



Certificate in ESG Investing  
**2025 Curriculum Updates**



# 2025 ESG Curriculum Updates

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## Chapter 1: Introduction to ESG Investing

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- “Almanac” fact and figures updates.
- Emphasis that ESG integration can reduce risk OR enhance returns (not both).
- Revised and re-formatted Spectrum of Capital exhibit.
- Relocation of two end of chapter questions to Knowledge Checks within chapter.
- Updated TCFD sunset and Framework integration with ISSB.

### Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

### LOS related

- One deleted LOS. One LOS edit.

## Chapter 2: The ESG Market

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- “Almanac” fact and figures updates.
- Outflows of Sustainable funds in US for first time in 10 years due to performance and politics.
- 2024 guidance on greenwashing from SDR and FCA.
- Sustainability financial regulations updated.
- UK Stewardship Code.

## Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

## LOS related

- One deleted LOS. One LOS edit.

## Chapter 3: Environmental Factors

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- **Coverage of Just Transition** - Introduces the concept of a 'just transition,' highlighting the importance of policies and investment strategies that align with fair and inclusive climate action.
- **Carbon Pricing** - Specific focus on carbon pricing methodologies, aiming to teach candidates about its various mechanisms.
- **Circular Economy Focus** - Additional topics related to waste management, pollution, and natural resource use.
- **Inclusion of More Specific Frameworks and Guidelines** - Introduces more specific frameworks for climate scenario analysis and investment criteria aligned with a just transition, providing tools for analyzing risks and opportunities.
- **Physical and Transition Risks** - Breakdown of how companies should analyze physical, and transition risks related to climate change.

### Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

## LOS related

- Two new LOS - Increased emphasis on carbon pricing, the just transition, and the interconnectedness of environmental factors with megatrends.

## Chapter 4: Social Factors

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- “Almanac” fact and figures updates.
- Foxconn case study (Apple).
- Goldman Sachs gender discrimination case study.

### Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

## LOS related

- Three LOS revised.

## Chapter 5: Governance Factors

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- “Almanac” fact and figures updates.
- Inclusion of DEI (Diversity, Equity, and Inclusion) - particularly in the context of board structure, diversity, and executive remuneration.
- Focus on Updated Global Practices – including 2024 UK Corporate Governance Code, and material emphasizing modern governance trends such as workforce engagement, board leadership, and the alignment of corporate culture with company values.
- Clarification on Shareholder Engagement – including shareholder engagement and the importance of protecting minority shareholder rights. It provides greater detail on shareholder protection mechanisms like pre-emptive rights and dual-class share structures.
- Introduction of Enhanced Reporting Standards - introduces International Sustainability Standards Board (ISSB) standards and highlights their role in shaping global sustainability reporting.
- More recent governance failures - Wirecard scandal from 2020.

### Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

### LOS related

- One deleted LOS, one edited LOS

## Chapter 6: Engagement and Stewardship

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- “Almanac” fact and figures updates.
- **New focus on explaining both the benefits and limitations of engagement** - inclusion of 'service providers that support asset owners and managers', reflecting a more comprehensive view of the investment ecosystem.
- **Expanded Focus on Stewardship Codes** - highlights their relevance to service providers and systemic risks. The updated material stresses the importance of aligning stewardship activities with long-term investment goals.
- **Case Studies and Practical Examples** - more practical case studies, such as VF Corporation’s engagement on water risks and Siam Cement’s focus on emissions targets. Collective engagement, such as Climate Action 100+, is emphasized to show how collaborative efforts can shape company strategies.
- **Enhanced Guidance on Engagement Styles** - new detailed approaches to engagement, along with issue-based vs. company-focused engagement strategies.

### Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

### LOS related

- Two edited LOS

## Chapter 7: ESG Analysis, Valuation, and Integration

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- “Almanac” fact and figures updates.
- Softened the stance on the purported linkage between ESG factors and expected returns. Highlighted concerns over ESG factor attribution in return studies.
- Increased emphasis on the role of Artificial Intelligence (AI), machine learning, and algorithms in ESG integration.
- Reflected the finalized standards of the International Sustainability Standards Board (ISSB).
- Clarified the circumstances/contexts for adjusting discount rates when adjusting valuation models and clarified the topic of discount rates in general – particularly around the issue of volatility.
- Introduced the availability of the ASCOR (Assessing Sovereign Climate Related Opportunities and Risks) tool for evaluating climate matters in fixed income securities.
- Highlighted that the EU Green Bond Standard was adopted ensuring that Green Bond investments in the EU are aligned with the EU Green Taxonomy
- Clarified that investors may reasonably consider integrating ESG techniques in order to seek either increased investment returns or reduced investment risk but not necessarily both.

### Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

### LOS related

- Re-ordering of one LOS.



## Chapter 8: Integrated Portfolio Construction and Management

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- "Almanac" fact and figures updates.
- Added Section regarding Attributed Emissions for Sovereign Debt, as well as a formula describing this concept.
- Highlighted the shift that is occurring in sustainable investing from ethical or exclusionary strategies towards stewardship and engagement strategies.
- Added elaboration on various ESG indexes by asset classes.
- Enhanced discussion surrounding labeled bonds, green bonds and "greenium".
- Added two new ESG screening examples, as well as a new case study on Italy and sovereign debt ESG considerations.
- Introduced new section on derivatives and net-zero portfolios.

### Removed Content

- Removal of statistics and content that was outdated, out of favor with practitioners or not suitable for the visually impaired.

### LOS related

- Edits to two LOS.

## Chapter 9: Investment Mandates, Portfolio Analytics, and Client Reporting

### Key Enhancements

- Improved accessibility and readability – alt-text explanations for visually impaired.

### New Content

- No substantial additions.

### Removed Content

Note: The Appendix that existed in 2024 (on CFA Institute Disclosure Standards) was moved up into curriculum at section 4 for 2025, and the other components of the prior 2024 Appendix (SFDR Disclosures and ESMA Supervisory Briefing on Sustainability) were deleted.

### LOS related

- Edits to three LOS.