SYLLABUS
«ESG-BANKING»

Type	*elective*	
Level of higher education	*Second (masters)*	
Year of study	*Full time*	*Intermittent (Off-Campus)*
	1	1
Semester	*Full time*	*Intermittent (Off-Campus)*
	2	2
Number of credits	*5*	
Language of teaching	*Ukrainian, English*	

Tutors	*Doctor of Science, professor Zherdetska Liliia*
Contact information	http://oneu.edu.ua/15738-2/ lzherdetska@gmail.com

GENERAL INFORMATION ABOUT THE DISCIPLINE

Students will learn	Students will learn to understand ESG principles and their integration into banking strategy, regulation, and risk management. The course is built on a comprehensive view of how environmental, social, and governance (ESG) factors reshape the role of banks in financial markets and in supporting sustainable development. Based on international regulatory frameworks and industry practices, special emphasis is placed on risk management, disclosure standards, sustainable finance products, and innovation in banking. During the course, we will define ESG concepts, goals, and regulatory frameworks in the banking sector; we will compare global approaches such as the EU Taxonomy, CSRD, TCFD, and supervisory guidelines; we will discuss how ESG compliance shapes strategy and competitiveness of banks. We will examine in detail ESG risks (physical, transition, reputational) and their integration into traditional banking risks; we will study methods of risk assessment, scenario analysis, and stress testing. We will acquire knowledge and skills in identifying ESG risk drivers, linking them to credit, market, liquidity, and operational risk, and embedding them in banks' risk governance. We will analyze sustainable finance products (green bonds, sustainability-linked loans, ESG-aligned portfolios) and evaluate how banks design and manage them to support the transition to a

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<tr><td></td><td>low-carbon economy. We will practice assessing trade-offs between profitability, risk, and sustainability objectives.
We will study data and reporting challenges: ESG metrics, KPIs, sources of information, disclosure practices, and assurance of non-financial information. We will acquire skills in preparing ESG disclosures, interpreting regulatory requirements, and evaluating the quality of ESG data.
We will address governance and social aspects: the role of boards and committees, ethics and conduct, financial inclusion, human rights, stakeholder engagement, and organizational culture. We will evaluate how governance failures and social risks affect banks' performance and reputation.
Finally, we will discuss innovation and transition strategies: how banks design pathways to net zero, use climate scenarios, apply fintech solutions, and anticipate future challenges (biodiversity, digital sustainability, AI for ESG risk management). We will learn to justify strategic decisions and policy tools depending on the indicators of ESG risks and the sources of systemic sustainability challenges.</td></tr>
<tr><td>Students will be able to</td><td>1. Adapt and modify existing scientific approaches and methods to specific situations of professional activity.
2. Present research results clearly and persuasively, both orally and in writing, and participate in professional discussions.
3. Search, process, systematize and analyze the information necessary to solve professional and scientific tasks in the field of finance, banking, insurance and the stock market.
4. To solve ethical dilemmas based on the norms of the law, ethical principles and universal human values.
5. Apply managerial skills in the fields of finance, banking, insurance, and the stock market.
6. To substantiate the choice of management decision options in the field of finance, banking, insurance, stock market, to evaluate their effectiveness taking into account the goals, existing limitations, legislative and ethical aspects.
7. Apply in-depth knowledge to justify, make and evaluate management decisions in the field of banking supervision, regulation and banking risks..</td></tr>
<tr><td>Number of hours according to the types of classes</td><td><table>
<tr><td>Types of classes</td><td>Full time</td><td>Part time</td></tr>
<tr><td>Lecturers</td><td>12</td><td>12</td></tr>
<tr><td>Practical classes</td><td>32</td><td>32</td></tr>
<tr><td>Individual/consulting work of students</td><td>10</td><td>10</td></tr>
<tr><td>Independent work</td><td>96</td><td>96</td></tr>
<tr><td>In total:</td><td>150</td><td>150</td></tr>
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<tr><td>Methods of teaching</td><td>Problematic lecturers, individual and group tasks</td></tr>
<tr><td>Background</td><td>Basic knowledge of the following disciplines: no special requirements</td></tr>
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DISCIPLINE STRUCTURE

Topic	Content
1. ESG Concepts, Regulations, and Frameworks in Banking	Fundamentals of ESG (Environmental, Social, Governance). Key global and regional regulatory frameworks: EU Taxonomy, CSRD, SFDR, TCFD, Pillar 3 ESG disclosures. Double materiality, transparency, reporting standards. Legal & supervisory expectations (e.g. guidelines by EBA)
2. ESG Risk Management in Banks	Types of ESG-related risks: physical risk, transition risk, legal / regulatory risk, reputational risk. How ESG risks are transmitted into credit, market, liquidity, operational risks. Identification, measurement, quantification of ESG risks (scenarios, stress testing). Integration into overall risk appetite and risk governance
3. Sustainable / Green Finance Products & Portfolio Strategy	Green, social, sustainability bonds, sustainability-linked loans. ESG criteria in lending & investment decisions. Portfolio alignment to climate goals. ESG-based investing and screening. Impact investing vs. risk-return trade-offs
4. Data, Metrics, Reporting & Disclosure Practices	Key ESG / sustainability metrics & KPIs: environmental footprints, social indicators, governance metrics. Data sources, quality, verification, challenges. Reporting frameworks and disclosures: external reporting, regulatory disclosures, Pillar 3, TCFD, CSRD etc. Toolkits: materiality assessment, auditing & assurance of ESG data.
5. Governance, Social & Ethical Issues in Banking	Governance structures in banks: board oversight, ESG committees. Social dimensions: financial inclusion, human rights, labour standards, customer protection. Ethics & reputation; anti-money laundering, conduct risk. Stakeholder engagement, policies & culture for ESG.
6. Transition Strategies, Climate Scenarios & Innovation in ESG Banking	Transition risk / opportunity: how banks plan for decarbonizing portfolios, supporting green transition. Climate scenario analysis, stress testing, forward-looking risk tools. Innovation: fintech / green finance innovation, climate technology, AI in ESG risk / reporting. Future trends & challenges: biodiversity, net zero targets, disclosure developments, regulatory foresight.

BASIC LITERATURE AND MATERIALS

1. Zherdetska L.V. *Systemic risk of the banking sector of the economy: theory, assessment and regulation*. Kharkiv. Bookline Publishing House, 2022. - 476 p.
2. Zherdetska L.V., Tkach V. *The banking system in ensuring economic growth: theory and empirical relationship*. Scientific bulletin of Odessa National University of Economics 2021, No. 7-8 (284-285), c. 33-46 DOI: 10.32680/2409-9260-2021-7-8-284-285-33-46.
3. Cibák, Ľuboš, Yermachenko, V., Kovalov, A., Zherdetska, L., & Kretov, D. (2024). *The*

relationship between banking risks under the crisis: empirical assessment post-soviet countries data. Financial and Credit Activity Problems of Theory and Practice, 6(59), 37–49. https://doi.org/10.55643/fcaptp.6.59.2024.4531

4. Savluk, S., Shulga, N., Zherdetska, L., & Serazhym, Y. (2025). *Environmental determination of banks investment lending in the EU*. Financial and Credit Activity Problems of Theory and Practice, 1(60), 11–19. https://doi.org/10.55643/fcaptp.1.60.2025.4549
5. European Parliament & Council. (2020). *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment* (Taxonomy Regulation). Official Journal of the European Union.
6. IFRS Foundation. (2023). *IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information & IFRS S2: Climate-related Disclosures*. International Sustainability Standards Board (ISSB), IFRS Foundation.
7. European Union. (2022, 14 December). *Directive (EU) 2022/2464 of the European Parliament and of the Council, amending certain directives and regulations as regards corporate sustainability reporting* (Corporate Sustainability Reporting Directive, CSRD). Official Journal of the European Union.
8. Sustainability Accounting Standards Board (SASB), now part of ISSB. (2018). *SASB Standards*. SASB/ISSB.)
9. Global Reporting Initiative. (2022). Bosetti, L. (Ed.). "Global Reporting Initiative Standards." In *Encyclopedia of Sustainable Management*. Springer, Cham. DOI:10.1007/978-3-030-02006-4_1033-1

EVALUATION POLICY

General policy	The student is obliged ✔ to attend all classes according to the schedule; ✔ to observe ethical behavior; ✔ work with educational literature, with literature on electronic media and on the Internet; ✔ to complete an individual task. In case of missing lectures, an oral interview is held on the topic. In case of absence from the practical lesson, the student should complete an additional task. My goal is the assimilation of the learning outcomes of the course by the students. If you have any problems or questions about any aspect of the course, do not hesitate to contact the instructors. We will respond quickly, and if necessary, we will arrange a meeting. If you have any problems with your progress on the course or with a teammate or your group, please contact me as soon as possible. The longer you delay, the harder it will be to help you. I really want you to successfully complete the course, but you have to deserve it!

Deadline and retake policy	Works submitted with violation of deadlines are not considered.
Academic integrity policy	All written tasks are checked for plagiarism and allowed to be defended with correct text borrowings of no more than 20%. Mobile devices may only be used during online testing.

EVALUATION SYSTEM

(form of control - test)

Calculation of points		
Types of work	**Points**	
	Full-time	**Intermittent (Off-Campus)**
Compulsory tasks		
Active participation	25-30	25-30
Intermediate control	25-50	25-50
Tasks to choose		
Individual tasks *(search-analytical tasks, research work, practical work, results of informal education)*	20-50	20-50
Total amount of points	100	100