

Module Outline

ECF on Green and Sustainable Finance (GSF)

Module 5 “ESG Essentials”

Benchmarked HKQF Level:	5
No. of Credits:	20
Total Notional Learning Hours:	200
a) Class contact hours:	15 hours (3-hour per session x 5)
b) Self-study hours:	182 hours
c) Assessment hours:	2.5 hours
Pre-requisite:	NA

Module Objective

The module aims to equip participants with a comprehensive understanding of ESG essential topics associated with the transition to a low-carbon and climate-resilient economy, focusing on realising opportunities for banks while aligning with net-zero goals and internal policies. After completing the module, participants are capable of evaluating the primary challenges faced by banks in this transition and proposing actionable recommendations, analysing global climate risk management frameworks to recommend effective decision-making mechanisms regarding climate risk, and assessing different Green and Sustainable Finance (GSF) taxonomies to recommend best practices for GSF reporting and disclosure, mitigating risks such as greenwashing.

Module Intended Outcomes (MIOs) and Units of Competencies (UoCs)

Upon completion of the Module 5, candidates should be able to:

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Evaluate key challenges on the transition to a low-carbon and climate-resilient economy with a view to making recommendations for banks to realise carbon market opportunities and achieve a net-zero economy in compliance with its own policy	107405L5 109250L5 109266L5 109305L6 109432L5
MIO-2	Analyse different global climate risk management governing structures and propose a suitable mechanism for banks to formulate the decision-making mechanism regarding climate risk management	
MIO-3	Evaluate different GSF taxonomies and recommend good practices for GSF reporting and disclosure which can mitigate different GSF risks including greenwashing	

**Note: For the details of the UoCs, please refer to the Specification of Competency Standards (SCS) of [Retail Banking](#) and [Corporate & Commercial Banking](#) which were developed by HKCAAVQ.*

Assessment

Examination duration:	2.5 hours
Examination format:	Multiple Choice Questions (MCQ) with 80 questions
Pass mark:	60%

Syllabus

Chapter 1: Decarbonisation Pathway by Sectors and Transition Finance	
1.1	Transition to a low-carbon and climate-resilient economy: the role of banking sector
1.1.1	- Definition and significance of low-carbon and climate-resilient economy
1.1.2	- Role of banking sector in transitioning to a low-carbon and climate-resilient economy
1.1.3	- Transition finance and their implications
1.1.4	- Coalitions and alliances that drive decarbonisation initiatives in banking sector
1.2	Transition to a net-zero economy for banks – drivers, challenges and strategies
1.2.1	- Drivers of change within the broader market conditions
1.2.2	- Common challenges in transitioning to a net-zero economy for banks
1.2.3	- Implementation and engagement strategies banks may adopt to transition to a net-zero economy
1.3	The role of banking sector in assessing the impact of net-zero policies on industries during the transition
1.3.1	- Sectoral analysis for high-emissions sector
1.3.2	- Examples of banks supporting clients in transitioning to sustainable practices
1.4	Case study: how to develop plans and roadmaps for achieving net-zero emissions based on potential social, economic and environmental implications
1.4.1	- Case studies of banks disclosing net-zero or decarbonisation roadmaps
1.4.2	- Lessons learned from banks' roadmaps and journey
Chapter 2: Carbon Market Opportunities	
2.1	Differentiating instruments and infrastructure in the carbon market and identifying key players and standard-setting bodies
2.1.1	- Overview of voluntary and compliance carbon markets
2.1.2	- Key players and ecosystem of carbon markets
2.1.3	- Standards organisations

2.2	Exploring strategies to navigate carbon markets for emission reduction goals and assessing financial, environmental, and social implications
2.2.1	- Strategies (e.g. risk management and diversification)
2.2.2	- Implications of engaging in carbon market opportunities
2.3	The role of banking sector in synergising different functions in developing and executing net-zero, and carbon market strategies
2.3.1	- Financing and advisory roles to synergise carbon market strategies
Chapter 3: GSF Risk and Valuation	
3.1	Global climate risk management trend and guidelines
3.1.1	- Evolvment of global ESG / climate risk management
3.1.2	- Ecosystem of players in climate risk management
3.1.3	- Global and national guidelines on ESG / climate risk management
3.2	Methodologies for measuring and assessing climate risks
3.2.1	- Common methodologies and data sources
3.3	Strategies to adopt GSF risk management into decision-making process
3.3.1	- Case studies to integrate GSF risk management
Chapter 4: Greenwashing	
4.1	Greenwashing and its implications for organisations, consumers, and the environment
4.1.1	- Definition of greenwashing and examples
4.1.2	- Implication of greenwashing
4.2	Regulatory framework and industry standards related to greenwashing and sustainability claims
4.2.1	- Regulatory frameworks and industry standards related to sustainability claims
4.2.2	- International or national cases of regulatory actions made due to greenwashing
4.3	Detecting and combating greenwashing practices through consumer awareness and education
4.3.1	- Practices to increase consumer awareness and education
4.4	Strategies to enhance GSF disclosure practices and to mitigate the risk of greenwashing
4.4.1	- Improvement in disclosure practices and transparency
4.4.2	- Engagement with stakeholders to build relationships
4.4.3	- Internal audits and external assurance to ensure compliance and mitigate greenwashing risks
Chapter 5: GSF Disclosures, Reporting, and Taxonomies	
5.1	Differentiation on key disclosure and reporting standards on GSF

5.1.1	- Common disclosure and reporting standards
5.2	Overview on GSF data types, analytical tools, and their sources for disclosure, reporting and surveys by ESG rating agencies
5.2.1	- ESG rating agencies and their characteristics
5.2.2	- Common data types reported on GSF
5.2.3	- Common questions by ESG rating agencies regarding GSF
5.3	The role and importance of GSF taxonomies
5.3.1	- Overview of global and local GSF taxonomies
5.3.2	- Application of GSF taxonomies

Recommended Readings

Essential Readings:

1. HKIB Study Guide of ECF-GSF: Module 5 ESG Essentials. (2025).

Supplementary Readings:

1. Glasgow Financial Alliance for Net Zero (GFANZ). (2022). Financial Institution Net-zero Transition Plans. (<https://assets.bbhub.io/company/sites/63/2022/09/Recommendations-and-Guidance-on-Financial-Institution-Net-zero-Transition-Plans-November-2022.pdf>)
2. Transition Plan Taskforce. (2023). TPT Disclosure Framework. (<https://www.ifrs.org/content/dam/ifrs/knowledge-hub/resources/tpt/disclosure-framework-oct-2023.pdf>)
3. Transition Plan Taskforce (2024). Banks Sector Guidance. (<https://www.ifrs.org/content/dam/ifrs/knowledge-hub/resources/tpt/banks-sector-guidance-apr-2024.pdf>)

Further Readings:

1. European Commission. EU Taxonomy for Sustainable Activities. (https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en)
2. Global Reporting Initiative (GRI). The GRI Standards. (<https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>)
3. Hong Kong Monetary Authority (HKMA). (2024). Hong Kong Taxonomy for Sustainable Finance. (<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2024/20240503e1.pdf>)
4. IFRS Foundation. (2023). IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. (<https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s1-general-requirements/#standard>)
5. IFRS Foundation. (2023). IFRS S2 Climate-related Disclosures. (<https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/ifrs-s2-climate-related-disclosures.html/content/dam/ifrs/publications/html-standards-issb/english/2023/issued/issbs2/>)