CFA Institute®

SELF-PACED CURRICULUM

Climate Risk, Valuation, and Investing Certificate

Learning Goals

- Understand climate science, evaluate risks and opportunities, analyze carbon pricing, and grasp regulatory responses.
- Analyze corporate transition plans, assess green energy investments, interpret financial instruments, and understand disclosure frameworks.
- Assess climate-related impacts on portfolio performance and valuation, discuss risk management tools, evaluate implications on investment decisions, and develop strategies for engagement and stewardship.
- Analyze climate impact in asset classes, evaluate climate resilience, and assess sustainability in infrastructure.

Course 1: Climate Science, Risks, and Regulations

This course will provide you with a working understanding of climate science, the associated climate-related risks and opportunities for corporations and investors, and the regulatory responses. In this course, you will gain a deep understanding of the climate forces shaping our planet and how these translate into real-world opportunities and challenges for both corporations and investors. You will also explore how regulations influence the way that businesses and investors respond.

Praxis Assignments
Learners develop a client-focused presentation that explains key climate science concepts and their relevance to investment decision-making. Working with a defined investor persona, learners identify climate-related risks, resulting financial risks, and climate-related opportunities, translating technical climate concepts into clear, accessible messages tailored to the client's objectives, risk profile, and climate ambitions. This assignment emphasizes the ability to connect climate science to real-world investment considerations and client outcomes.

Module 1: Climate Science

Lesson 1 Introduction and Fundamentals of the Climate System

Lesson 2 What is Responsible for Climate Change?

Lesson 3 Understanding Past, Contemporary, and Future Climate Change

Lesson 4 Climate Change Adaptation, Mitigation, and Geoengineering

Module 2: Climate-Related Risks and Opportunities

Lesson 1 Physical Risks

Lesson 2 Transition Risks

Lesson 3 Why Climate Risks Are Financial Risks

Lesson 4 Climate Opportunities

Lesson 5 The Just Transitions

Module 3: Client Objective

Lesson 1 Client Objectives

Module 4: Regulatory Response

Lesson 1 History and Roles of Multilateral Treaties and Agreements

Lesson 2 Multilateral Efforts of Financial Regulators

Lesson 3 Main Types of National and Regional Policy Tools

Lesson 4 Regional Comparisons of APAC, EMEA, and AMER

Module 5: Carbon Markets

Lesson 1 What are Carbon Emissions and How Are They Measured?

Lesson 2 Types of Carbon Instruments

Lesson 3 Compliance Markets and Pricing Mechanisms

Lesson 4 Corporate Responses to Carbon Pricing

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Module 6: Praxis Assignment

- Complete and Submit Praxis Assignment
- Evaluate Two Peer Praxis Assignment Submissions

Course 2: Transition Finance

This course delves into corporate transition planning and its significance in addressing climate change risks and opportunities. The key focus of this course is to help the financial analyst understand how companies make their transition plans, what frameworks and standards they have at their disposal, and how they make decisions around investing and financing for transition plans. All these decisions would eventually have an impact on their financial performance and valuation.

Praxis Assignments
Learners assess a company's climate transition plan to determine whether it is credible, actionable, and relevant to investment decision-making. Using a structured assessment framework, learners evaluate how effectively the company addresses key elements of transition planning, including targets, implementation, governance, financing, transparency, and accountability. The assignment requires learners to identify strengths, weaknesses, risks, and opportunities and consider how the transition pathway may influence investment analysis and valuation.

Module 1: Transition Finance, Frameworks, and Standards

Lesson 1 Concepts of Transition Planning

Lesson 2 Key Drivers of Corporate Transition Plans: Regional and International Frameworks

Lesson 3 Implementation of Corporate Transition Plans

Lesson 4 Financial Market Assessment of Corporate Transition Plans

Module 2: Financing Decisions

Lesson 1 Sustainable and Green Financial Products and Instruments

Lesson 2 Emergence of Transition Bonds and the Risks of Greenwashing with Green, Social, and Transition Bonds

Module 3: Investing Decisions

Lesson 1 Introduction and Definition of Green Energy and Technology Investments

Lesson 2 General Opportunities and Challenges of Green Investments

Lesson 3 Specific Opportunities and Challenges of Green Energy Investments and Green Technology Investments

Module 4: Climate Disclosures and Reporting

Lesson 1 Landscape of Climate Disclosures

Lesson 2 Effectiveness of Key Frameworks

Lesson 3 Key Drivers and Elements of Climate-Related Disclosure

Lesson 4 Understanding Materiality and Greenwashing and Regulations to Combat It

Module 5: Praxis Assignment

- Complete and Submit Praxis Assignment
- Evaluate Two Peer Praxis Assignment Submissions

Course 3: Climate and Valuation: Listed Equity and Debt

This course is designed to provide investment professionals with an understanding of the nature of material climate-related risks and opportunities and their impacts on corporate performance and valuation. It will also explore various climate data, metrics, and tools, including stress testing and climate scenarios. The course will then focus on the application of these tools in analyzing two asset classes: equity and fixed income.

Case studies from asset managers and asset owners will illustrate various approaches to integrating climate into the investment process.

Praxis Assignments
Learners analyze a company's climate-related risks and opportunities and incorporate those considerations into a financial valuation model. Using the Antofagasta case study, learners develop climate-informed scenarios, adjust key valuation assumptions, and assess the implications for future cash flows, cost of capital, terminal value, and overall equity valuation. The assignment requires learners to connect climate analysis with fundamental valuation techniques and explain how climate-related factors can influence investment outcomes.

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Module 1: Climate Data, Metrics, and Tools

Lesson 1 Impact of Climate Risks on Corporate Performance and Valuation

Lesson 2 Landscape of Climate Reporting Metrics

Lesson 3 Methodologies for Measuring and Assessing Climate Risks

Lesson 4 Climate Stress Testing: Efforts from Central Banks and Financial Supervisors

Module 2: Analysis and Valuation for Equity

Lesson 1 Frameworks for Integrating Climate Analysis into the Investment Process

Lesson 2 Integrating Climate Considerations into the Investment Process

Lesson 3 Impact of Material Climate Considerations on Company Valuation

Lesson 4 A Case Study in Valuing Climate Opportunities

Lesson 5 Assessing Climate Risks and Opportunities as an Asset Manager

Module 3: Analysis and Valuation for Fixed Income

Lesson 1 Climate Integration Considerations for Equity and Fixed Income

Lesson 2 Impact of Climate Factors on Equity and Debt Valuations

Lesson 3 Carbon Transition Journey via Thematic Bonds

Lesson 4 Integration of Climate Risk Within Sovereign Debt

Lesson 5 Antofagasta Case Study

Module 4: Praxis Assignment

- Complete and Submit Praxis Assignment
- Evaluate Two Peer Praxis Assignment Submissions
- Public Equity Valuation Quiz

Course 4: Climate and Valuation: Alternatives

This course is designed to provide investment professionals with an understanding of the strengths and limitations of integrating climate risks and opportunities in the investment process. It covers four key asset classes: Private Equity, Private Debt, Infrastructure, and Real Estate. Participants will gain knowledge of climate-related tools and metrics for asset valuation and assess the strengths and limitations of managing each asset class in the context of climate change. The course will provide case studies from asset managers and asset owners to illustrate various approaches

Praxis Assignments
Learners evaluate an alternative investment and assess how climate-related risks and opportunities influence its financial performance and value. Using a wind farm private equity case study, learners analyze valuation drivers, investment returns, terminal value assumptions, and long-term climate factors, while adjusting financial models to reflect changing climate-related expectations. The assignment requires learners to connect climate analysis with private equity and infrastructure valuation techniques and assess the implications for investment decision-making.

Module 1: Private Equity

Lesson 1 Strengths and Weaknesses of Managing Private Equity in Relation to Climate Change

Lesson 2 Key Tools and Metrics for Valuation of Private Equity

Lesson 3 Integrating Climate Risks and Opportunities in the Private Equity Investment Process

Module 2: Private Debt

Lesson 1 Key Attributes of Private Debt Ecosystem

Lesson 2 Characteristics of Private Debt Instruments in Relation to Climate Change

Lesson 3 Use of Key Climate Tools and Metrics in Debt Origination and Assessment of Debt Instruments

Lesson 4 Common Challenges in the ESG Private Debt Domain

Module 3: Infrastructure

Lesson 1 Climate Risk Assessment for Infrastructure Investments

Lesson 2 Infrastructure Finance: Resilience Planning for Infrastructure Investment

Lesson 3 ESG Performance Standards and Blended Finance

Lesson 4 Role of Green Infrastructure and Sustainable Development in Mitigating Climate Risks

Module 4: Real Estate

Lesson 1 The Effects of Climate Change on Real Estate Investments

Lesson 2 Key Climate-Related Tools and Metrics Impacting Valuation of Real Estate

Lesson 3 Sustainable Building Practices and Green Certification

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Module 5: Praxis Assignment

- Complete and Submit Praxis Assignment
- Evaluate Two Peer Praxis Assignment Submissions
- Public Equity Valuation Quiz

Course 5: Portfolio Management and Stewardship for Climate Risk

This course is designed for financial professionals seeking to deepen their understanding of the impacts of climate change on Portfolio Management, Risk Management, and Engagement and Stewardship. Participants will explore the integration of climate related factors into portfolio construction and risk management and develop strategies for engaging with companies on climate issues. Through a combination of theoretical concepts and real-world case studies, participants will gain the knowledge and skills necessary to navigate the evolving landscape of climate change and sustainable investing in portfolio management.

Praxis Assignments
Learners evaluate a company's climate report from an investor stewardship perspective and assess how effectively the company is responding to climate-related risks and opportunities. Acting as an invested fund manager, learners analyze the strengths and weaknesses of the company's climate approach, determine an appropriate voting position on a "say-on-climate" resolution, and develop an engagement strategy designed to drive meaningful improvements in climate performance and disclosure. The assignment emphasizes active ownership, shareholder engagement, and climate-informed decision-making.

Module 1: Integrating Climate Considerations in Portfolio Management

Lesson 1 Approaches for Integrating Climate Risks and Opportunities

Lesson 2 Frameworks for Portfolio Decarbonization

Lesson 3 Role of Climate-Related Data and Metrics inPortfolio Decision Making

Lesson 4 Risk–Return Dynamics of Portfolio Optimization in Equities

Lesson 5 Risk–Return Dynamics of Portfolio Optimization in Fixed Income

Lesson 6 Climate Benchmarks and Approaches to Managing Passive Portfolios

Lesson 7 Discretionary and Quantitative Approaches to Managing Portfolios

Module 2: Managing Climate Risks, Emission Attribution Methodologies

Lesson 1 Techniques for Managing Climate Risks Within Investment Portfolios

Lesson 2 Emissions Attribution Methodologies

Module 3: Climate Integration in Manager Selection

Lesson 1 An Asset Owner's Perspective on Climate Integration in Manager Selection

Module 4: Stewardship and Engagement

Lesson 1 Purpose and Benefits of Investor Engagement and Stewardship

Lesson 2 Main Principles and Requirements of Stewardship Codes

Lesson 3 Strategies for Effective Shareholder Engagement and Active Ownership

Lesson 4 Hypothetical Case Study: Following a Process for Engagement

Module 5: Praxis Assignment

- Complete and Submit Praxis Assignment
- Evaluate Two Peer Praxis Assignment Submissions

Certificate
Receive a shareable certificate and digital badge upon finishing all courses. 20 PL credits

Study time
100 hours to complete. Intermediate level

Access period
12-month access to learning materials

Online self-paced
Flexibility to fit your schedule

Who should enroll
Industry professionals who conduct analysis and portfolio construction, including analysts, portfolio managers, private wealth managers, product specialists, relationship managers, and roles that support these activities. Professionals who need to communicate climate principles and explain decisions to clients or colleagues.

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