finance and ESG: Risk, Management, Regulations, and Implications for Financial Institutions	ISBN: 9783031242830; 9783031242854; 3031242831	Palgrave Macmillan
Linciano, N.; Soccorso, P.; Guagliano, C.	2022	Information as a Driver of Sustainable Finance: The European Regulatory Framework	ISBN: 9783030937683; 3030937682	Springer International Publishing

Schoenmaker, D.; Schramade, W.	2019	Principles of Sustainable Finance	ISBN: 9780198826606	Oxford University Press
Vargas, C.	2024	Sustainable Finance Fundamentals	ISBN: 9781032151489	Routledge, Taylor & Francis
Recommended reading				
Ahmad, F.; et al.	2025	A comprehensive review on green finance and its impact on net zero energy transition: From the perspective of renewable energy development	Energy Strategy Reviews, 2025-11, Vol. 62, Article 101948	
Carroll, A. B.	2016	Carroll's pyramid of CSR: Taking another look	International Journal of Corporate Social Responsibility, 1(3), 1–8, Article 3	
Machado, C. H.; et al.	2025	Sustainability-Linked Bonds Research: A Bibliometric and Content Analysis Review	International Journal of Financial Studies, 13(2), 62	
Paužuolienė, J.; Derkach, V.	2024	Integrating Environmental, Social and Governance (ESG) Principles into Organisations	Regional Formation and Development Studies, 44(3), 28–37	
Sánchez-García, P. A.; et al.	2025	Climate change, nature degradation, and financial stability	Ecology and Society, 30(2), 36	
Satar, B.; et al.	2024	Green finance and Sustainable Development Goals: Is there a role for geopolitical uncertainty?	Economic Change and Restructuring, 57(4), Article 137	
Štreimikienė, D.; et al.	2023	The role of sustainable finance in achieving sustainable development goals	Economics & Sociology, 16(1), 2306–3459	
Treepongkaruna, S.; et al.	2024	ESG controversies and corporate governance: Evidence from board size	Business Strategy and the Environment, 33(5), 4218–4232	
Ziolo, M.	2019	How to Design More Sustainable Financial Systems: The Roles of Environmental, Social, and Governance Factors in the Decision-Making Process	Sustainability, 11(20), 5604	
Ziolo, M.; et al.	2021	The role of sustainable finance in achieving Sustainable Development Goals: does it work?	Technological and Economic Development of Economy, 27(1), 45–70	

Wang, J.; et al.	2024	Does institutional commitment affect ESG performance of firms? Evidence from the United Nations principles for responsible investment	Energy Economics, 130, Article 107302	