



Learning Outcome Statements

EFFAS Certified ESG Analyst®

LEARNING OUTCOME STATEMENTS

The European legislation* gives a clear structure and recommendation on how a qualification is set up.

- ❖ **Qualification** means a formal outcome of an assessment and validation process which is obtained when a competent authority determines that an individual has achieved learning outcomes to given standards. Qualifications typically take the form of documents such as certificates or diplomas.
- ❖ **Learning outcomes** means statements regarding **what a learner knows, understands and is able to do on completion of a learning process**, which are defined in terms of knowledge, skills and responsibility and autonomy. Those learning outcomes may be achieved through a variety of paths in formal, non-formal or informal settings, whether in national or international contexts. Information on learning outcomes should be **easily accessible and transparent**.
 - **Knowledge** means the outcome of the assimilation of information through learning. Knowledge is the body of facts, principles, theories and practices that are related to a field of work or study. In the context of the EQF, knowledge is described as theoretical and/or factual.
 - **Skills** mean the ability to apply knowledge and use know-how to complete tasks and solve problems. In the context of the EQF, skills are described as cognitive (involving the use of logical, intuitive and creative thinking) or practical (involving manual dexterity and the use of methods, materials, tools and instruments).
 - **Competence** means the proven ability to use knowledge, skills and personal, social and/or methodological abilities, in work or study situations and in professional and personal development.

Taking this into account the EFFAS ESG expert team defined the Learning Outcome Statements (LOS) of the Certified ESG Analyst® Programme, specifying the knowledge, skill and competence the learner will acquire while completing each of the 10 modules

(*) COUNCIL RECOMMENDATION of 22 May 2017 on the European Qualifications Framework for lifelong learning and repealing the recommendation of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning <https://ec.europa.eu/ploteus/sites/eac-eqf/files/en.pdf>

Knowledge	Skills	Competence
MODULE 1. Recent Developments in ESG Integration		
<p>The student will learn about the market drivers of ESG.</p> <p>The student will learn about the challenges associated with ESG integration.</p> <p>The student will learn how to analyse the barriers of ESG Integration.</p> <p>The student will get an overview of the empirical studies on ESG investment and learn about the implications for sustainable investment.</p>	<p>The student will have the ability to address the main drivers of the ESG trend, will know why ESG integration is still difficult, understand the idea and needs of regulation and will be able to explain the positive correlations between ESG performance and financial performance</p>	<p>The student can lead a discussion on the effect of ESG integration, they can manage the barriers and anticipate the effect of the drivers of ESG</p>
MODULE 2. Regulatory Environment		
<p>The student will learn about the relevant regulations for corporations and investors.</p> <p>The student will acquire an overview of the current international trends and future developments and gain an understanding of how this changes the market landscape.</p> <p>The student will learn to analyse and understand the interconnectedness between different regulations and ongoing regulatory trends.</p>	<p>The student will acquire a deep understanding of the regulatory landscape and is able to assess the relevance and impact for investors and corporates.</p> <p>The student will be able to explain how current international trends and ongoing changes affect the market landscape. The student will learn to identify and analyse the interconnectedness between regulations.</p>	<p>The student can identify the impact of current regulatory changes on the market landscape, and anticipate the effect of these regulations on the market. The student can perform a gap-analysis on the new regulations.</p>

Knowledge	Skills	Competence
MODULE 3. ESG-Strategies		
<p>The student will learn about the current sustainable investment landscape.</p> <p>The student will get an overview and understanding of the different definitions and relevant terms regarding sustainable investment.</p> <p>The student will acquire an understanding of the variety of ESG investment strategies and their distinctive features.</p>	<p>The student will be able to apply the terminology related to the sustainable investment landscape and be able to differentiate between the three definitions of sustainable finance. The student will be able to analyse the existing ESG investment strategies based on the intended focus, impact intention and the desired features.</p>	<p>The student can select an ESG investment strategy based on the focus, impact intention and the desired features.</p>
MODULE 4. Responsible investing across asset classes		
<p>The student will learn about the different asset classes and their unique perspective on ESG.</p> <p>The student will learn about the challenges that can be found regarding particular asset classes and which ESG-strategies can be developed according to different asset classes to overcome these challenges.</p>	<p>The student will be enabled to develop an investment strategy and a strategic asset allocation for an exemplary institutional investor based on the knowledge they gather in this module.</p> <p>The student will be enabled to logically deduce this final outcome by understanding the different ESG-related investment objectives as well as the characteristics of investment solutions that are offered across different asset classes.</p>	<p>The student will develop the competence to derive an ESG-strategy for different asset classes taking the views, objectives, and needs of different stakeholders into account.</p>

Knowledge	Skills	Competence
MODULE 5. ESG Reporting (with a more European orientation)		
<p>The student will distinguish between voluntary and mandatory regimes. The student will learn the mainstream reporting frameworks. The student will learn about the major challenges of corporate reporting and how the disclosed data is assessed in terms of quality and quantity, and how this data is used and analysed by data provider analysts. The student will learn what the concept of ESG materiality is and about the two dimensions of the concept of double materiality.</p>	<p>The student will have the ability to describe the differences between mandatory and voluntary disclosure. The student will be able to understand the difference between EFFAS, GRI, TCFD, SASB and Integrated Reporting. The student will have the ability to understand how ESG data are built and reported, and for which purpose. The student knows the difference between financial and impact materiality.</p>	<p>The student will be able to identify the quality of non-financial information in an evolving and increasingly sophisticated context of the corporate reporting. The student will be able to apply the concept of double materiality.</p>
MODULE 6. ESG Integration in Research		
<p>The student will learn what to integrate ESG information into investment decisions is about. The student will learn to evaluate the business model vs. ESG risks/opportunities to consider the financial materiality of sector specific ESG KPIs. The student will learn to identify ESG value drivers and ESG material challenges based on global megatrends.</p>	<p>The student will have the ability to analyse the corporate governance of a company and will be able to analyse methodically environmental & social pillars according to business sectors. Based on this analysis the student will be able to assess if the global megatrends are opportunities or risks for the business model.</p>	<p>The student can debate with the company they analyse about the materiality of megatrends regarding its activity. They can compare companies' materiality assessments within a sector. The student can enrich their analysis of a company regarding extra-financial themes and will be aware of mismatches between ESG challenges and the business model/strategy of a company.</p>

Knowledge	Skills	Competence
MODULE 6. ESG Integration in Research (continuation)		
<p>The student will learn about what to assess for analysing governance, environmental and social topics.</p> <p>The student will learn a methodology to go through the analysis, from assessment of megatrends impacting the company, to conclusions regarding the strategy.</p> <p>Based on the analysis performed the student will learn to conclude and assess consistency with the business model.</p>		
MODULE 7. ESG Integration in Valuation		
<p>The student will learn how to integrate the identified material challenges from the qualitative analysis into quantitative valuation models.</p> <p>The student will learn how ESG information influences financial estimates and based on this learn to assess the impact of ESG factors in the financial accounts (i.e. Profit & Loss account, etc.) and valuation model.</p> <p>The student will see examples of ESG factors affecting future financial estimates of Equities,</p>	<p>The student will have the ability to interpret ESG information and discuss the potential financial impact on several lines of the Profit & Loss account, Cash-Flow statement, Balance-sheet of a company or estimates for a sovereign.</p>	<p>The student will be able to lead the valuation process and to take responsibility for the integration of key ESG topics and their financial impact in their Cash Flow estimates and valuation assessment.</p>

Knowledge	Skills	Competence
MODULE 7. ESG Integration in Valuation (continuation)		
<p>Fixed Income and infrastructure assets. The student will learn critical issues affecting the fixed income space and specific ESG topics affecting credit and sovereigns.</p>		
MODULE 8. Investment decision process		
<p>The student will learn to apply a framework for integrating ESG factors into the investment strategy of asset owners and guidelines of asset managers. The student will analyse the impact of ESG information in the macro analysis and asset allocation decision. The student will learn the differences of integrating ESG issues in the portfolio construction of several strategies; e.g. active, quantitative, smart beta and passive strategies. The student will understand the importance of engagement, the value of engagement, how to define engagement success, enablers and barriers as well.</p>	<p>The student will have the ability to integrate ESG information in the different steps of the investment process: Investment Guidelines, Macro, Asset Allocation, Company Research, Portfolio construction, Portfolio monitoring & management, active ownership & Engagement as well as reporting.</p>	<p>The student will be able to integrate ESG in the investment process in their day-to-day business and will be aware of the key issues and effect of ESG integration in the most important steps of the investment process chain for their team members.</p>

Knowledge	Skills	Competence
MODULE 8. Investment decision process (continuation)		
<p>Key characteristics of engagement in credit and sovereigns. The student will be able to evaluate the prioritization of engagements.</p> <p>Finally, they will be able to decide on a way for integrating ESG factors in reporting and performance attribution.</p>		
MODULE 9. Case study- ESG integration in the investment decision		
<p>Research Case Study</p> <p>The student will learn to apply the framework for the analysis of a company. The student will learn to identify material ESG challenges and determine if they are a risk or an opportunity.</p> <p>The student will learn to assess key indicators and if a company has an appropriate response.</p> <p>The student will learn to demonstrate how this ESG performance is impacting the Governance, the sustainability of the business model and the competitive position of the company.</p> <p>They will learn how each of the ESG value drivers is impacting the financials and valuation model.</p>	<p>Research Case Study</p> <p>The student will be able to assess a company and explain the different steps to be undertaken for integrating ESG information into their Research.</p>	<p>Research Case Study</p> <p>The student can lead a discussion on the impact of ESG factors in the investment case of a company, adjust the valuation and formulate an investment decision.</p>

Knowledge	Skills	Competence
MODULE 9. Case study- ESG integration in the investment decision		
<p>Portfolio Management Case Study</p> <p>The student will learn to apply the framework for an investment decision in a portfolio context taking ESG goals/ restrictions into account.</p> <p>The student will learn to identify key ESG issues affecting the investment guidelines and determine key trades to be undertaken to comply with those.</p> <p>The student will learn how existing requirements for portfolio management can be applied in an investment decision.</p>	<p>Portfolio Management Case Study</p> <p>The student will be able to assess a company and explain the different steps to be undertaken for integrating ESG guidelines into their portfolio management activities and investment decisions.</p>	<p>Portfolio Management Case Study</p> <p>The student can lead a discussion on the impact of ESG guidelines in their portfolio and actions required to fulfil those guidelines.</p>