

ESG Courses for the Financial Markets

Flexible modular courses covering a
range of ESG development needs for
finance professionals

Contents

ESG Modular Approach	4
Development Approach	4
ESG Investment Fundamentals	5
Overview.....	5
Duration	5
Key Learning Outcomes	5
Who Should Attend.....	5
Content.....	5
Module 1– What is ESG Investing?	5
Module 2 – Benefits and Risks of ESG Investing.....	6
Module 3 – ESG Investment and Portfolio Management	6
Module 4 – The ESG Investment Market and Developing Trends	6
Climate Change for the Financial Markets	8
Overview.....	8
Duration	8
Key Learning Outcomes	8
Who Should Attend.....	8
Content.....	8
Module 1 – Climate Science and Risks.....	8
Module 2 - Carbon Emissions Measurement and Impact	9
Sustainable Finance Instruments	10
Overview.....	10
Duration	10
Key Learning Outcomes	10
Who Should Attend.....	10
Content.....	10
Module 1 - Sustainable Finance Instruments.....	10
ESG Regulations and Reporting Frameworks.....	12
Overview.....	12
Duration	12
Key Learning Outcomes	12
Who Should Attend.....	12
Content.....	12
Module 1 - ESG Corporate Reporting and Regulations.....	12
Module 2 - ESG Asset Manager Reporting and Regulations.....	13
ESG Asset Management Applications.....	14

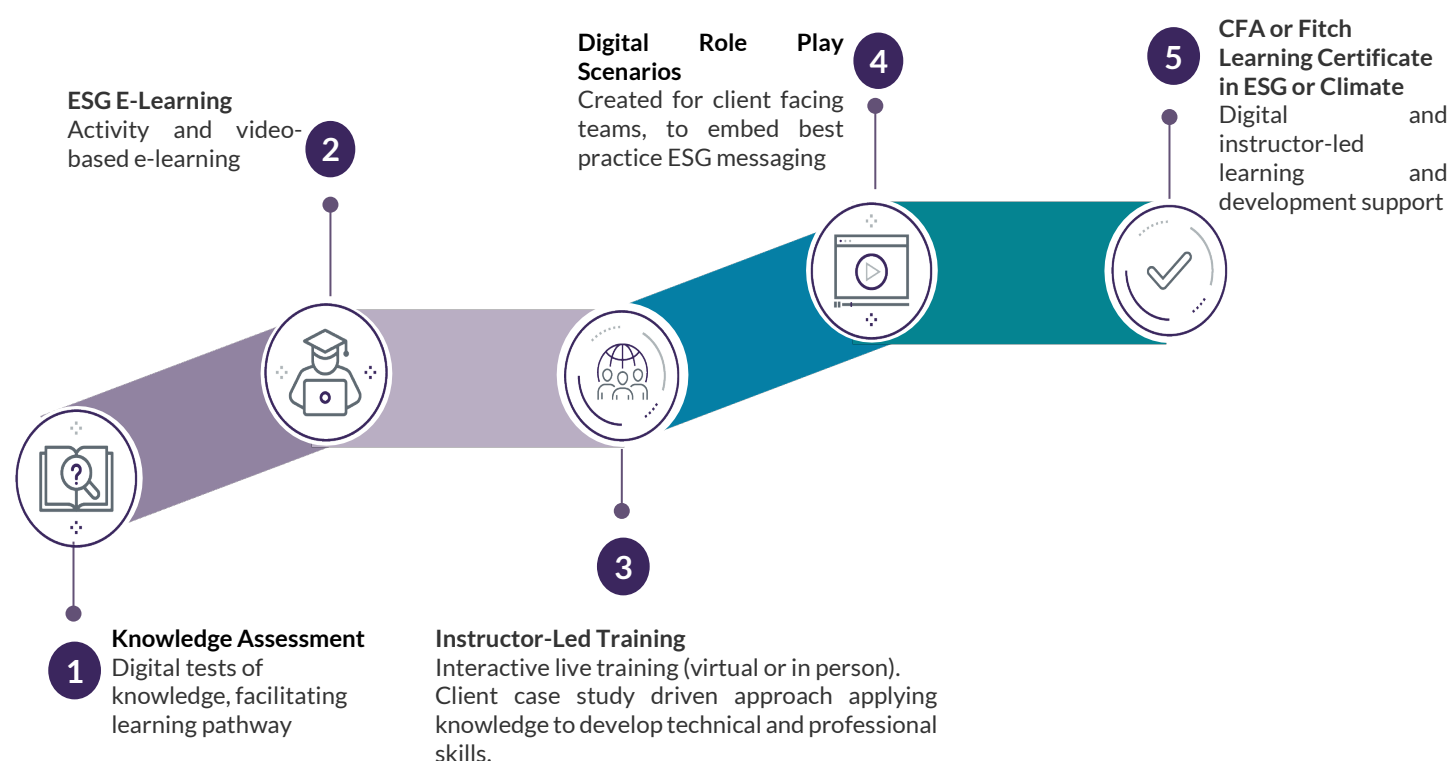
Overview.....	14
Duration	14
Key Learning Outcomes	14
Who Should Attend.....	14
Content.....	14
Module 1 – ESG Corporate Reporting and ESG Ratings	14
Module 2 – ESG Financial Analysis	15
Module 3 – ESG Investment Trends	15
Positioning ESG Investing Solutions.....	16
Overview.....	16
Duration	16
Key Learning Outcomes	16
Who Should Attend.....	16
Content.....	16
Module 1 – Positioning ESG Investing Solutions	16
ESG Impact on Credit	18
Overview.....	18
Duration	18
Key Learning Outcomes:	18
Who Should Attend.....	18
Content.....	18
Module 1 – ESG and Credit for Banks	18
Module 2 – Understanding Fitch ESG Relevance Scores.....	19

ESG Modular Approach

The objective of this ESG modular approach is to provide clients and participants with the opportunity to tailor development programs to their specific requirements, focusing on the topic areas relevant to their role and clients. We provide recommended pathways, but each course or module can operate on a stand-alone basis and factor in client or role-specific case studies and exercises.

Development Approach

The development approach can be tailored to your specific objectives drawn from the broader learning journey outlined below:



KEY SUCCESS FACTORS

- **Engagement**
 - Live training built around practical client scenarios and case studies
 - Interactive engagement leveraging FitchRatings insight
- **Activity-driven:**
 - Digital solutions employ latest activity based applications
- **Assessment:**
 - Digital role play scenario assessment for client facing teams and digital assessment of knowledge via Fitch Fundamentals Certificate and CFA Certificate in ESG Investing

Materials and content are informed and developed by market practitioners and resources from Sustainable Fitch and Fitch Ratings.

ESG Investment Fundamentals

Overview

ESG (Responsible or Sustainable) investing has seen a growth in interest from investors in recent years. Investors are increasingly looking for investment opportunities that meet environmental, social and governance (ESG) objectives, which enhance the value of a fund's performance. This introductory course reviews the key motivations behind the increased awareness of ESG investing and the opportunities and challenges this presents.

Duration

Each module can be delivered in half day sessions, integrating case studies and practical exercises.

Key Learning Outcomes

- Understand what ESG investment is and the drivers of the ESG marketplace
- Understand the most common types of ESG investments
- Understand the ESG Integrated Investment process
- Understand trends in ESG and an overview of ESG regulations

Who Should Attend

This course examines the motivations behind ESG investing and the challenges involved in integrating this into existing investment processes. It is designed for financial services practitioners across the industry looking to improve their understanding of ESG issues. This course builds on an understanding of the fundamentals of investment management.

Content

Module 1– What is ESG Investing?

Overview

The interest in responsible investing has now grown to such an extent the investment community has shifted from asking whether to adopt the ESG principles to how they should implement them. We will explore the developments in the areas of, and approaches adopted towards, responsible investing.

Key Learning Outcomes:

At the end of this session participants will be able to:

- Define responsible investing
- Define and contrast
 - Ethical investing
 - Socially responsible investing
 - Thematic investing
 - Impact investing
 - ESG investing
- Understand the objectives of ESG
- Explain the arguments for and against ESG in relation to affordability and effectiveness
- Explain how ESG can create both risks and opportunities for investors

- Understand the historical development of ethical and socially responsible and ESG investment

Module 2 – Benefits and Risks of ESG Investing

Overview

There are potential risks and opportunities of ESG investing. We will specifically explore the benefits of ESG investing to corporates and the impact on the industry / company performance

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Explain the systematic nature of ESG issues in the context of:
 - Disclosure and regulation
 - Technological disruption
 - Demographic and social change
 - Globalisation of value chains
 - Changes to the distribution and transfer of wealth
- Describe the benefits to organisations of adhering to good ESG practices
- Determine how to measure the impact of ESG investing on company performance
- Assess the impact that ESG investing has on industry and company performance

Module 3 – ESG Investment and Portfolio Management

Overview

In this module, we examine how ESG can be integrated and adopted into the management of an investment portfolio and the benefits and limitations of these approaches. We will also look at the distinction between the screening of individual companies and collective investments, along with the impact that ESG has on, and the different approaches that need to be adopted for, active and passive portfolio management.

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Describe approaches for integrating ESG into the portfolio management process
- Contrast negative and positive screening and describe the roles that they have on investment selection
- Describe the benefits and limitations of the main screening processes
- Distinguish between ESG screening of individual companies and collective investments
- Describe the impact of ESG on active and passive management

Module 4 – The ESG Investment Market and Developing Trends

Overview

The ESG market continues to grow steadily. We will examine its estimated scale and growth, along with the key drivers behind that growth and the key challenges faced by the investment industry. In addition, we will discuss the challenges of applying ESG in different locations, along with the developing trends, themes and regulatory developments impacting this area.

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Describe the size and growth of the ESG market by asset class

- Explain the key drivers behind the increased interest in ESG investing
- Explain the key drivers and challenges for ESG among investment industry stakeholders
- Describe the challenges of undertaking ESG analysis across different geographical regions and cultures
- Recognise current and developing ESG issues, trends and themes
- Identify global trends and regulatory developments along with their financial analysis impact

Climate Change for the Financial Markets

Overview

Climate change is recognized by the World Economic Forum as the single most important risk facing the global economy. The most recent Intergovernmental Panel on Climate Change (IPCC) report indicates that the impact of global warming could be substantially more significant on global GDP growth rates than the global financial crisis of 2008 – 2010. Therefore, climate change is important to finance. This course provides an understanding of the nature of climate change, drivers and solutions and applies this to the world of finance through use of case studies and relevant exercises.

All modules are designed to be delivered around contemporary case studies, which we would seek to develop with your subject matter experts, to ensure the program is focused on your business and is practical and effective in meeting participants development objectives. The content can also be modified to reflect required focus on investment, credit and risk participants.

Duration

Each module can be delivered in half day sessions, integrating case studies and practical exercises.

Key Learning Outcomes

- Understand the fundamentals of the science of climate change
- Understand the key risks to the economy and broader financial markets arising from climate change
- Understand the main reporting frameworks to measure climate change
- Understand greenhouse gas emission measurement frameworks
- Understand greenhouse gas reporting frameworks

Who Should Attend

This course provides an overview of the science and risks of climate change before focusing on measurement and management of emissions. The course is suitable for participants looking to extend their understanding of climate change in finance and builds on the ESG Investment Fundamentals course.

Content

Module 1 – Climate Science and Risks

Overview

In this module we review the fundamentals of climate change science and economy wide risks before assessing the policy responses and key regulations and reporting frameworks.

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Understand the fundamentals of climate science and economy wide risks
- Define mitigation and adaptation
- Explain climate change impacts
- Define physical and transition risks

- Explain Inevitable Policy Response (IPR) risks
- Assess modelling climate change challenges
- Understand the key policy responses, regulations and reporting frameworks, including
 - United Nations Framework Convention on Climate Change (UNFCCC) initiatives
 - Task Force on Climate-Related Financial Disclosures (TCFD), Financial Stability Board (FSB), EU and US frameworks
 - Voluntary guidelines and standards
 - Sustainability reporting and financial reporting
- Understand the key climate change risk measurement and assessment frameworks for the financial sector, including
 - Materiality assessment for sectors; Sustainability Accounting Standards Board (SASB) and Fitch Ratings
 - Data, metrics and targets
 - Carbon pricing and emissions accounting frameworks
 - Climate models and scenario analysis
 - Stress testing for financial systems analysis: Network for Greening the Financial System (NGFS)
 - Impact of climate change on bank capital and Current Expected Credit Losses (CECL) reserves
 - Embedding climate change in business as usual risk assessments

Module 2 - Carbon Emissions Measurement and Impact

Overview

In this module, we focus on carbon emissions measurement and impact, assessing the challenges of measuring greenhouse gas emissions (GHG) before looking at the key reporting frameworks

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Explain the keys to assessing GHG Emissions including, scope 1, 2 and 3 emissions
- Describe carbon intensity reporting
- Explain carbon footprinting and decarbonisation trajectories
- Describe carbon pricing approaches
- Describe the range of GHG emission targets
- Explain the key reporting frameworks including targets
- Describe the key disclosure frameworks and best practices including
 - Task Force on Climate-Related Financial Disclosures (TCFD), Partnership for Carbon Accounting Financials (PCAF), Climate Disclosure Standards Board (CDSB)
 - EU Sustainable Finance Action Plan (SFAP), Sustainable Finance Disclosure Regulation (SFDR) and Carbon Indices
 - Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), Value Reporting Foundation (VRF), and Guide for Investor Disclosures

Sustainable Finance Instruments

Overview

The awareness of maintaining sustainable growth through the allocation of capital to projects which are sensitive to environmental and social objectives, in addition to relevant risk adjusted returns, has driven the demand for sustainable finance instruments. Furthermore, banks and financial intermediaries are aware of the regulatory forces pushing them towards channelling capital to more sustainable activities. This course looks at the nature of sustainable finance instruments, focusing on green, social and sustainable bonds, before assessing trends in this marketplace.

Duration

This module is a half day session, integrating case studies and practical exercises.

Key Learning Outcomes

- Understand the nature of sustainable financial instruments
- Explain why sustainable finance issuance has increased
- Define greenwashing
- Understand the key issuance guidelines for sustainable financial instruments
- Assess trends in the sustainable finance sector

Who Should Attend

This course provides an overview of the sustainable finance sector and is suitable for participants looking to extend their understanding of sustainable financial instruments building on ESG Investment Fundamentals.

Content

Module 1 - Sustainable Finance Instruments

Overview

In this course we focus on understanding the main types of sustainable financial instruments assessing the challenges of greenwashing. We look at the main principles and guidelines related to issuance before focusing on trends in the sector.

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Describe the main types of sustainable finance instrument
- Describe the key features of Green, Social and Sustainability (GSS) bonds
- Understand pricing and sustainability performance targets
- Understand GSS and credit rating
- Explain green washing risks and evidence
- Understand GSS principles and issuance and reporting guidelines including:
 - International Capital Market Association (ICMA) principles and guidelines
 - Global regulatory frameworks

- European Commission (EC) Policies
- Assess trends in the sector including:
 - Growth in the market
 - Type of borrower by sector
 - Eligibility of GSS bonds as collateral for credit
 - Central bank asset purchase program eligibility

ESG Regulations and Reporting Frameworks

Overview

This course focuses on ESG regulations and reporting frameworks relevant to asset management. The course covers ESG reporting for corporates, assessing the regulations and best practice approaches, before turning attention to ESG reporting for asset managers, focusing on EU regulations and Principles for Responsible Investment (PRI) best practice. The course is case study based, providing practical insight and opportunities for application at the desk. The case studies can be tailored to the specific ESG offering and market.

Duration

Each module can be delivered in half day sessions, integrating case studies and practical exercises.

Key Learning Outcomes

- Understand the risks and causes of greenwashing for corporates and asset managers
- Describe best practice ESG reporting frameworks for corporates
- Describe key regulatory ESG disclosure requirements for corporates
- Understand the objectives and principles of the EU Action Plan on Sustainable Finance
- Describe the main ESG reporting requirements for asset managers focusing on Sustainable Finance Disclosure Regulation (SFDR)
- Describe ESG reporting best practices focusing on PRI disclosures and reports

Who Should Attend

This course builds on the ESG Investment Fundamentals program and is suitable for participants who understand ESG factors and an overview of ESG ratings.

Content

Module 1 - ESG Corporate Reporting and Regulations

Overview

In this module we examine the challenges of greenwashing and the demand from investors for clarity from corporates to meet their investment objectives. We then focus on existing but rapidly developing ESG corporate reporting framework.

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Explain the importance of greenwashing to investors and the need for good ESG reporting
- Describe and critically assess the major corporate reporting and disclosure initiatives including:
 - International Accounting Standards Board (IASB) and the new International Sustainability Standards Board (ISSB)
 - EC frameworks; Non-Financial Reporting Directive (NFRD) and Corporate Sustainability Reporting Directive (CSRD)
 - Securities and Exchange Commission (SEC) climate related disclosures
 - UK climate related disclosures
 - Task Force on Climate-Related Financial Disclosures (TCFD)
- Describe and critically assess voluntary guidelines including
 - Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Carbon

Module 2 - ESG Asset Manager Reporting and Regulations

Overview

In this module we examine contemporary asset manager reporting frameworks and their practical application.

Key Learning Outcomes:

At the end of this session, participants will be able to:

- Describe the EU Sustainable Finance Action Plan (SFAP) and other regional ESG regulatory frameworks and their impact on the asset management sector, including
 - SFDR and articles 6, 8 and 9 reports
 - EU social taxonomy
 - Carbon benchmarks
- Describe and critically assess the PRI reporting process

Case Study: Comparing two asset manager approaches to ESG reporting

ESG Asset Management Applications

Overview

This course covers the integration of ESG into the asset management process. We focus on public equity but include review of the management of fixed income and real assets. The course is case study based providing more practical insight and opportunities for application at the desk. The case studies can be tailored to the specific ESG offering and market.

Duration

Each module can be delivered in half day sessions, integrating case studies and practical exercises.

Key Learning Outcomes

- Understand key ESG corporate reporting frameworks and ratings
- Assess the impact of ESG factors on financial analysis of corporates
- Describe how to integrate ESG factors into the asset management process
- Explain the importance of governance and stewardship to effective asset management
- Describe the trends in ESG asset management

Who Should Attend

This course is suitable for analysts aiming to improve their practical understanding of ESG factors to integrate this knowledge into their valuation and asset management process. The course builds on knowledge gained on the ESG Investment Fundamentals course.

Content

Module 1 – ESG Corporate Reporting and ESG Ratings

Overview

In this module, we examine the existing but rapidly developing ESG Corporate Reporting framework. We also review the approach of the ESG ratings agencies. This understanding enables participants to assess sustainability reports to enable more effective financial analysis.

Key Learning Outcomes

At the end of this session, participants will be able to:

- Describe the major reporting and disclosure initiatives including:
 - International Accounting Standards Board (IASB) and International Financial Reporting Standards (IFRS), and the new International Sustainability Standards Board (ISSB)
 - EC frameworks Corporate Sustainability Reporting Directive (CSRD)
 - Securities and Exchange Commission (SEC) climate related disclosures
 - UK climate related disclosures
 - Task Force on Climate-Related Financial Disclosures (TCFD)
 - Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB)
- Describe and apply ESG ratings approaches including those of Sustainalytics, Morgan Stanley Capital International (MSCI) and Fitch Ratings

Module 2 – ESG Financial Analysis

Overview

In this module, we examine the integration of ESG into the financial analysis and valuation of equity.

Key Learning Outcomes

At the end of this module, participants will be able to:

- Describe the importance of integrating ESG into the financial analysis and valuation process
- Apply a materiality assessment
- Integrate ESG within the financial analysis process
- Integrate ESG within the equity valuation process

Module 3 – ESG Investment Trends

Overview

In this module, we examine the major trends developing in ESG and their impact on the asset management business.

Key Learning Outcomes

At the end of this module, participants will be able to:

- Describe the drivers for ESG Integration
- Describe the developments in ESG disclosure and trends towards standardisation
- Describe the EU Action Plan on Sustainable Finance (SFAP) and other regional ESG regulatory frameworks and their impact on the asset management sector

Positioning ESG Investing Solutions

Overview

This course combines practical client engagement and relationship management training applied to ESG Investment solutions. We focus on the key knowledge and insights that the relationship manager needs to have to understand the client motivations behind ESG investing. The specific nuances around ESG investing will be covered and client sensitivities around ESG issues will be addressed. The course then focuses on helping the relationship manager communicate and position ESG solutions to clients, including how to conduct an effective ESG portfolio review and how to leverage the Company's ESG house views, products, and solutions. Finally, we focus on the optimal approach to use when proposing and positioning ESG solutions.

This course requires additional development time to customize and incorporate client specific ESG investing solutions.

Duration

Each module can be delivered in half day sessions, integrating case studies and practical exercises.

Key Learning Outcomes

- Understand the forces driving the growth of this area of investing
- Appreciate the client's goals, values and principles around ESG investing
- Match the ESG portfolio objectives to the different client profiles and diagnostics
- Digest the house ESG view and present it with conviction
- Prepare the groundwork for an effective ESG portfolio review
- Apply relationship management sales methodologies to ESG investing approaches and build a narrative around ESG investing
- Determine an acceptable ESG solution for the client and close the sale.

Who Should Attend

This course is suitable for relationship managers working with wealth management or asset management clients. Case studies are designed for each specific client type reflecting their nature, investment objectives and size. This course builds on knowledge gained on the ESG Investment Fundamentals.

Content

Module 1 – Positioning ESG Investing Solutions

Overview

In this module, we focus on the key knowledge and insights that the relationship manager needs to understand client motivations behind ESG investing. The specific nuances around ESG investing will be covered and client sensitivities around ESG issues will be addressed. We also focus on communicating and positioning ESG solutions to clients, including how to conduct an effective ESG portfolio review and how to leverage the firm's ESG house views, products, and solutions.

Key Learning Outcomes

At the end of this module, participants will be able to:

- Understand why clients are embracing ESG investing
- Understand the drivers of 'value and values' investing
- Assess client's goals, values, and principles including motivators and 'hot buttons' around ESG issues

- Role Play: Understanding client ESG goals using a values / value framework
- Explain how rising social activism is affecting investing, industries, and markets
- Role Play: Pitting an ardent ESG supporter against an ESG detractor
- Build a narrative around ESG investing
- Position ESG views to different client types
- Communicate the firm's policy and approach to ESG issues and investing
- Leverage the Bank's pedigree in ESG investing
- Role Play: Communicating a narrative around ESG Issues – How Relationship Managers and Investment Managers can work together
- Propose a general ESG solution and recommend a specific ESG solution
- Handle objections and client challenges around ESG solutions
- Role Play: Fast-draw role plays in closing and handling objections

ESG Impact on Credit

Overview

This course provides a practical application of ESG within the credit analysis process and incorporates case studies and exercises as appropriate. We look at how ESG factors overlap with credit risk and how they can be integrated in the credit analysis process. We provide a solid understanding of how ESG risk factors may drive credit risk in the banking business model and how banks are adapting to the challenges of becoming more sustainable. We also look at how Fitch Ratings' ESG Relevance Scores are derived, how they are used and what may influence changes in the scores going forward.

Duration

Each module can be delivered in half day sessions, integrating case studies and practical exercises.

Key Learning Outcomes:

- Understand analytical approach to assess ESG factors and risks and their integration within the credit risk process
- Use question polls and open form quiz questions to check understanding of key concepts
- Exchange ideas and share best practice approaches between participants
- Apply best practice approaches to contemporary case studies (in small teams) and group discussions

Who Should Attend

This course is suitable for ESG related analytical roles within the financial services industry. It is relevant for investors, credit and risk analysts/managers, corporate treasurers, regulators, bankers and relationship managers who need to understand the impact of ESG factors on the risk profile of their customers and counterparties.

Content

Module 1 – ESG and Credit for Banks

Overview

The module explains how ESG factors overlap with credit risk and how they can be integrated in the credit analysis process. The key objective is to provide a solid understanding of how ESG risk factors may drive credit risk in the banking business model and how banks are adapting to the challenges of becoming more sustainable.

Key Learning Outcomes

By the end of this session, participants will be able to:

- Demonstrate a good understanding of the intersection of ESG and credit, incorporating risks, principles, definitions and drivers and how these apply to credit analysis
- Determine how each of the three ESG risk types fit with the traditional bank credit analysis model and how the materiality of ESG factors affects the credit decision
- Analyse ESG factors' impact on expected loss - Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD)
- Evaluate the challenges to integrating ESG issues in credit analysis
- Understand regulatory changes and their consequences for banks

- Determine the risks of failing to address ESG issues on the banking business model
- Understand how ESG risks are considered in credit ratings
- Exercise: ESG Risk Assessment using a bank Task Force on Climate-Related Financial Disclosure (TCFD) report

Module 2 – Understanding Fitch ESG Relevance Scores

Overview

This module covers Fitch Ratings' ESG Relevance Scores, and uses case studies and exercises as appropriate. ESG Relevance Scores help users understand the influence of specific ESG factors on a rating. The course explains how Relevance Scores are derived, how they are used and what may influence changes in the scores going forward. We also look at how ESG risk factors may drive credit ratings through the application of Fitch's ESG Relevance Scores.

Key Learning Outcomes

- Understand the Relevance Score framework and rating scale
- Identify which ESG risks are material and relevant to credit risk
- Assess relevant impacts of ESG scoring factors
- Examine industry and sector-related issues and risk factors using the industry-specific ESG Relevance Heatmaps and templates
- Understand the Fitch Ratings ESG Navigator
- Understand how and when ESG Relevance Scores may change, positively and negatively, and how they may impact the credit rating

Exercise: Assigning ESG Relevance Scores

About Fitch Learning

Fitch Learning partners with clients to deepen knowledge, develop skills, and enhance conduct, delivering positive business outcomes.

With centres in established financial hubs including London, New York, Singapore, Dubai, and Hong Kong, we are committed to understanding complex client needs across fast-paced financial markets globally. Our learning solutions encompass an expert faculty, e-learning, coaching and blended candidate assessments, improving individual contribution and collective business performance.

Fitch Learning in Numbers



Over **26,000** learners per year



Over **4,000** training days per year



Over **1,800** corporate clients



Over **5,000** hours of learning content created every year



Over **2 million** hours of learning delivered each year



Over **80%** of the world's largest banks partner with us

New York
33 Whitehall Street
New York, NY 10004
+1 212 908 0500
+1 800 75 FITCH
usclientservices@fitchlearning.com

London
25 Canada Square
Canary Wharf, London
E14 5LQ
+44 20 3530 1000
clientservices@fitchlearning.com

Singapore
One Raffles Quay,
#22-11, South Tower,
Singapore 048583
+65 6327 1581
clientservices@fitchlearning.com.sg

Dubai
DIFC, Al Fattan Currency
House,
Tower 2, Level 8, Office
804
Dubai, UAE
+971 (0) 4 3767300
meclientservices@fitchlearning.com



Copyright Notice: The copyright and all other intellectual property rights in these materials are, and shall continue to be, owned by Fitch Learning or its affiliates or licensors, as applicable, whether adapted, written for or customised for the recipient. These materials may not be reproduced or used, in whole or in part, for any purpose other than the training provided and may not be furnished to any persons or companies other than those to whom copies have been made available by Fitch Learning. This notice shall apply in respect of all materials provided by Fitch Learning in relation to any training provided by Fitch Learning.