EFFAS®

The European Federation
of Financial Analysts Societies

**EFFAS Certified
Environmental Social and
Governance
Analyst (CESGA®)**

4.0 Programme overview

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CESGA revised version October 2023

CESGA's October 2023 revised version ensures the highest standard for EFFAS's training mission. This update integrates emerging topics from the dynamic regulatory and ESG reporting domains. Module 10, highlighting ESG regional trends, now extends its purview to Africa alongside Asia, Latin America, and North America.

The 2023 CESGA curriculum is enriched with new video content across its 10 Modules, and it has undergone rigorous refinements to reflect the evolving markets. Collaboration with industry experts guarantees curriculum pertinence and your enhanced proficiency in ESG. A standout addition is the Clarity AI App integration providing CESGA candidates with tangible ESG screening and portfolio-building experiences, strengthening the case studies and aligning investments with set goals.

Document update: October 2023

1. Welcome

Welcome to the Certified ESG Analyst® programme! We're pleased you've chosen to join us. Your interest in understanding ESG issues and incorporating them into your daily tasks is noteworthy. This programme aims to enhance your knowledge about the evolving needs of capital markets concerning ESG information and provide tools for effective ESG integration.

Over the years, EFFAS has been instrumental in setting standards for the reporting of extra-financial information. Through our Former Financial Accounting Commission (FAC), now the Financial Reporting Commission, and the Commission on ESG (CESG) we have communicated the needs of investment professionals to the corporate sector. Additionally, our guidance in the form of Key Performance Indicators and data formats has supported the incorporation of extra-financial elements into traditional investment approaches.

Joining us is a positive step in your professional development. Welcome and best wishes on your journey!

2. Introduction

In today's rapidly evolving world, a confluence of factors such as mounting global social and environmental challenges, heightened regulatory and reputational risks, market upheavals, and emerging market opportunities underscore the significance of environmental, social, and governance (ESG) data. This information has transitioned from being a supplementary data source to a cornerstone in the realm of investment and business decisions.

Against this backdrop, the seamless integration of ESG information into the investment process and valuation becomes not just beneficial but imperative. While there have been initial endeavours, only a handful of robust methods and even fewer comprehensive solutions have been introduced to aid investment professionals in ESG integration.

Enter the Certified Environmental, Social, and Governance Analyst training programme. This initiative is designed to bridge this gap, furnishing participants with the requisite training for adept Valuation, Measurement, and Integration of pressing ESG concerns into investment analysis. The CESGA deftly marries deep ESG insights with foundational company analysis valuation, catering to both foundational and advanced needs.

In response to a more dynamic competitive landscape and a maturing market and ESG culture, the third quarter of 2023 saw a comprehensive revamp of the programme. This renewed 2023 edition is enriched with emergent, pivotal topics that every contemporary ESG expert must be well-versed in.

3. What makes the CESGA distinctive?

The Certified ESG Analyst® offers a meticulously designed curriculum spread across 9 core Modules, supplemented by an insightful complementary Module 10, covering all the relevant topics that an ESG expert needs to understand and solve, such as:

- ESG data, the most important input for ESG valuation, receives special attention in the Certified ESG Analyst® programme. Overcoming the current lack of quality data available from companies is still a major challenge for ESG investors.
- An up-to-date chapter on regulations. The CESGA analyses the recent developments and emphasizes the regulatory environment at the European level such as EU taxonomy, the sustainable finance disclosure regulation (SFDR), and the corporate sustainability reporting directive (CSRD). These regulations are especially important as they are highly relevant to all companies and the CESGA® Programme gives an overview of them to investment professionals.
- Unlike other programmes, the CESGA emphasizes the importance of different asset classes in one module. As the ESG market for equity is well established we also cover the areas of sovereign and green bonds, private equity, and commodities.
- Our guidelines to perform due diligence on selected sectors will give you a template to systematically approach the ESG valuation in your profession. Finally, we have developed new case studies for company analysis and for portfolio management. These cases cover all the topics that are presented in the programme.
- The CESGA offers an overview on new regional developments in ESG in Asia Pacific, Latin America, and North America.

4. Programme Objectives

The core objective of this programme is to highlight the role of ESG considerations within investment processes to participants. Upon completion, students will:

- ✓ Understand the effects of ESG on risk and return.

- ✓ Identify various ESG investment approaches and strategies.

- ✓ Recognize the main market factors driving ESG integration.

- ✓ Evaluate different ESG reporting standards systematically.

- ✓ Apply Responsible Investing principles across different asset classes.

- ✓ Incorporate ESG factors into valuation models.

- ✓ Integrate ESG throughout the investment process chain

5. Programme Structure

The Certified ESG Analyst® offers a meticulously designed curriculum spread across 9 core Modules, supplemented by an insightful complementary Module 10.

Module 1. Recent Developments in ESG integration

This module offers insights into the evolving landscape of sustainability integration within the financial sector. Participants will explore the driving factors of ESG demand, challenges and barriers to its seamless integration, and gain an overview of empirical studies that shape the narrative of sustainable investment.

Module 2. Regulatory environment

Delving into the regulatory sphere, this module provides a comprehensive understanding of the current state of sustainability regulations both in the European Union and broader international trends. Participants will learn about regulations affecting corporations and investors, while also gaining foresight into emerging international trends and their potential market impact.

Module 3. ESG-Strategies

This module discusses various strategies to incorporate ESG considerations. Participants will be introduced to the current sustainable investment landscape, different definitions and terms in this domain, and distinctive features of multiple ESG strategies.

Module 4. Responsible Investing Across Asset Classes

This module homes in on diverse investment assets, elaborating on the specific ESG considerations pertinent to each. Participants will gain an overview of the unique ESG perspectives associated with different asset classes and learn how to tailor ESG strategies accordingly.

Module 5. ESG Reporting

Designed to enhance participants' understanding of reporting, this module delineates the differences between reporting requirements and frameworks. It will familiarize participants with prevalent reporting frameworks and the trend towards convergence. It discusses what the major sources of ESG information are and the main ESG raw data issues as well as the reasons behind the use of indicators. Additionally, it discusses the two dimensions of double materiality.

Module 6. ESG integration in the investment process

This module provides a deep dive into the investment decision-making process within the broader investment process chain. Participants will learn about the general steps involved, understand the intricacies of integrating ESG considerations, and grasp its influence at key stages of the investment process.

Module 7. ESG integration in fundamental research (Qualitative analysis)

Participants will explore the methodologies to integrate ESG data into investment decisions in this module. Topics of discussion will include the identification of ESG value drivers for both corporations and sovereigns, the qualitative analysis of corporate governance, sector specific ESG challenges, Green and Sustainable Banking practices, and the final synthesis of these analyses with business models and strategies.

Module 8. ESG integration in fundamental research (Quantitative analysis)

The aim of this module is to dive into how qualitative analyses of material challenges can be incorporated into valuation models. The module will shed light on the influence of ESG data on financial forecasts and its integration within valuation models for varied asset classes.

Module 9. Case study – ESG integration in the investment decision

This practical module synthesizes the teachings of the preceding eight modules. Through tangible examples in research and portfolio management, participants will acquire a robust framework for ESG-integrated due diligence. The module covers examples on integration in research and portfolio management.

Module 10. ESG Regional Developments

This complementary module offers a panoramic view. Participants will dive deep into a tailored exploration of ESG trends across three critical regions: Asia-Pacific, Latin America, and North America.

The **Asia Pacific** chapter presents the regulatory and investment landscape of key players: Japan's evolving sustainability initiatives, China's green financing surge, Hong Kong's sustainable investing strategies, and Singapore's pioneering ESG innovations. Gain insights into the broader Asia-Pacific market's trajectory in the global ESG arena.

The chapter dedicated to **Latin America** provides an overview of the main trends in ESG related practices in the region. It highlights the main regional disparities and focuses on corporate ESG practices, developments in ESG risk integration by financial institutions, as well as the main regulatory approaches in Latin America.

The **North America** chapter covers key developments in the burgeoning ESG industry in Canada and the United States. It explores in detail the recent US SEC proposal on climate-related disclosures, the revision of the fund name rule, as well as the Canada Transition Taxonomy and mandatory climate-related reporting in Canada.

(*) this content is complementary and will not enter in the exam.

6. CESGA´s Digital Learning Experience

The CESGA online programme meticulously unfolds over 9 Modules, each crafted in line with the comprehensive examination syllabus. For a holistic learning experience, each module comes equipped with:

✓ Engaging E-seminars
✓ Informative course slides
✓ Sources & references
✓ Multiple-Choice Question quiz (except for Module 9 & 10)

Please be aware that the MCQ are only sample questions and NOT exam questions. We have included two specimen exams as training materials. This valuable resource ensures that aspirants are well-acquainted with the certification exam's structure.

IMPORTANT: The online programme does not include tutorial services.

7. Key Benefits of the CESGA Programme

Pan-European Expertise: CESGA is crafted by distinguished European specialists, representing diverse countries, ensuring a comprehensive European perspective.

Interactive Learning: Benefit from a suite of online lectures, delivered by seasoned practitioners and esteemed academics, bridging theory and practice seamlessly.

Pragmatic & Academic: While rooted in rigorous academic research, CESGA is uniquely designed for professionals, facilitating easy ESG integration into day-to-day operations.

Robust Learning Ecosystem: Our platform is a one-stop resource, hosting extensive preparatory materials and a self-assessment hub to gauge exam readiness confidently.

Holistic Curriculum: Catering to both ESG novices and seasoned experts, CESGA ensures a well-rounded learning experience.

Hands-on Exposure: The programme is enriched with real-world examples and an extensive case study, simulating a genuine ESG due diligence process.

Up-to-Date Content: Regular content updates ensure the programme's relevance in an evolving ESG landscape.

Prestigious Recognition: CESGA is not just a certification; it's a mark of excellence in the ESG domain.

Valued Certification: Attaining the Certified ESG Analyst Diploma from EFFAS isn't merely a credential; it's a testament to expertise, positioning you favourably with employers in the ESG arena.

8. Behind the Programme: EFFAS Faculty

Prof. Dr. Alexander Bassen

Academic Director of the CESGA® Programme

Professor Alexander Bassen is a distinguished expert on capital markets and management at the University of Hamburg. He specializes in finance, ESG, and reporting courses. Among his notable roles, Alex serves on the German Advisory Council on Global Change and was a member of the EFRAG PTF ESRS and the G7 Impact Task Force. He holds honorary positions at the University of Oxford and is a Visiting Professor at the Hong Kong Baptist University. Additionally, he advises various sustainable finance committees.

Sonia Artuso, CEFA, CIIA, CESGA

Sonia serves as the ESG Investment Integration Manager at Generali, bridging sustainability innovation with investment management. She has degrees from Università di Torino and the CIIA, CESGA, and CEFA certifications. Sonia is also a member of AIAF's Sustainability and ESG Observatory. Sonia's recent notable works include studies on ESG metrics post-COVID and enhancing biodiversity information, published in respected journals and edited volumes.

Aurélie de Barochez, CIIA

Aurélie de Barochez serves as the Head of ESG Integration at Groupama Asset Management, focusing on implementing advanced ESG strategies into investments since 2018. Prior roles include a financial and ESG analyst position at Groupama AM and an analyst at Novethic. Aurélie's educational background boasts master's degrees from Audencia Nantes and Université Paris 2 Panthéon Assas. She also earned a CIIA certification from SFAF in 2017 and actively participates in a Commission for Extra-financial analysis.

Corinne Baudoin, CEFA

Corinne Baudoin has been an influential figure in the SFAF board overseeing ESG matters since 2017. She played foundational roles at CCR Actions and Metropole gestion, emphasizing the integration of ESG into financial strategies. Currently, she offers expertise as an ESG reporting consultant and educates on ESG practices at Dauphine University and PPA Business School, Paris. With credentials including a CEFA since 2000, an engineering degree, and dual master's in land-use planning and Environmental law, Corinne's vast expertise is evident.

Dr. Donato Calace

Dr. Calace is the Senior VP of Innovation and Accounts at Datamaran, driving global innovation and business strategies. Renowned as a guest lecturer at elite institutions like the London Business School, he's also engaged in pivotal European regulatory groups on sustainability reporting and materiality. Co-chairing the "Operationalizing Materiality" group by OIBR and being a member of the UK's FRC Stakeholder Insights Group further underscores his influence. Dr. Calace's Ph.D. research in natural resources management has been recognized and published in leading journals.

Anthony Cheung, CESGA, FCPA

Anthony Cheung is the Managing Director of ESG at PAG's Polymer Capital Management, championing sustainable investment initiatives. With experience spanning London, Singapore, and Hong Kong, he was Asia's first Certified ESG Analyst (CESGA®). He holds key industry positions, including with the GRI and CISI, and is a strong proponent of sustainability governance in Hong Kong. An academic at the University of Hamburg and an LSE graduate, Anthony was honoured with the Regional ESG Leader Award in 2019 by I&M.

Patricia Moles

Patricia boasts over 25 years in international capital markets and sustainable strategies, predominantly in Latin America. Since 2018, she has advised Banco de México on sustainable finance and joined the Governor's advisory team in 2020, pushing the Network of Central Banks' green agenda. She played a pivotal role in Mexico's Committee of Sustainable Finance and led Sustainable Finance training at ITAM. Patricia studied economics at ITAM, with master's degrees from ESADE, Barcelona, and LSE, London.

René Nicolodi, PhD

René Nicolodi leads Equities & Themes and serves as Deputy Head of Asset Management at Swisscanto Invest by Zürcher Kantonalbank. With a Ph.D. from the University of Zurich and a CAIA designation since 2009, he also lectures at institutions including HWZ, the University of Zurich, AZEK, and the International Management Institute in Kiev. Nicolodi is a member of the EFFAS ESG Commission and sits on the board of Swiss Sustainable Finance (SSF).
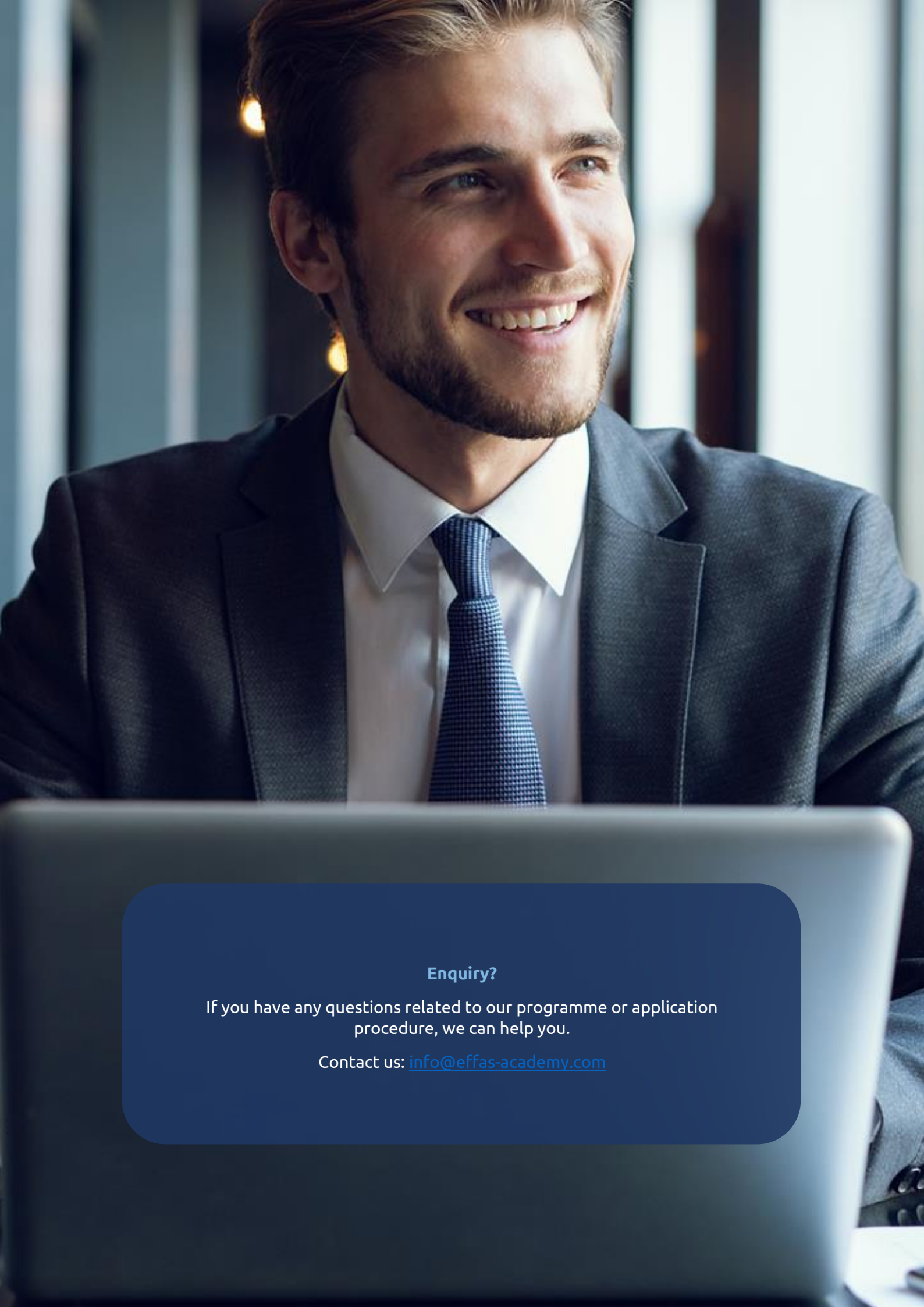
Susana Peñarrubia Fraguas, CFA, CESGA

Susana heads ESG Integration – Active at DWS, joining in 2001 after roles at Dresdner Kleinwort Benson. As an equity portfolio manager from 2007-2020, she earned recognition, including Handelsblatt's esteemed portfolio manager award in sustainable equities. Holding a master's in economics from Universidad de Alcalá de Henares, her accolades include "Best of European Buy side Analyst" and "TopGun" in Europe. She contributes to Schmalenbach Gesellschaft's "Integrated Reporting" and teaches for EFFAS's CESGA and ESG programmes.

Teresa Royo, CESGA

Teresa serves as the Director of Sustainability and Governance at KPMG Spain, specializing in ESG research and reporting. Joining KPMG in 2011, she previously worked with Ecodes and EIRIS, supporting ESG research for renowned indexes like FTSE4good. A former member of the Global Reporting Initiative's stakeholder council (2010-2011), she holds a master's in economics from Universidad de Zaragoza and studied at Maastricht Universiteit. Teresa is also an instructor for EFFAS's ESG Training and the Global Reporting Initiative guidelines.

Enquiry?

If you have any questions related to our programme or application procedure, we can help you.

Contact us: info@effas-academy.com