

EPFL — Sustainable Finance (FIN-400)

Fall 2026

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1 Course Description

1.1 Summary

The Sustainable Finance course provides an overview of how climate change and sustainability concerns are reshaping financial markets, and of how financial markets can help address these challenges.

1.2 Content

This interdisciplinary course will equip students with an understanding of how climate change and broader sustainability concerns interact with financial markets.

We will start by covering foundational topics in climate science and the economics of public goods, describing the main difficulties in addressing climate change. This will include an overview of climate risk measurement, an assessment of ESG scoring methodologies and their limitations, and other challenges in the field.

Equipped with these foundational sustainability notions, we will examine the integration of climate risks into asset pricing models and how ESG preferences and risks shape the cross-section of returns. We will then move to an analysis of sustainable investing across several asset classes, particularly equity and debt. We will explore how to incorporate ESG considerations into investment decisions and their potential to influence corporate behavior. Topics covered will range from the design of green financial instruments and the financing of climate adaptation to the consequences for the financial system.

Guest speakers from various backgrounds will offer practical insights and industry perspectives:

- Luz Leyva Urenda – Head of Blended Finance at Symbiotics
- Thomas Schär – Senior Responsible Investing Analyst at Swiss Re Group Asset Management
- Aurélie Madé – Regional Head, Private Credit Portfolio Management at Partners Group

1.3 Prerequisites

Students should have prior exposure to asset pricing, corporate finance, and econometrics, and be comfortable setting up and solving optimization problems. To explore practical applications of the course's core concepts, programming experience (e.g., Python, R) is recommended but not required.

1.4 Assessment Methods

- Assignments (30% of the final grade)

There will be a set of in-class debates (3–4, one per session in Weeks 10–13) where groups of students argue *for* and *against* a given position, preparing in advance, and everyone engages with the topics. The exact number of debates will be announced once student registration closes.

Each student will participate in one debate, either in the *for* or the *against* side. Topics will be announced the week following the registration deadline; students are then given the chance to express topic preferences (honored first-come-first-served), and *for/against* groups are formed randomly by the instructor.

Grading: presentation and discussion (group grade, 20%) and an individual written question answered only by that day's debaters (10%). Debate topics are considered class content and may be covered on the final exam.

- Written exam (70% of the final grade)

1.5 Resources

- Lecture slides posted on Moodle: <https://go.epfl.ch/FIN-400>.
- Academic articles (references in the slides).
- Textbook (suggested, not mandatory):
 - Handbook of Sustainable Finance by Thierry Roncalli (available for free)

2 Class Schedule

Table 1 shows the tentative class schedule for Fall 2026. Dates in **bold** are **mandatory**. Absences on these dates may reduce the final grade, as assignment evaluations will take place during these sessions.

Week	Date	Topic
1	07 Sep 2026	Introduction to Climate Economics
2	14 Sep 2026	Measurement, Part I
–	21 Sep 2026	<i>Public holiday – no class</i>
3	28 Sep 2026	Measurement, Part II
4	05 Oct 2026	ESG-tilted Portfolio Choices
5	12 Oct 2026	The ESG Factor: From Preferences to Risk
–	19 Oct 2026	<i>Semester break – no class</i>
6	26 Oct 2026	Review of Previous Material & Practice
7	02 Nov 2026	Sustainable Investing, Part I: Equity
8	09 Nov 2026	Sustainable Investing, Part II: Debt and Other Instruments
9	16 Nov 2026	Sustainable Investing, Part III: Impact and Consequences
10	23 Nov 2026	Debate + Guest Lecture by Luz Leyva Urenda, Symbiotics (1h)
11	30 Nov 2026	Debate + Guest Lecture by Thomas Schär, Swiss Re (1h)
12	07 Dec 2026	Debate + Guest Lecture by Aurélie Madé, Partners Group (1h)
13	14 Dec 2026	Debate? + TBC

Table 1: Class Schedule, Fall 2026 (subject to updates)