



## Course and Examination Fact Sheet: Spring Semester 2025

### 8,199: ESG Metrics and Portfolio Management

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

decentral - Written work, Digital, Group work group grade (50%)

Examination time: Term time

decentral - Written work, Digital, Group work group grade (50%)

Examination time: Term time

#### Attached courses

Timetable -- Language -- Lecturer

[8,199,1.00 ESG Metrics and Portfolio Management](#) -- English -- [Kölbel Julian](#)

#### Course information

#### Course prerequisites

Some experience with data analysis using a coding language (e.g., python, R, Stata, etc.) will be helpful. Students can join the course regardless, but are expected to invest time on their own to learn them.

#### Learning objectives

- Students can navigate ESG ratings and underlying data. Practical awareness of use cases and limitations.
- Students can develop meaningful analyses based on ESG data and present them in a professional manner.
- Students are on top of current rules and regulations in the ESG space.

#### Course content

This course is designed for students aiming to become experts in ESG data. The generation, processing, procurement, verification, and interpretation of ESG data is becoming an area that requires specialist knowledge rather than broad understanding. In the current environment with diverging ESG ratings, changing regulations, and a fast-moving market, there is a risk that professionals “hit the target but miss the point.” In this course, students can work with real data sets, look under the hood of the methodologies that generate these data sets, discover the data’s use cases and limitations, and exchange with leading experts from the field. The assignments are designed to both surface the problems that arise when working with ESG data and to develop pragmatic solutions to those problems. The ultimate goal is for students to have the capacity to cut through the complexity of ESG issues, develop a critical perspective on data, and offer pragmatic and fact-based solutions in the realm of ESG and beyond.

The structure of the course is subject to change.

#	Topic	Assignments
1	Intro to the aggregate confusion of ESG ratings	Assignment 1: Analyst Report



2	The sustainable firm: what are we trying to measure and why?	
3	Third party assessments: what do stakeholders think?	
4	How to play with carbon metrics?	
5	The social component: labor, corruption, discrimination	
6	Presentation of Company Analysis	Assignment 2: Fund Pitch
Semester Break 2 Weeks		
7	ESG incentives for top management: does it work?	
8	Open Source and Machine Learning in ESG	
9	Fund Flows and Labels: what works in the market?	
10	Regulatory Landscape: what are the rules?	
11	Conflicts of Interest in ESG reporting, auditing, and rating	
12	Presentation of ESG fund pitch	

## Course structure and indications of the learning and teaching design

- Lectures and class discussions.
- Guest lectures from renowned experts.
- Three hands-on assignments in group work.

## Course literature

Note: this is a list of relevant papers that the course draws upon, not a required reading list.



Allcott, Hunt, Giovanni Montanari, Bora Ozaltun, and Brandon Tan. 2023. "An Economic View of Corporate Social Impact." Working Paper. Working Paper Series. National Bureau of Economic Research. <https://doi.org/10.3386/w31803>.

Ardia, David, Keven Bluteau, Kris Boudt, and Koen Inghelbrecht. 2022. "Climate Change Concerns and the Performance of Green vs. Brown Stocks." *Management Science*, December. <https://doi.org/10.1287/mnsc.2022.4636>.

Avramov, Doron, Si Cheng, Abraham Lioui, and Andrea Tarelli. 2022. "Sustainable Investing with ESG Rating Uncertainty." *Journal of Financial Economics* 145 (2): 642–64. <https://doi.org/10.1016/j.jfineco.2021.09.009>.

Azarmsa, Ehsan, and Joel D. Shapiro. 2023. "The Market for ESG Ratings." SSRN Scholarly Paper. Rochester, NY. <https://doi.org/10.2139/ssrn.4236912>.

Berg, Florian, Julian F. Kölbel, and Roberto Rigobon. 2022. "Aggregate Confusion: The Divergence of ESG Ratings." *Review of Finance* 26 (6): 1315–44.

Bingler, Julia Anna, Mathias Kraus, Markus Leippold, and Nicolas Webersinke. 2022. "Cheap Talk and Cherry-Picking: What ClimateBert Has to Say on Corporate Climate Risk Disclosures." *Finance Research Letters* 47 (June): 102776. <https://doi.org/10.1016/j.frl.2022.102776>.

Binsbergen, Jules H. van, and Andreas Brögger. 2022. "The Future of Emissions." SSRN Scholarly Paper. Rochester, NY. <https://doi.org/10.2139/ssrn.4241164>.

Chatterji, Aaron, Rodolphe Durand, David I. Levine, and Samuel Touboul. 2016. "Do Ratings of Firms Converge? Implications for Managers, Investors and Strategy Researchers." *Strategic Management Journal* 37 (8): 1597–1614. <https://doi.org/10.1002/smj.2407>.

Christensen, Dane M., George Serafeim, and Anywhere Sikochi. 2022. "Why Is Corporate Virtue in the Eye of The Beholder? The Case of ESG Ratings." *The Accounting Review* 97 (1): 147–75. <https://doi.org/10.2308/TAR-2019-0506>.

Cornell, Bradford, and Aswath Damodaran. 2020. "Valuing ESG: Doing Good or Sounding Good?" SSRN Scholarly Paper. Rochester, NY. <https://doi.org/10.2139/ssrn.3557432>.

Edmans, Alex. 2022. *Grow the Pie: How Great Companies Deliver Both Purpose and Profit*. Cambridge University Press. <https://doi.org/10.1017/978-1-109-05301-3>.

Edmans, Alex. 2023. "The End of ESG." *Financial Management* 52 (1): 3–17. <https://doi.org/10.1111/fima.12413>.

ERM. 2023. "ESG Ratings at a Crossroads." <https://www.sustainability.com/globalassets/sustainability.com/thinking/pdfs/2023/rate-the-raters-report-april-2023.pdf>.

Gantchev, Nickolay, Mariassunta Giannetti, and Rachel Li. 2022. "Does Money Talk? Divestitures and Corporate Environmental and Social Policies\*." *Review of Finance* 26 (6): 1469–1508. <https://doi.org/10.1093/rof/rfac029>.

Garel, Alexandre, Arthur Romec, Zacharias Sautner, and Alexander F. Wagner. 2023. "Do Investors Care About Biodiversity?" <https://doi.org/10.2139/ssrn.4398110>.

Gibson Brandon, Rajna, Philipp Krueger, and Peter Steffen Schmidt. 2021. "ESG Rating Disagreement and Stock Returns." *Financial Analysts Journal* 77 (4): 104–27. <https://doi.org/10.1080/0015198X.2021.1963186>.

Hong, Harrison, Frank Weikai Li, and Jiangmin Xu. 2019. "Climate Risks and Market Efficiency." *Journal of Econometrics* 208 (1): 265–81. <https://doi.org/10.1016/j.jeconom.2018.09.015>.

Hsu, Po-Hsuan, Kai Li, and Chi-Yang Tsou. 2023. "The Pollution Premium." *The Journal of Finance* 78 (3): 1343–92. <https://doi.org/10.1111/jofi.13217>.

IIGCC. 2021. "Understanding Physical Climate Risks." 2021. <https://www.iigcc.org/download/understanding-physical-climate-risks-and-opportunities-a-guide-for-investors/?wpdmdl=3388&masterkey=5ec7bf8e65a02>.



IOSCO. 2021. "Environmental, Social and Governance (ESG) Ratings and Data Products Providers." <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD690.pdf>.

Karpoff, Jonathan M., Robert Litan, Catherine Schrand, and Roman L. Weil. 2022. "What ESG-Related Disclosures Should the SEC Mandate?" *Financial Analysts Journal* 78 (2): 9–18. <https://doi.org/10.1080/0015198X.2022.2044718>.

Kölbel, Julian F., Markus Leippold, Jordy Rillaerts, and Qian Wang. 2022. "Ask BERT: How Regulatory Disclosure of Transition and Physical Climate Risks Affects the CDS Term Structure." *Journal of Financial Econometrics*. <https://academic.oup.com/jfec/advance-article-abstract/doi/10.1093/jfinec/nbac027/6650201?redirectedFrom=fulltext>.

Li, Qing, Hongyu Shan, Yuehua Tang, and Vincent Yao. 2020. "Corporate Climate Risk: Measurements and Responses." <https://doi.org/10.2139/ssrn.3508497>.

Meuer, Johannes, Julian F Kölbel, and Volker H. Hoffmann. 2020. "On the Nature of Corporate Sustainability." *Organization & Environment* 33 (3): 319–41. <https://doi.org/10.1177/1086026619850180>.

Sautner, Zacharias, Laurence Van Lent, Grigory Vilkov, and Ruishen Zhang. 2023. "Firm-Level Climate Change Exposure." *The Journal of Finance* 78 (3): 1449–98. <https://doi.org/10.1111/jofi.13219>.

Serafeim, George, and Aaron Yoon. 2023. "Stock Price Reactions to ESG News: The Role of ESG Ratings and Disagreement." *Review of Accounting Studies* 28 (3): 1500–1530. <https://doi.org/10.1007/s11142-022-09675-3>.

Yang, Ruoke. 2021. "What Do We Learn From Ratings About Corporate Social Responsibility (CSR)?" SSRN Scholarly Paper. Rochester, NY. <https://doi.org/10.2139/ssrn.3165783>.

## Additional course information

The course is in presence only. Participation remotely is not possible.

## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/2)

##### Examination modalities

Examination type	Written work
Responsible for organisation	decentral
Examination form	Written work
Examination mode	Digital
Time of examination	Term time
Examination execution	Asynchronous
Examination location	On Campus
Grading type	Group work group grade
Weighting	50%
Duration	--

##### Examination languages

Question language: English

Answer language: English

##### Remark

ESG Fund pitch

##### Examination-aid rule

Free aids provision



Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

## Supplementary aids

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## 2. Examination sub part (2/2)

### Examination modalities

Examination type	Written work
Responsible for organisation	decentral
Examination form	Written work
Examination mode	Digital
Time of examination	Term time
Examination execution	Asynchronous
Examination location	On Campus
Grading type	Group work group grade
Weighting	50%
Duration	--

### Examination languages

Question language: English  
Answer language: English

### Remark

Equity Analyst Report

### Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

## Supplementary aids

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## Examination content

The examination is in the form of assignments. The assignment tasks will determine the scope of relevant and necessary content. Further clarifications and grading criteria will be provided with the assignments.

## Examination relevant literature

none



## Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 13 (Monday, 25 March 2025) are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 23 January 2025);
- Examination information (supplementary aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 17 March 2025);
- Examination information (supplementary aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 14 (Monday, 31 March 2025);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before ending with de-registration period in CW 15 (Monday, 07 April 2025).