



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
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MODULE 1. Recent Developments in ESG Integration

<p>Grasp the fundamental market drivers propelling ESG's prominence.</p> <p>Understand the multifaceted challenges inherent in ESG integration.</p> <p>Delve into a systematic analysis of the barriers obstructing ESG Integration.</p> <p>Gain comprehensive insights from empirical research on ESG investments, with an emphasis on its broader implications for sustainable investment strategies.</p>	<p>Articulate and address the primary forces shaping the ESG landscape.</p> <p>Diagnose the complexities and hurdles that make ESG integration challenging.</p> <p>Discern the essence and prerequisites of regulations pertaining to ESG.</p> <p>Justify the positive correlations between ESG efficacy and financial performance.</p>	<p>Spearhead a substantive discussion on the overarching impact of ESG integration in modern financial contexts.</p> <p>Navigate and mitigate the obstacles associated with ESG, leveraging a proactive approach.</p> <p>Anticipate and adapt to the evolving influence of the market drivers steering ESG trends.</p>
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MODULE 2. Regulatory Environment

<p>Familiarize themselves with pivotal regulations influencing both corporations and investors.</p> <p>Attain a holistic view of prevailing international regulatory trends, foreseeing their implications on the future market landscape.</p> <p>Deepen their analytical prowess by understanding the intricate ties between various regulations and emerging regulatory dynamics.</p>	<p>Master a comprehensive understanding of the regulatory environment, empowering them to discern its significance and ramifications for both investors and corporate entities.</p> <p>Confidently articulate the ways in which contemporary international trends and transformations shape the market milieu.</p> <p>Develop the acumen to pinpoint and dissect the symbiotic relationships inherent among diverse regulations.</p>	<p>Gauge the tangible effects of recent regulatory modifications on the broader market spectrum, and predictively respond to the market's regulatory trajectory.</p> <p>Execute a proficient gap analysis on fresh regulatory enactments, ensuring a firm grasp on areas of opportunity or concern within the regulatory framework.</p>
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Knowledge	Skills	Competence
MODULE 3. ESG-Strategies		
<p>Gain a thorough grasp of the contemporary sustainable investment arena and its ever-evolving nuances. Acquire a well-rounded perspective of green and sustainable investment strategies, concepts and approaches, enriched by the diverse definitions and salient terms associated with it.</p> <p>Delve deep into the multifaceted world of ESG investment strategies, understanding their unique attributes and distinct advantages.</p>	<p>Proficiently employ the lexicon associated with the sustainable investment sector, ensuring clear and impactful communication. Distinguish with precision among the three cardinal definitions that encapsulate sustainable finance.</p> <p>Conduct incisive analyses of prevailing ESG investment strategies and approaches, gauging them against benchmarks of focus, intention of impact, and specific features that define their efficacy.</p>	<p>Strategically pinpoint and deploy the most fitting ESG investment strategy, grounded in a clear understanding of its central focus, potential for impact, and inherent characteristics.</p>

Knowledge	Skills	Competence
MODULE 4. Responsible investing across asset classes		
<p>Dive into a comprehensive exploration of different types of green and sustainable finance products and instruments across asset classes such as bonds and loans, each unveiling its unique ESG-centric lens and considerations.</p> <p>Dissect the inherent challenges that punctuate specific asset classes, whilst delving into strategic ESG methodologies tailored to address and surmount these complexities.</p> <p>Discover the realm of green and sustainable finance within the banking and lending sectors. Introduce the principles and guidelines for responsible banking operations and products, encompassing bonds and loans.</p> <p>Introduce the landscape and principles of voluntary and compliance carbon markets at regional and global levels. Gain an understanding of carbon market mechanisms and emission impact measurement through carbon accounting, carbon auditing, carbon taxation and carbon trading systems. Explore the opportunities and assess the impact on financial institutions and corporates.</p>	<p>Craft robust investment strategies and astute asset allocations for prototypical institutional investors, firmly grounded in the knowledge assimilated in this module. Apply a structured and logical approach to derive strategic decisions, empowered by a thorough understanding of distinct ESG-focused investment goals and the nuances of green and sustainable investment solutions spanning various asset classes.</p> <p>Demonstrate comprehensive understanding of responsible banking practices and products.</p> <p>Understand how to assess the relevance and materiality of the selection of KPIs and ambition level of Sustainability Performance Targets (SPTs) for green and sustainable products. Showcase the capacity to commence the carbon accounting process and apply methodology to measure the impact of emissions.</p>	<p>Cultivate the aptitude to formulate bespoke ESG strategies for a myriad of asset classes, products and instruments, integrating the perspectives, aspirations, and prerequisites of diverse stakeholders for holistic and effective investment decision-making along with the cognizance of sustainable banking operations.</p>

Knowledge	Skills	Competence
MODULE 5. ESG Reporting		
<p>Differentiate adeptly between the nuances of voluntary and mandatory reporting paradigms. Engage with and comprehend the predominant international ESG guiding principles, standards and reporting frameworks that shape the industry.</p> <p>Delve into the complexities and challenges surrounding corporate reporting, gaining insights into the evaluation of disclosed data both qualitatively and quantitatively. Furthermore, understand how this data is scrutinized, interpreted, and utilized by data provider analysts, and how technology solutions tackle the challenges of the quality of ESG data.</p> <p>Acquire a profound understanding of the ESG materiality concept, enriched by an in-depth exploration of the twin dimensions encapsulated in the "double materiality" concept.</p>	<p>Articulate the contrasting features between mandatory and voluntary disclosures with clarity and confidence. Navigate with proficiency through the intricacies of leading international ESG guiding principles, standards and reporting standards, including EFFAS, GRI, TCFD, SASB, and Integrated Reporting.</p> <p>Discern the architecture, intent and challenges behind ESG data construction and reporting processes.</p> <p>Distinctively identify the chasm between financial and impact materiality, emphasizing their respective significance.</p>	<p>Exhibit the expertise to evaluate the integrity and robustness of non-financial information, set against a backdrop of a progressively sophisticated corporate reporting landscape. Implement the double materiality concept effectively, aligning strategic decision-making with the intricate balance of financial and societal implications.</p>

Knowledge	Skills	Competence
MODULE 6. ESG integration in the investment process		
<p>Master a framework for assimilating ESG factors into asset owners' strategies and asset managers' guidelines. Analyse ESG data's influence on macroeconomic studies and asset allocation. Understand ESG integration variances in portfolio strategies like active, quantitative, smart beta, and passive models. Grasp the essence of 'engagement', its value, metrics for success, facilitators, and barriers. Explore engagement's nuances within credit and sovereigns and prioritize such engagements. Navigate ESG integration in performance documentation and attribution. Delve into the development and implementation of green and sustainable banking strategy, encompassing climate risks assessment, scenario analysis and streamlining the processes and data to align with strategic targets and goals.</p>	<p>Exhibit a comprehensive capability to infuse ESG insights throughout the multifaceted stages of the investment continuum: from crafting Investment Guidelines, Macro Analysis, and Asset Allocation to delving into Company Research, Portfolio Structuring, Monitoring, and Management. Further, showcase proficiency in the realms of active ownership, engagement, and transparent reporting. Embedding sustainability into banks' plans, measures, operations, risk and capital management.</p>	<p>Showcase a practical proficiency in seamlessly integrating ESG principles into everyday investment operations, while also incorporating green and sustainability measures into banking operations. Stay vigilant to the significant ESG challenges and transformations within various facets of the investment process, ensuring a unified understanding and approach among team members.</p>

Knowledge	Skills	Competence
MODULE 7. ESG integration in fundamental research (Qualitative analysis)		
<p>Grasp the essence of integrating ESG data into investment decisions.</p> <p>Evaluate business models against ESG risks/opportunities, considering the financial materiality of sector-specific ESG KPIs and sustainability performance.</p> <p>Identify ESG value drivers and challenges influenced by global megatrends.</p> <p>Familiarize with key metrics for assessing governance, environmental, and social facets.</p> <p>Understand a structured methodology, from evaluating megatrends affecting companies to strategic conclusions.</p> <p>Recognize a business model's alignment with ESG drivers, with emphasis on sovereigns and sustainable banking.</p>	<p>Analyse corporate governance structures methodically.</p> <p>Applying green and sustainable investment strategy to assess environmental and social aspects according to industry sectors and perform comprehensive qualitative analysis</p> <p>Evaluate how global megatrends present opportunities or risks for a specific business model.</p>	<p>Engage in constructive dialogues with companies about the materiality of global megatrends related to their activities.</p> <p>Compare and contrast materiality assessments among businesses within a sector.</p> <p>Enhance a company's analysis through extra-financial themes, pinpointing potential discrepancies between ESG challenges and a company's strategy or business model.</p>

Knowledge	Skills	Competence
MODULE 8. ESG integration in fundamental research (Quantitative analysis)		
<p>Understand the integration of material challenges identified from qualitative analysis into quantitative valuation models.</p> <p>Learn how ESG data influences financial predictions and assess its impact on financial statements, including Profit & Loss accounts and valuation models.</p> <p>Explore real-world examples illustrating the influence of ESG factors on future financial projections for Equities, Fixed Income, and Infrastructure assets.</p> <p>Grasp critical challenges specific to the fixed income domain.</p>	<p>Translate ESG information into potential financial impacts across key financial statements, including Profit & Loss, Cash Flow, Balance Sheet, or sovereign estimates.</p>	<p>Lead valuation processes, taking ownership of integrating pivotal ESG topics and comprehending their financial ramifications in Cash Flow projections and valuation evaluations.</p>

Knowledge	Skills	Competence
MODULE 9. Case study- ESG integration in the investment decision		
<p>Research</p> <p>Understand and apply a systematic framework for company analysis. Identify and categorize material ESG challenges as risks or opportunities. Assess pivotal indicators and evaluate a company's responsiveness to them. Demonstrate how ESG performance influences Governance, the sustainability of a business model, and the company's competitive standing. Analyse the impact of ESG value drivers on financial statements and valuation models.</p>	<p>Conduct a comprehensive assessment of a company, detailing the sequence for integrating ESG data into their research.</p>	<p>Direct and moderate a discourse on ESG factors' influence in a company's investment case, make necessary adjustments to valuations, and draw informed investment decisions.</p>
<p>Portfolio Management</p> <p>Master the application of an investment decision framework within a portfolio setting, considering ESG objectives and limitations. Identify primary ESG concerns influencing investment guidelines and recognize essential trades necessary for compliance. Understand how existing portfolio management prerequisites can be incorporated into an investment decision.</p>	<p>Evaluate a company and elucidate the sequential steps required for integrating ESG guidelines into portfolio management and investment choices.</p>	<p>Direct meaningful discussions on the ramifications of ESG directives within a portfolio and the subsequent actions essential to adhere to these guidelines.</p>

Knowledge	Skills	Competence
MODULE 10. ESG integration and green finance development in the Asia Pacific Region		
<p>Understand the latest industry trends in ESG and sustainable finance markets in the Asia Pacific region, and around the world. Explore existing and emerging ESG compliance and regulations, along with common practices in preparing sustainable finance related disclosures to meet local regulatory requirements and international best practices.</p>	<p>Develop the ability to analyze and identify the latest trends and interpret market dynamics in sustainable finance markets. Demonstrate an extensive understanding of sustainable finance related disclosures in accordance with regulations.</p>	<p>Develop a perspective on how green and sustainable finance is shaping the financial markets across the Asia Pacific region and globally, along with the regulatory environment.</p>