

Module Outline

ECF on Green and Sustainable Finance (GSF)

Module 7 “Green and Sustainable Finance Investment”

Benchmarked HKQF Level:	5
No. of Credits:	10
Total Notional Learning Hours:	100
a) Class contact hours:	9 hours (3-hour per session x 3)
b) Self-study hours:	89 hours
c) Assessment hours:	2 hours
Pre-requisite:	NA

Module Objective

The objective of this module is to equip learners with the comprehensive understanding of green and sustainable finance investment strategies, tools, and practices, focusing on Hong Kong’s regulatory landscape, market dynamics. Participants will develop expertise in evaluating climate-conscious investments analysis, construct and manage sustainable portfolios, and integrate environmental, social, and governance (ESG) factors into investment decision-making to drive positive environmental and social impact. The course will also cover emerging investment trends, risk management approaches, and Hong Kong’s role as a green finance hub within the Greater Bay Area.

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

Upon completion of the Module 7, candidates should be able to:

MIOs	Intended Outcomes / Competence	*Unit of Competencies (UoCs)
MIO-1	Apply the understanding of green and sustainable finance products to investing and financing decision-making processes.	109414L5 109432L5 109571L6
MIO-2	Apply a rigorous evaluation framework to compare and select appropriate investment strategies based on their financial performance, risk management capabilities, and potential for positive environmental and social impact.	
MIO-3	Design and implement investment stewardship strategies that promote sustainability and drive positive environmental and social change within investment portfolios.	

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

Syllabus

Chapter 1: Investment Analysis and Decision Process	
1.1	Strategies for climate-conscious investment analysis and performance tracking
1.1.1	- Introduction to climate-conscious investing: Key concepts and principles
1.1.2	- Climate risk assessment methodologies: Physical, transition, and liability risks
1.1.3	- Tools for climate risk analysis: Scenario analysis, stress testing, and carbon footprinting
1.1.4	- ESG integration frameworks in investment decision-making
1.1.5	- Evaluating the financial performance of ESG investments: Metrics, KPIs and benchmarks
1.1.6	- Sustainability-focused Indices
1.1.7	- Case studies of climate-conscious investment strategies in Hong Kong
1.2	Accelerating investment processes through quantitative analysis and metrics
1.2.1	- Quantitative models for ESG integration: Factor analysis and portfolio optimisation
1.2.2	- ESG scoring and rating systems: Overview and application
1.2.3	- Use of artificial intelligence (AI) and big data in sustainable investment analysis
1.2.4	- Measuring and verifying impact: Hong Kong's green taxonomy and alignment with global standards
Chapter 2: Portfolio Construction, Management, and Stewardship	
2.1	Methodologies and metrics for integrating climate-related factors in sustainable portfolio management
2.1.1	- Portfolio construction: Integrating ESG factors into asset allocation
2.1.2	- Portfolio construction: Risk-adjusted return considerations
2.1.3	- Climate-aligned portfolios: Strategies for low-carbon and net-zero portfolios
2.1.4	- Carbon pricing and emissions targets: Implications for investment portfolios
2.1.5	- Metrics for measuring portfolio sustainability: Carbon intensity, ESG scores, and impact metrics
2.1.6	- Active vs. passive ESG investing: Hong Kong market trends and opportunities
2.2	Risk management in sustainable portfolios

2.2.1	- Identifying and mitigating ESG risks in portfolios
2.2.2	- Stress testing and scenario analysis for ESG risks
2.3	Stewardship strategies for promoting sustainability in investment portfolios
2.3.1	- Active ownership: Engaging with companies on ESG issues
2.3.2	- Proxy voting and shareholder advocacy: Best practices
2.3.3	- Collaborative initiatives: Hong Kong's role in global stewardship networks
Chapter 3: ESG Funds and other GSF Products	
3.1	Overview of sustainability funds, green funds and other GSF products
3.1.1	- Types of ESG funds available in Hong Kong: Thematic, impact, social, and transition funds
3.1.2	- Green exchange-traded funds (ETFs) and passive investment strategies
3.1.3	- Sustainable fixed income investments: Green and sustainability-linked bonds
3.1.4	- Screening, weighting, and impact measurement
3.1.5	- Private equity and venture capital in green finance: Trends in Hong Kong
3.2	Best Practices for reporting and disclosure requirements in sustainability
3.2.1	- Global reporting frameworks and their adoption in Hong Kong (ISSB, SASB, GRI)
3.2.2	- Hong Kong's ESG disclosure regulations for listed companies (HKEX requirements)
3.2.3	- Impact measurement and reporting: Best practices for institutional investors
3.2.4	- Transparency and accountability: Best practices for ESG disclosure
3.2.5	- The role of independent ESG ratings agencies in Hong Kong's investment landscape
3.3	Regulator's implication on ESG funds and GSF products
3.3.1	- Hong Kong's sustainable investment landscape: Key players and market trends
3.3.2	- Role of the Securities and Futures Commission (SFC) in regulating ESG funds
3.3.3	- Financial incentives and subsidies for green investments in Hong Kong
3.3.4	- Compliance challenges and opportunities in Hong Kong's ESG fund market
3.3.5	- Cross-border green finance initiatives: Opportunities with Mainland China and ASEAN

Recommended Readings

Essential Readings:

1. HKIB Study Guide of ECF-GSF: Module 7 Green and Sustainable Finance Investment. (2025).

Supplementary Readings:

1. Hong Kong Exchanges and Clearing Limited. (2021). *Guidance on Climate Disclosures*. Retrieved from https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance_climate_disclosures.pdf?la=en&hash=31A5BC0D24EA1992391F0DE694089655
2. TCFD. (2021). Task Force on Climate-related Financial Disclosures Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures. Retrieved from https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf
3. Securities and Futures Commission. (2021). Circular to management companies of SFC-authorized unit trusts and mutual funds - ESG funds. Retrieved from <https://apps.sfc.hk/edistributionWeb/gateway/EN/circular/products/product-authorization/doc?refNo=21EC27>

Further Readings:

1. Principles for Responsible Investment. (2023). *Developing and Updating a Responsible Investment Policy*. Retrieved from <https://www.unpri.org/strategy-policy-and-strategic-asset-allocation/developing-and-updating-a-responsible-investment-policy/11876.article#download>
2. Hong Kong Green Finance Association (HKGFA). (2025). Green Technology Landscape in Hong Kong: Opportunities for Finance. Retrieved from https://www.hkgreenfinance.org/wp-content/uploads/2025/01/GTIEng14_1.pdf