

CERTIFICATE IN SUSTAINABLE FINANCE FOR TREASURY SYLLABUS



INTRODUCTION

SUMMARY

The Certificate in Sustainable Finance for Treasury (CertSFT) qualification is suitable for anyone who is interested in gaining an understanding of the fundamental aspects of ESG (environmental, social and governance) considerations and sustainability in treasury. It is especially relevant for people working in treasury at any level and for those providing consultancy and other services within a treasury context.

The CertSFT has been designed to be completed alongside full-time employment. The mode of study is online, supplemented with a tutor, recorded webinars and podcasts, learning activities and other tools. While studying, you will be a Student of the ACT and once qualified, you will be eligible to become an Affiliate member and use the designatory letters, CertSFT.

BACKGROUND

The Certificate in Sustainable Finance for Treasury (CertSFT) will help students to understand the role and influence of environmental, social and governance factors and the broader concept of sustainability in treasury decision-making. CertSFT will enable students to develop knowledge in a range of sustainable tools, techniques and products of relevance to those undertaking treasury activities. It is also applicable to people working for organisations and financial institutions that support treasury professionals in areas relating to ESG and sustainability. These include treasury consultants and those working more widely across the financial services ecosystem and who are responsible for supporting corporate clients either directly or indirectly.

The CertSFT will provide people in these roles with insights into how the needs of the treasury community and the markets more generally are evolving in respect of ESG and sustainability drivers. The qualification provides a solid introduction to the fundamental principles of sustainability and the key instruments used by treasury professionals in this area. ESG and sustainability are of increasing relevance to organisations and their stakeholders. The needs and influences of these stakeholders are explored within this qualification.

QUALIFICATION STRUCTURE

UNIT	SUMMATIVE ASSESSMENT
1. ESG & Sustainability Fundamentals	One exam covering all units
2. Sustainable Finance - Funding Sources	
3. ESG Data, Disclosure and Reporting	
4. ESG and Sustainability Assessments	
5. Sustainable investments and Banking Services	

LEARNING SUPPORT

The course is cohort-based. Students will undertake self-directed study via an online platform which they will gain access to on the day the course starts. Learning material is available in a variety of formats - readings and ePub formats, webinars, podcasts and activities. The student is further supported by ACT tutors, with a discussion forum for queries and debate which the tutors initiate, respond to and moderate. Each cohort will have one live online Question and Answer (real case story) session with a guest speaker and one assessment preparation workshop.

Students will experience an active and supportive learning experience.

Students will have access to the online platform for six months from the date booked on the qualification (learning license).

Students will also have access to the Community Hub which provides a space for all ACT members and students to connect, network, and share their wealth of knowledge. Additional resources and wider reading are available via the Community Hub.

ASSESSMENT AND FEEDBACK

The Certificate in Sustainable Finance in Treasury will be assessed through the following method:

- one online exam, remotely invigilated. The exam structure is comprised of three sections: Sections A and B are multiple choice questions (MCQ) and Section C consists of long answer questions based on mini case studies. The exam is two hours in duration and has a pass mark of 50%
- there will be one exam date and one re-sit exam date for each cohort
- upon successful completion of the assessment, you will receive an eCertificate and digital badge confirming your completion of the Certificate in Sustainable Finance for Treasury qualification
- you may then use the designatory letters, CertSFT, provided you are a member of the ACT.

ENTRY REQUIREMENTS

No entry requirements for this qualification.



UNIT 1: ESG & SUSTAINABILITY FUNDAMENTALS

INTRODUCTION

The concept of sustainability has been around for more than fifty years, although sustainable finance is a more recent addition to the treasurer's toolkit. Over the years a considerable range of terminology and frameworks have been developed. This unit demystifies the fundamentals of ESG, sustainability and sustainable finance, providing students with a solid platform from which to progress through the qualification.

The unit explores sustainability and ESG in relation to the needs of organisations' numerous stakeholders, both internal and external, and the different business responses to these needs. The unit considers different roles and responsibilities of treasury, in relation to ESG, especially in terms of governance, operating models and use of technology. The unit concludes by examining the relevance of carbon markets in sustainable finance.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

L01

Explain the fundamentals of ESG and the impact on treasury.

L02

Discuss business responses and strategies, in relation to ESG and sustainable finance, to meet the needs of different stakeholders.

L03

Describe the different roles and responsibilities of treasury in relation to ESG.

L04

Discuss the relevance of carbon markets in sustainable finance.

UNIT 1: INDICATIVE CONTENT

1. Fundamentals of ESG and Treasury

LO1: Explain the fundamentals of ESG and the impact on treasury.

- ESG, sustainability and sustainable finance defined.
- Background to sustainability.
- Political agendas and organisations.
- Biodiversity/nature.

2. Business Responses and Strategies to ESG

LO2: Discuss business responses and strategies, in relation to ESG and sustainable finance, to meet the needs of different stakeholders.

- Stakeholder needs (customers, suppliers, employees, local communities, regulators, lenders, investors, activist groups, the media).
- Key sustainability activities in companies.
- Key considerations.
- ESG and sustainability risk management.

3. Roles & Responsibilities of Treasury for ESG

LO3: Describe the different roles and responsibilities of treasury in relation to ESG.

- Corporate governance.
- Different operating models.
- Systems/technology.
- Bespoke solutions, stand-alone and integrated options.

4. Carbon Markets

LO4: Discuss the relevance of carbon markets in sustainable finance.

- Carbon offsets.
- Mandatory carbon offsets.
- Voluntary carbon markets.
- Carbon accounting.



UNIT 2: SUSTAINABLE FINANCE – FUNDING SOURCES

INTRODUCTION

Sustainable finance, as a form of funding, is now well established within the market providing a credible alternative to more traditional sources. Today, for those companies with clear ESG and sustainability goals, there are opportunities to demonstrate their efforts by the way they fund their operations. This unit explores a range of issues and considerations of relevance to sustainable finance sources.

The unit starts by exploring a range of different borrowing instruments for sustainable finance, including bonds, loans, project finance and supply chain finance. It also examines different approaches to sustainable finance decision-making from both borrower and lender perspectives. In addition, it explores different considerations for investors in sustainable investment decision-making. Sustainability in terms of borrowing and investing is not without its critics. The unit concludes by exploring the challenges that can arise when trying to tackle such scepticism around these sustainable instruments.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

L05

Discuss different borrowing instruments for sustainable finance.

L06

Explain frameworks and approaches to sustainable finance from the borrower and lender perspectives.

L07

Discuss the view of the investor in relation to sustainable investment decision-making.

L08

Discuss the challenges for treasury to tackle the potential scepticism that can exist around sustainable finance.

UNIT 2: INDICATIVE CONTENT

1. Borrowing Instruments for Sustainable Finance

LO5: Discuss different borrowing instruments for sustainable finance.

- Bonds – ESG labelled financing.
- Loans (including examples/case studies) – ESG-labelled financing.
- Private credit markets.
- Transition financing.
- Sustainable project financing and sustainable supply chain financing.

2. Framework and Approaches to Sustainable Finance

LO6: Explain frameworks and approaches to sustainable finance from the borrower and lender perspectives.

- Lending frameworks.
- KPI selection.
- Choosing the right instrument.
- Flexibility in making changes to existing instruments (such as KPIs).
- The lender perspective.

3. Sustainable Investment Decision Making

LO7: Discuss the view of the investor in relation to sustainable investment decision-making.

- Issues considered by investors.
- Industry best practice guidelines.
- ESG stock market indices.
- ESG equity.

4. Challenges Around Sustainable Finance

LO8: Discuss the challenges for treasury to tackle the potential scepticism that can exist around sustainable finance.

- Market scepticism.
- Setting stretched targets.
- External monitoring of commitments to net zero.
- Market appetite for lending.

UNIT 3: ESG DATA, DISCLOSURE AND REPORTING

INTRODUCTION

Disclosure and reporting of ESG data has been a 'hot topic' for some time now, due to the high level of public interest and the requirements of different stakeholders. For the most part, financial reporting practices are reasonably well-known. However, ESG reporting follows different rules, regulations and standards. This unit explores a range of different considerations relating to ESG data, disclosure and reporting.

The unit explores the regulatory environment applicable to treasury in the context of ESG and sustainable finance. It examines the regulatory landscape and the considerations for treasury. It also examines a number of international reporting standards and frameworks and the considerations these raise for treasury in relation to sustainable finance. The unit concludes by exploring a range of ESG and sustainable finance related data issues applicable to treasury.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

L09

Describe the regulatory environment of relevance to treasury in relation to ESG and sustainable finance.

L010

Explain international reporting standards in relation to ESG and sustainable finance.

L011

Discuss the main ESG and sustainable finance related data issues of relevance to treasury.

UNIT 3: INDICATIVE CONTENT

1. The Regulatory Environment

LO9: Describe the regulatory environment of relevance to treasury in relation to ESG and sustainable finance.

- Corporate Sustainability Due Diligence Directive (EU).
- Corporate Sustainability Reporting Directive (EU).
- EU Green Bond Standard.
- EU Deforestation Regulation.
- UK Regulatory Environment UK.

2. International Reporting Standards

LO10: Explain international reporting standards in relation to ESG and sustainable finance.

- International Sustainability Standards Boards (ISSB).
- EU's European Sustainability Reporting Standards.
- Global Reporting Initiative (GRI).
- Reporting frameworks.

3. ESG and Sustainable Finance Data Issues

LO11: Discuss the main ESG and sustainable finance related data issues of relevance to treasury.

- Data types.
- Data quality and capture.
- Data reporting.
- Scope 3 data requirements.



UNIT 4: ESG AND SUSTAINABILITY ASSESSMENTS

INTRODUCTION

ESG and sustainability assessments play a key role in monitoring an organisation's performance against its stated objectives. Such assessments are effective in helping management to understand the effectiveness of decisions and strategies and to demonstrate the organisation's sustainability credentials to key stakeholders. Positive ESG and sustainability performance can have a significant impact on an organisation's brand and reputation generally. This unit explores a number of different types of assessments.

The unit starts by exploring the role and importance of internal assessments for ESG and sustainable finance. The role of business functions and internal audit are discussed and the importance of creating an ESG and sustainability culture is also examined. Methods of undertaking external assessments are also considered. Different rating agencies and the methodologies they adopt in relation to ESG are also explored. The unit concludes by discussing the considerations for organisations in ensuring they choose the right approach to external assessment.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

L012

Discuss different types of internal assessments for ESG and sustainable finance.

L013

Discuss different types of external assessments for ESG and sustainable finance.

L014

Explain the different rating agency methodologies in relation to ESG.

L015

Discuss the considerations when choosing the right external assessor.

UNIT 4: INDICATIVE CONTENT

1. Different Types of Internal Assessments

LO12: Discuss different types of internal assessments for ESG and sustainable finance.

- The role of business functions.
- The role of internal audit.
- Internal accountability.
- Internal measures.
- ESG and sustainability culture.

2. Different Types of External Assessments

LO13: Discuss different types of external assessments for ESG and sustainable finance.

- Third party assessments of sustainable debt.
- Roles of specialist organisations (such as Second Party Opinion providers).
- Sources of certification.

3. Different Rating Agency Methodologies

LO14: Explain the different rating agency methodologies in relation to ESG.

- Different approaches.
- S&P.
- Moody's.
- Fitch.
- Other agencies and methodologies.

4. Choosing the Right External Assessor

LO15: Discuss the considerations when choosing the right external assessor.

- The different roles performed by external assessors.
- Criteria for selecting the right certification/assurance partner.
- Challenges faced when choosing a partner.

UNIT 5: SUSTAINABLE INVESTMENTS AND BANKING SERVICES

INTRODUCTION

Much has happened in the financial services market since sustainability was first discussed as a concept. Competition has increased significantly and technology has transformed the landscape, supporting the emergence of many new players and the services they offer. Financial services organisations are now very active in terms of developing a wide range of sustainable products. This unit explores different types of sustainable financial services products and a range of different sustainable cash investments available to treasurers. It also considers the market challenges and the importance of devising an appropriate strategy for sustainable cash investments.

Financial services organisations have been active in developing sustainable products for use by treasury and a number of these products are examined. The unit explores how banks manage customer relationships in relation to meeting the ESG and sustainability goals of both the banks and their customers. The unit concludes by considering the customer perspective of the bank/client relationship including how customers can select the most approach relationship bank based on ESG and sustainability requirements.

OVERARCHING LEARNING OUTCOMES

At the end of this unit you should be able to:

L016

Discuss a range of sustainable cash investments.

L017

Discuss considerations in relation to sustainable products available from financial services organisations.

L018

Explain the perspective of banks in respect of managing customer relationships in meeting the ESG and sustainability needs of both the banks and their customers.

L019

Explain the perspective of customers, in relation to their ESG and sustainability needs, in respect managing relationships with banks.

UNIT 5: INDICATIVE CONTENT

1. Sustainable Cash Investments

LO16: Discuss a range of sustainable cash investments.

- Current choices available to treasurers.
- Fund labelling by regulators.
- Market challenges.
- Implementing a strategy.

2. Sustainable Products

LO17: Discuss considerations in relation to sustainable products available from financial services organisations.

- FX and derivatives.
- Payments.
- Other instruments.

3. Managing Customer Relationships from a Banks Perspective

LO18: Explain the perspective of banks in respect of managing customer relationships in meeting the ESG and sustainability needs of both the banks and their customers.

- Understanding the bank view of the company.
- Assessing long term view of banking relationship.
- Managing for the long-term outcome.
- Dealing with change.

4. Managing Banking Relationships from a Customers Perspective

LO19: Explain the perspective of customers, in relation to their ESG and sustainability needs, in respect managing relationships with banks.

- Understanding bank approaches to sustainability.
- Applying procurement considerations to bank relationships.
- Typical elements of a banking services tender/RfP (request for proposal).
- Bank selection criteria.



GLOSSARY OF QUALIFICATIONS TERMS

To assist you in your understanding of the qualifications, the ACT has defined the following terms:

Award	For the purpose of this qualification, upon passing your assessment, you will be awarded the Certificate in Sustainable Finance for treasury. The award is therefore the outcome of your studies and assessment and represents your achievement.
Unit	A unit represents a segment of learning within the Certificate in Sustainable Finance for treasury. Each individual unit has a number of learning outcomes and supporting indicative content.
Overarching learning outcomes	The learning outcomes within a unit lay down the expectations of the student and define the level of knowledge and understanding required in order to be fully prepared to take the ACT assessment.
Learning outcomes (LOs)	These appear within each of the sections in the units and act as the basis to determine knowledge and understanding which shape your learning and assessment. Within each LO, we have included assessment criteria which will help guide you to what will be expected within the assessment.
Indicative content	The indicative content is an indication of the knowledge required in order to fulfil the assessment requirements and achieve the learning outcomes and it details the level of technical content of the programme.



ACT COMPETENCY FRAMEWORK

The result of consultation with senior treasurers, banks and learning and development teams, the framework defines the competencies treasurers need to operate successfully in global business today. The skills a treasurer needs over their career varies according to seniority. The competencies have been benchmarked and mapped to four job levels; tactical, operational, managerial and strategic.

The content of this syllabus introduces the skills required to operate at a tactical level.



Strategic Level
Managerial Level
Operational Level
Tactical Level

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