

# ICTQual AB



## Qualification Specification

# ICTQual AB Level 5 Diploma in Environmental, Social and Governance (ESG)



**Website**  
[www.ictqualab.co.uk](http://www.ictqualab.co.uk)

**Email:**  
[support@ictqualab.co.uk](mailto:support@ictqualab.co.uk)

# ICTQual AB's

## Level 5 Diploma in Environmental, Social and Governance (ESG)

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## **Qualification Specification about**

# **ICTQual AB Level 5 Diploma in Environmental, Social and Governance (ESG)**

### **About ICTQual AB's**

ICTQual AB is a distinguished awarding body based in the United Kingdom, dedicated to fostering excellence in education, training, and skills development. Committed to global standards, ICTQual AB's provides internationally recognized qualifications that empower individuals and organizations to thrive in an increasingly competitive world. Their offerings span diverse industries, including technical fields, health and safety, management, and more, ensuring relevance and adaptability to modern workforce needs.

ICTQual AB's delivers high-quality educational solutions through a network of Approved Training Centres worldwide. Their robust standards and innovative teaching methodologies equip learners with practical knowledge and skills for personal and professional growth. With a mission to inspire lifelong learning and drive positive change, ICTQual AB's continuously evolves its programs to stay ahead of industry trends and technological advancements.

### **Course Overview**

The ICTQual Level 5 Diploma in Environmental, Social, and Governance (ESG) is a professional qualification designed to equip learners with a comprehensive and critical understanding of the core principles, practices, and strategic importance of ESG in modern business and investment. As global awareness of climate change, social inequality, and corporate ethics intensifies, ESG factors have moved from niche concerns to central determinants of long-term value, risk management, and reputation. This diploma provides the knowledge and skills necessary to integrate ESG considerations into organizational strategy, reporting, and decision-making processes, thereby driving sustainable performance and responsible business conduct. It focuses on practical application, regulatory frameworks, and the evolving landscape of sustainable finance.

### **Course Objectives**

Upon successful completion of this qualification, learners will be able to:

- **Comprehend the Fundamentals:** Define and explain the core concepts, theories, and historical development of Environmental, Social, and Governance (ESG) principles.
- **Analyze ESG Factors:** Critically analyse key environmental (e.g., climate change, resource depletion), social (e.g., human rights, labor practices), and governance (e.g., board diversity, executive compensation) factors that impact business value and risk.
- **Implement ESG Strategies:** Formulate and apply practical strategies for integrating ESG into an organization's operations, supply chain, product development, and overall corporate strategy.

## Course Aims

The overarching aims of the ICTQual Level 5 Diploma in Environmental, Social and Governance (ESG) are to:

- **Develop ESG Professionals:** Create a cohort of knowledgeable and skilled professionals capable of leading and managing ESG initiatives within their respective organizations.
- **Bridge the Skills Gap:** Address the growing need for specialized expertise that can translate ESG commitment into measurable, strategic action.
- **Promote Responsible Business:** Encourage the adoption of best practices in corporate sustainability and governance that contribute positively to the environment and society.
- **Enhance Employability:** Provide a recognized, advanced qualification that validates a learner's ability to drive value creation through sustainable and ethical practices.

## Targeted Audience

This diploma is ideal for a wide range of professionals seeking to gain a recognized qualification and expertise in the rapidly expanding field of ESG. This includes, but is not limited to:

- **Finance Professionals:** Investment Analysts, Portfolio Managers, Fund Managers, and Financial Advisors who need to integrate ESG criteria into investment analysis and decision-making.
- **Corporate Management:** Senior Managers, Directors, and C-Suite executives responsible for strategy, risk management, and overall corporate sustainability.
- **Risk & Compliance Officers:** Professionals tasked with identifying, assessing, and mitigating non-financial risks, including regulatory compliance for ESG reporting.
- **Sustainability & CSR Managers:** Individuals currently working in Corporate Social Responsibility or Sustainability roles who seek to formalize their knowledge and advance their strategic impact.
- **Consultants:** Those advising organizations on sustainability, risk, strategy, and corporate governance.

## Certification Framework

Qualification title	ICTQual AB Level 5 Diploma in Environmental, Social and Governance (ESG)
Course ID	CTE0014
Total Qualification Time	600
Guided Learning Hours	300
Grading Type	Pass / Fail
Competency Evaluation Assessment	<p>Coursework / Assignments / Verifiable Experience</p> <p>The assessment and verification process for ICTQual AB's qualifications involves two key stages:</p> <p><b>Internal Assessment and Verification:</b></p> <ul style="list-style-type: none"><li>✓ Conducted by the staff at the Approved Training Centre (ATC) to ensure learners meet the required standards through continuous assessments.</li><li>✓ Internal Quality Assurance (IQA) is carried out by the centre's IQA staff to validate the assessment process.</li></ul> <p><b>External Quality Assurance:</b></p> <ul style="list-style-type: none"><li>✓ Managed by ICTQual AB's verifiers, who periodically review the centre's assessment and IQA processes.</li></ul> <p>Verifies that assessments are conducted to the required standards and ensures consistency across centres</p>

## Entry Requirements

To enrol in ICTQual AB Level 5 Diploma in Environmental, Social and Governance (ESG), learner must meet the following entry requirements:

- ✓ **Age Requirement:** Learners must be 18 years of age or older at the time of registration.
- ✓ **Educational Background:** Applicants should have completed a Level 4 Diploma or equivalent qualification in a relevant field such as business, management, engineering, sustainability, or social sciences. Candidates with substantial professional experience in ESG, compliance, or corporate responsibility may also be considered.
- ✓ **Work Experience:** While not mandatory, prior exposure to areas such as sustainability, corporate governance, quality management, or social responsibility will strengthen applications and help learners engage more effectively with advanced content.
- ✓ **English Language Proficiency:** As the program is delivered in English, learners are expected to have a good command of written and spoken English to understand technical material and complete assessments successfully.
- ✓ **Technical Aptitude:** An interest in sustainability, ethical governance, and social responsibility is essential. Familiarity with compliance frameworks, reporting standards, or corporate practices will be advantageous.

## Qualification Structure

This qualification comprises 6 mandatory units. Candidates must successfully complete all mandatory units to achieve the qualification.

Mandatory Units	
Unit Ref#	Unit Title
CTE0014-01	Advanced Concepts in Environmental Sustainability and Climate Risk
CTE0014-02	Social Responsibility, Diversity and Stakeholder Engagement
CTE0014-03	Governance, Accountability and Ethical Leadership
CTE0014-04	ESG Auditing, Compliance and International Standards
CTE0014-05	Strategic ESG Risk Management and Reporting Frameworks
CTE0014-06	Applied ESG Practices in Global Industries

## Centre Requirements

To ensure quality training delivery, centres must adhere to the following standards:

### 1. Centre Approval

- ✓ Centres must be formally approved by ICTQual AB's before delivering this qualification.
- ✓ Approval involves a review of facilities, policies, and staff qualifications.

### 2. Qualified Staff

- ✓ **Tutors:** Must hold a Level 5 or higher qualification in Environmental Studies, Sustainability, Finance, Accounting, Business Management, Law, or a closely related field focusing on sustainable development, corporate governance, or ESG-related financial practices.
- ✓ **Assessors:** Must hold a recognized assessor qualification (e.g., CAVA, AVRA) or equivalent)
- ✓ **Internal Quality Assurers (IQAs):** Must hold a recognized IQA qualification (e.g. Level 4 Award in the IQA and Level 4 Certificate in Leading the IQA) and experience to oversee assessment standards.

### 3. Learning Facilities

Centre must offer:

- ✓ Private study areas and internet-enabled workspaces (for blended or physical delivery)
- ✓ Academic and pastoral support for learners
- ✓ Administrative support must be available to manage enrolment, tracking, and learner queries efficiently

### 4. Health and Safety Compliance

- ✓ All training facilities must comply with health and safety regulations.
- ✓ Centres must conduct regular risk assessments for practical activities.



## 5. Learning Resources

- ✓ **Course Materials:** Approved textbooks, study guides, and digital content must align with the qualification standards.
- ✓ **Assessment Tools:** Templates and guidelines must be provided to ensure standardized evaluation processes.
- ✓ **E-Learning Support:** Centres offering online or blended learning must implement an effective Learning Management System (LMS).

## 6. Assessment and Quality Assurance

- ✓ Centres must ensure assessments meet ICTQual AB's competency standards.
- ✓ Internal quality assurance (IQA) must be conducted to maintain consistency.
- ✓ External verifiers from ICTQual AB's will review assessment and training practices.

## 7. Learning Support

- ✓ **Qualification Guidance:** Support for coursework and assignments.
- ✓ **Career Pathway Assistance:** Information on progression opportunities in sustainability and energy sectors.
- ✓ **Accessibility Support:** Accommodations for learners with disabilities or language barriers.

## 8. Policies and Compliance

Centres must uphold the following policies in accordance with ICTQual AB's standards:

- ✓ Equality, Diversity, and Inclusion Policy.
- ✓ Health and Safety Policy.
- ✓ Safeguarding and Learner Protection Policy.
- ✓ Complaints and Appeals Procedure.
- ✓ Data Protection and Confidentiality Policy.

## 9. Reporting Requirements

- Centres must provide ICTQual AB's with regular reports on learner registrations, progress, and certification outcomes.
- Assessment records must be maintained for external auditing and quality assurance purposes.

## Support for Candidates

Centres should ensure that materials developed to support candidates:

- ✓ Facilitate tracking of achievements as candidate's progress through the learning outcomes and assessment criteria.
- ✓ Include information on how and where ICTQual AB's policies and procedures can be accessed.
- ✓ Provide mechanisms for Internal and External Quality Assurance staff to verify and authenticate evidence effectively.

This approach ensures transparency, supports candidates' learning journeys, and upholds quality assurance standards.

## Assessment

This qualification is competence-based, requiring candidates to demonstrate proficiency as defined in the qualification units. The assessment evaluates the candidate's skills, knowledge, and understanding against the set standards. Key details include:

### 1. Assessment Process:

- ✓ Must be conducted by an experienced and qualified assessor.
- ✓ Candidates compile a portfolio of evidence that satisfies all learning outcomes and assessment criteria for each unit.

### 2. Types of Evidence:

- ✓ Observation reports by the assessor.
- ✓ Assignments, projects, or reports.
- ✓ Professional discussions.
- ✓ Witness testimonies.
- ✓ Candidate-produced work.
- ✓ Worksheets.
- ✓ Records of oral and written questioning.
- ✓ Recognition of Prior Learning (RPL).

### 3. Learning Outcomes and Assessment Criteria:

- ✓ **Learning Outcomes:** Define what candidates should know, understand, or accomplish upon completing the unit.
- ✓ **Assessment Criteria:** Detail the standards candidates must meet to demonstrate that the learning outcomes have been achieved.

This framework ensures rigorous and consistent evaluation of candidates' competence in line with the qualification's objectives.



## Unit Descriptors

### CTE0014-01- Advanced Concepts in Environmental Sustainability and Climate Risk

This unit explores complex environmental challenges, including resource scarcity, circular economy principles, and biodiversity loss. It provides an in-depth analysis of climate-related financial risks (physical and transition) and opportunities, teaching learners how to model environmental impact, implement net-zero strategies, and use scenario analysis to drive climate resilience and innovation within organizations.

Learning Outcome:	Assessment Criteria:
1. Analyze advanced theories of environmental sustainability and their application in global industries.	<ul style="list-style-type: none"><li>1.1 Critically discusses the core concepts of advanced environmental theories (e.g., circular economy, planetary boundaries).</li><li>1.2 Compares and contrasts the viability of different theoretical models in addressing industrial sustainability challenges.</li><li>1.3 Identifies specific examples of how these theories are currently applied within at least three different global industry sectors.</li><li>1.4 Evaluates the strengths and limitations of applying a chosen theory to a practical industrial scenario.</li><li>1.5 Justifies the selection of a particular sustainability theory as a guiding principle for a corporate strategy.</li></ul>
2. Evaluate climate change impacts on organizational operations and long-term resilience.	<ul style="list-style-type: none"><li>2.1 Identifies and categorizes the key physical and transitional climate risks relevant to a specific organization's operations.</li><li>2.2 Assesses the potential financial and operational impacts of identified climate risks on the organization's supply chain.</li><li>2.3 Proposes specific strategies to enhance the long-term resilience of the organization against a major climate-related disruption.</li><li>2.4 Examines the role of climate scenario analysis in predicting future operational challenges.</li></ul>
3. Apply frameworks for carbon footprint measurement and reduction.	<ul style="list-style-type: none"><li>3.1 Selects and justifies an appropriate international standard or framework (e.g., GHG Protocol) for measuring organizational carbon emissions.</li><li>3.2 Calculates the Scope 1, 2, and 3 emissions for a given organizational context, using provided data.</li><li>3.3 Formulates a prioritized list of practical, cost-effective measures to achieve a defined carbon reduction target.</li><li>3.4 Explains the difference between carbon neutrality and net-zero targets and the steps required for</li></ul>

- accreditation.
- 3.5 Presents the results of the carbon footprint measurement in a clear, structured report format.
- 4. Assess environmental risk management strategies in line with international standards.**
- 4.1 Differentiates between proactive and reactive environmental risk management strategies.
- 4.2 Evaluates the alignment of an organizational environmental risk strategy with key international standards (e.g., ISO 14001).
- 4.3 Identifies potential gaps in a risk management strategy and recommends corrective actions for improvement.
- 4.4 Analyze the importance of due diligence processes in managing environmental risks within mergers and acquisitions.
- 5. Integrate sustainability principles into corporate decision-making and project planning.**
- 5.1 Illustrates how the triple bottom line (People, Planet, Profit) concept can be factored into capital expenditure decisions.
- 5.2 Develops a simple checklist or process for incorporating sustainability criteria into the initial phase of a new business project.
- 5.3 Analyze a case where sustainability principles were successfully integrated into a major corporate decision.
- 6. Critically examine renewable energy adoption and resource efficiency practices.**
- 6.1 Compares and contrasts the financial and environmental benefits of various renewable energy technologies suitable for industrial use.
- 6.2 Evaluates the effectiveness of existing organizational resource efficiency initiatives (e.g., water, waste) using relevant performance indicators.
- 6.3 Identifies the main technical and economic barriers to the adoption of renewable energy in a specific industry sector.
- 6.4 Proposes a strategy for achieving zero waste or closed-loop systems within a production environment.
- 6.5 Critically discusses the life cycle assessment (LCA) of selected products to identify resource hotspots.
- 7. Develop policies that align with global environmental sustainability goals.**
- 7.1 Translates specific targets from the UN Sustainable Development Goals (SDGs) into measurable organizational policy objectives.
- 7.2 Drafts a clear and concise section of an organizational environmental policy focused on biodiversity protection or pollution prevention.
- 7.3 Justifies how the developed policy contributes to international environmental agreements or targets.

7.4 Evaluates the effectiveness and enforceability of the proposed policy within the corporate structure.

**8. Demonstrate awareness of ethical and legal responsibilities in climate risk management.**

8.1 Identifies the key pieces of national or international legislation that govern corporate action on climate change and emissions reporting.

8.2 Explains the ethical obligation of companies regarding intergenerational equity and the management of long-term climate risks.

8.3 Recognizes the legal risks, such as climate litigation, associated with inadequate disclosure or lack of action on climate change.

## CTE0014-02- Social Responsibility, Diversity and Stakeholder Engagement

This unit focuses on the "S" in ESG, examining human capital management, labor standards, and the crucial role of Diversity, Equity, and Inclusion (DEI). It covers human rights due diligence, supply chain ethics, and the strategic importance of effective stakeholder dialogue to build trust, manage social license to operate, and create positive societal impact.

### Learning Outcome:

### Assessment Criteria:

**1. Explain the role of social responsibility in modern corporate governance.**

- 1.1 Defines corporate social responsibility (CSR) and its evolution from philanthropy to strategic integration within governance.
- 1.2 Articulates the direct link between effective social responsibility and achieving long-term business value and stability.
- 1.3 Explains how social responsibility informs the decision-making process of the board of directors.
- 1.4 Differentiates between the concept of CSR and the 'S' component of ESG.

**2. Evaluate diversity and inclusion strategies within organizational structures.**

- 2.1 Compares and contrasts the effectiveness of two different strategic models for promoting workplace diversity (e.g., targets vs. unconscious bias training).
- 2.2 Identifies key metrics (e.g., representation across levels, pay gap analysis) for measuring the success of inclusion initiatives.
- 2.3 Assesses the impact of diversity policies on organizational culture and employee retention rates.
- 2.4 Recommends an appropriate framework for addressing issues of equity and equal opportunity in a global context.
- 2.5 Analyze how inclusive leadership contributes to better business outcomes.

**3. Apply stakeholder engagement models to build trust and transparency.**

- 3.1 Identifies and maps the primary and secondary stakeholder groups for a given corporate project.
- 3.2 Selects and justifies an appropriate stakeholder engagement model (e.g., Power/Interest grid) for a specific scenario.
- 3.3 Develops a plan detailing communication methods and feedback loops for engaging a diverse set of stakeholders.
- 3.4 Evaluates how proactive engagement can be used to mitigate reputational risk and enhance

transparency.

**4. Assess the impact of CSR initiatives on community development and brand reputation.**

- 4.1 Analyze how a specific CSR program has contributed to measurable, positive outcomes for a local community.
- 4.2 Evaluates the correlation between investment in ethical supply chains and positive perception of the corporate brand.
- 4.3 Determines appropriate key performance indicators (KPIs) for measuring the success of a CSR initiative.

**5. Analyze ethical challenges in social responsibility practices.**

- 5.1 Identifies potential conflicts of interest that can arise when balancing social objectives with financial returns.
- 5.2 Examines the concept of 'greenwashing' or 'social washing' and its implications for corporate credibility.
- 5.3 Applies an ethical decision-making model to resolve a case study involving a supply chain labour issue.
- 5.4 Discusses the challenges of maintaining consistent social standards across different international jurisdictions.
- 5.5 Differentiates between ethical, legal, and discretionary responsibilities in social practices.

**6. Develop frameworks for measuring social impact and reporting outcomes.**

- 6.1 Outlines the key components of a robust framework for collecting data on social performance indicators (e.g., employee well-being, training hours).
- 6.2 Explains how social return on investment (SROI) can be calculated and utilized in decision-making.
- 6.3 Designs a basic structure for reporting social impact outcomes to both internal and external stakeholders.
- 6.4 Justifies the selection of specific social metrics based on their materiality to the business and its stakeholders.

**7. Integrate human rights considerations into ESG strategies.**

- 7.1 Identifies specific human rights risks (e.g., forced labour, freedom of association) relevant to an organization's value chain.
- 7.2 Explains the concept of human rights due diligence and its application in preventing and mitigating

- negative impacts.
- 7.3 Proposes a policy statement that formally commits the organization to the UN Guiding Principles on Business and Human Rights (UNGPs).
8. **Demonstrate communication with stakeholder groups.**      **effective with diverse**
- 8.1 Adapts a communication message about an ESG initiative to suit the interests and technical understanding of different groups (e.g., investors vs. local community).
- 8.2 Uses appropriate channels and formats (e.g., social media, formal report, public forum) for communicating with specific stakeholders.
- 8.3 Demonstrates active listening and professional response strategies in handling stakeholder concerns or criticism.
- 8.4 Prepares a concise public statement that transparently addresses a negative social impact event.



## CTE0014-03- Governance, Accountability and Ethical Leadership

This unit details best practices in corporate governance, emphasizing board structure, independence, and effectiveness in overseeing ESG matters. It explores executive compensation alignment with sustainability goals, anti-corruption measures, shareholder activism, and the essential role of ethical leadership in fostering a culture of integrity, accountability, and long-term value creation.

### Learning Outcome:

### Assessment Criteria:

#### 1. Understand principles of corporate governance and accountability.

- 1.1 Identifies and explains the core principles of corporate governance (e.g., fairness, transparency, independence).
- 1.2 Differentiates between the roles and responsibilities of the board, management, and shareholders.
- 1.3 Articulates the concept of accountability and how it is demonstrated within an organizational structure.
- 1.4 Explains the necessity of governance in maintaining investor confidence and regulatory compliance.
- 1.5 Compares key governance models (e.g., unitary vs. two-tier boards).

#### 2. Evaluate ethical leadership practices in organizational contexts.

- 2.1 Analyzes the characteristics and behaviours that define ethical leadership (e.g., integrity, fairness, role-modeling).
- 2.2 Evaluates the impact of leadership tone and culture on employee conduct and compliance.
- 2.3 Assesses how an ethical leader fosters a speak-up culture and protects whistleblowers.
- 2.4 Compares two different organizational approaches to promoting ethical behaviour.

#### 3. Apply governance frameworks to strengthen transparency and compliance.

- 3.1 Selects and justifies a relevant governance code or framework (e.g., UK Corporate Governance Code) for a specific company structure.
- 3.2 Proposes specific actions to enhance board diversity and independence as required by the chosen framework.
- 3.3 Develops a plan for periodic review of compliance policies to ensure they remain current and effective.
- 3.4 Explains how formal internal controls and audit functions contribute to organizational transparency.
- 3.5 Demonstrates an understanding of the

- relationship between corporate strategy and the governance structure.
- 4. Assess the role of boards and committees in ESG oversight.**
    - 4.1 Identifies the typical board committees (e.g., Audit, Remuneration, Nomination) and their specific responsibilities regarding ESG issues.
    - 4.2 Evaluates the effectiveness of board-level reporting structures for climate risk and social metrics.
    - 4.3 Assesses how executive compensation structures can be linked to the achievement of key ESG performance indicators.
    - 4.4 Analyze the composition and required skill sets of a board to ensure adequate ESG expertise.
  - 5. Analyze case studies of governance failures and corrective measures.**
    - 5.1 Identifies the primary governance flaws (e.g., lack of independence, weak internal controls) that led to a high-profile corporate failure.
    - 5.2 Evaluates the effectiveness of the corrective measures implemented by the organization or regulators following the failure.
    - 5.3 Summarizes key lessons learned from a governance failure case study that are applicable to modern ESG practice.
  - 6. Develop strategies for ethical decision-making in complex environments.**
    - 6.1 Applies a recognized ethical decision-making model (e.g., utilitarian, rights-based) to resolve a complex ethical dilemma.
    - 6.2 Identifies the ethical conflicts embedded within a global supply chain or business expansion plan.
    - 6.3 Develops guidelines for employees on how to escalate and report potential breaches of the code of conduct.
    - 6.4 Formulates a justification for a difficult ethical choice, considering its impact on all stakeholders.
    - 6.5 Analyze the influence of organizational culture on the success of ethical strategies.
  - 7. Integrate governance principles into risk management systems.**
    - 7.1 Explains how good governance (e.g., clear roles, strong oversight) enhances the effectiveness of organizational risk management.
    - 7.2 Illustrates the process for classifying and prioritizing governance risks within a corporate risk register.

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| <p>8. Demonstrate awareness of anti- corruption and integrity standards.</p> | <p>7.3 Evaluates the adequacy of internal controls designed to prevent fraud and misuse of company assets.</p> <p>7.4 Designs a brief procedure for the regular reporting of governance risk exposure to the board.</p> <p>8.1 Explains the key provisions of major anti-corruption legislation (e.g., UK Bribery Act, FCPA).</p> <p>8.2 Identifies common scenarios (e.g., facilitation payments, gift-giving) that pose a risk of corruption in business.</p> <p>8.3 Outlines the essential components of an effective corporate anti-bribery and corruption policy.</p> |
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## CTE0014-04- ESG Auditing, Compliance and International Standards

This unit equips learners with knowledge of the evolving global regulatory landscape (e.g., EU Taxonomy, SFDR). It covers the methodology for ESG assurance and auditing, internal controls, and data integrity. The unit explores major international frameworks, including GRI, SASB, and TCFD, ensuring accurate, credible, and compliant public disclosure of non-financial performance.

### Learning Outcome:

### Assessment Criteria:

**1. Explain the importance of ESG auditing in global industries.**

- 1.1 Articulates the primary purpose of an ESG audit, distinguishing it from traditional financial or quality audits.
- 1.2 Justifies the role of ESG auditing in enhancing investor confidence and managing regulatory risk.
- 1.3 Explains how an audit verifies the credibility and accuracy of reported ESG data.
- 1.4 Identifies the main benefits of voluntary ESG auditing for a global corporation.

**2. Apply auditing methodologies to assess compliance with ESG standards.**

- 2.1 Outlines the key steps in the lifecycle of an ESG audit (e.g., planning, fieldwork, reporting).
- 2.2 Develops a sampling strategy for verifying social data points, such as employee training hours or safety records.
- 2.3 Designs a checklist of key questions or evidence to assess compliance with a specific environmental standard.
- 2.4 Differentiates between compliance-based and performance-based auditing approaches.
- 2.5 Applies an audit scoring or rating system to evaluate a hypothetical organization's compliance status.

**3. Evaluate international frameworks such as ISO, GRI, and SASB.**

- 3.1 Compares and contrasts the scope and target audience of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).
- 3.2 Explains the purpose and application of a key ISO standard (e.g., ISO 14001, ISO 26000) in the context of ESG.
- 3.3 Assesses the benefits and challenges of using multiple international reporting frameworks simultaneously.
- 3.4 Identifies which framework is most suitable for a given industry sector and reporting objective,

providing justification.

**4. Develop audit reports that meet professional and regulatory requirements.**

- 4.1 Structures an ESG audit report, ensuring inclusion of the scope, methodology, key findings, and auditor opinion.
- 4.2 Drafts clear, non-ambiguous audit findings, noting the specific criteria and evidence for non-compliance.
- 4.3 Formulates actionable and time-bound recommendations to address identified non-conformities.
- 4.4 Explains the importance of the materiality assessment in shaping the content of the audit report.
- 4.5 Demonstrates the correct use of professional terminology and ethical reporting principles.

**5. Assess risks associated with non-compliance in ESG practices.**

- 5.1 Identifies and categorizes the consequences of ESG non-compliance (e.g., financial penalties, reputational damage, legal action).
- 5.2 Analyze the severity and likelihood of a specific non-compliance risk (e.g., exceeding pollution limits).
- 5.3 Proposes a mitigation strategy to minimize the chance of a recurring non-compliance incident.

**6. Integrate ESG audits into organizational quality management systems.**

- 6.1 Explains how the PDCA (Plan-Do-Check-Act) cycle can be used to manage and improve ESG performance following an audit.
- 6.2 Illustrates the structural linkage between a quality management system (QMS) and an ESG auditing process.
- 6.3 Develops a procedure for ensuring that audit findings are addressed and corrective actions are tracked within the QMS.
- 6.4 Analyze the benefits of a unified, integrated management system that incorporates ESG and quality.

**7. Demonstrate knowledge of certification processes and accreditation standards.**

- 7.1 Outlines the typical process an organization undergoes to achieve an ESG-related certification (e.g., ISO 14001).
- 7.2 Explains the difference between a self-declaration, second-party audit, and third-party accreditation.

- 7.3 Identifies the key international bodies or standards organizations responsible for granting ESG-related certifications.
- 8. Critically analyze evolving global ESG compliance trends.**
- 8.1 Identifies at least three significant, emerging global regulatory trends (e.g., mandatory climate reporting, supply chain due diligence laws).
  - 8.2 Evaluates the potential impact of a specific emerging regulation on the operation of a multinational corporation.
  - 8.3 Analyzes the role of technology (e.g., AI, blockchain) in facilitating better ESG compliance and data management.
  - 8.4 Forecasts the likely future direction of ESG compliance requirements based on current legislative movement.
  - 8.5 Compares the compliance requirements of two major economic blocs (e.g., EU vs. North America).



## CTE0014-05- Strategic ESG Risk Management and Reporting Frameworks

This unit focuses on integrating ESG factors into enterprise-wide risk management (ERM) processes. Learners will master techniques for identifying and prioritizing material ESG risks and opportunities. It covers the strategic use of integrated reporting and materiality assessments to communicate performance effectively to investors and stakeholders, linking sustainability to financial outcomes.

### Learning Outcome:

### Assessment Criteria:

1. Identify key risks associated with environmental, social, and governance factors.

- 1.1 Classifies specific ESG risks (e.g., water scarcity, forced labour, board independence) into the three ESG pillars.
- 1.2 Differentiates between physical risks, transition risks, and liability risks related to climate change.
- 1.3 Identifies the five most material ESG risks for a hypothetical company in a specified sector.
- 1.4 Explains how interconnected ESG risks (e.g., climate change leading to social instability) can amplify corporate exposure.

2. Apply risk management models to ESG challenges.

- 2.1 Explains the steps of a typical enterprise risk management (ERM) process (Identification, Assessment, Mitigation, Monitoring) applied to ESG.
- 2.2 Uses a risk matrix to assess the likelihood and impact of two specific ESG events.
- 2.3 Applies the TCFD's (Task Force on Climate-related Financial Disclosures) four core elements (Governance, Strategy, Risk Management, Metrics and Targets) to a climate risk scenario.
- 2.4 Develops a heat map that visually represents the prioritization of identified ESG risks.
- 2.5 Analyze the role of insurance and hedging strategies in transferring or mitigating certain ESG risks.

3. Evaluate reporting frameworks such as GRI, CDP, and TCFD.

- 3.1 Compares the key reporting requirements and structure of the Global Reporting Initiative (GRI) and the Carbon Disclosure Project (CDP).
- 3.2 Explains the primary focus and unique contribution of the Task Force on Climate-related Financial Disclosures (TCFD) framework.
- 3.3 Evaluates the alignment of a company's current ESG disclosures with the principles of a chosen framework.
- 3.4 Justifies the choice of one reporting framework over another based on the company's size,

sector, and stakeholder needs.

**4. Develop ESG risk registers and mitigation strategies.**

- 4.1 Constructs a segment of an ESG risk register, including risk description, owner, likelihood, impact, and current controls.
- 4.2 Formulates a comprehensive mitigation strategy for a high-priority social risk, such as modern slavery in the supply chain.
- 4.3 Identifies suitable leading and lagging indicators for monitoring the effectiveness of a risk mitigation measure.
- 4.4 Explains the process of residual risk assessment following the implementation of controls.
- 4.5 Creates a crisis communication protocol for an immediate, high-impact ESG event (e.g., environmental disaster).

**5. Assess the role of transparency in ESG reporting.**

- 5.1 Explains why transparency is fundamental to the credibility and trust embedded in ESG reports.
- 5.2 Identifies the key elements of an ESG report that contribute to stakeholder confidence and prevent greenwashing.
- 5.3 Analyze the trade-off between disclosing sensitive business information and maintaining transparency in ESG reporting.

**6. Integrate ESG risk management into corporate strategy.**

- 6.1 Explains how a firm's material ESG risks should influence the development of its long-term corporate strategy.
- 6.2 Illustrates the process of embedding ESG risk management into the annual business planning and budgeting cycle.
- 6.3 Assesses the competitive advantage gained by proactively integrating ESG risk management into core business functions.
- 6.4 Differentiates between operational and strategic integration of ESG risk management.

**7. Analyze stakeholder expectations in ESG disclosures.**

- 7.1 Identifies the distinct reporting needs and expectations of major stakeholder groups (e.g., investors, consumers, regulators).
- 7.2 Analyzes how the concept of materiality helps prioritize which ESG topics to disclose based on stakeholder interest.
- 7.3 Evaluates the effectiveness of a current ESG

**8. Demonstrate ability to prepare professional ESG risk and reporting documents.**

- report in meeting the information requirements of a financial investor.
- 7.4 Discusses the increasing demand from consumers for transparency regarding product lifecycle and supply chain.
- 7.5 Compares how different stakeholder expectations influence the choice between a narrative-based or data-driven reporting style.
- 8.1 Drafts a clear, concise executive summary for a hypothetical ESG report aimed at a board of directors.
- 8.2 Populates a section of a sustainability report with data on a chosen metric (e.g., energy consumption), ensuring accuracy and consistency.
- 8.3 Presents a key finding from a risk register in a professional, audience-appropriate format.

## CTE0014-06- Applied ESG Practices in Global Industries

This unit applies ESG theory to real-world industry sectors, such as energy, manufacturing, finance, and technology. It examines sector-specific challenges, tailored metrics, and best-in-class ESG case studies. The unit develops learners' ability to adapt and implement specific ESG strategies, standards, and metrics relevant to the unique operational and market dynamics of global industries.

### Learning Outcome:

### Assessment Criteria:

**1. Apply ESG principles to real-world industrial case studies.**

- 1.1 Selects and analyzes a real-world case study, identifying the application or failure of key ESG principles within the scenario.
- 1.2 Evaluates the effectiveness of the ESG strategy implemented by the organization in the case study.
- 1.3 Proposes alternative courses of action for the organization based on sound ESG principles.
- 1.4 Explains how the principles of materiality influenced the ESG challenges faced by the organization in the case.

**2. Evaluate sector-specific ESG challenges in construction, energy, manufacturing, and finance.**

- 2.1 Identifies and contrasts the most material environmental challenges in the energy sector (e.g., emissions) versus the construction sector (e.g., waste).
- 2.2 Analyze a key social challenge prevalent in the manufacturing supply chain (e.g., labour rights) and suggests a sector-specific mitigation.
- 2.3 Evaluates the role of the finance sector in driving ESG performance through lending and investment decisions.
- 2.4 Compares the governance challenges (e.g., executive pay, lobbying) across two different industry sectors.
- 2.5 Explains how the application of ESG criteria varies due to the specific operational footprint of each sector.

**3. Develop practical solutions for integrating ESG into operational processes.**

- 3.1 Designs a step-by-step procedure for embedding a specific environmental target (e.g., waste reduction) into a company's day-to-day operational management.
- 3.2 Proposes a system for ensuring ESG criteria are included in the vendor selection and procurement process.
- 3.3 Develops a training module or brief for operational staff on a key social or ethical

- practice.
- 3.4 Justifies the allocation of resources (e.g., budget, personnel) required to implement the proposed operational solutions.
- 4. Assess the impact of ESG practices on organizational competitiveness.**
- 4.1 Analyze the link between strong ESG performance and key competitive factors like access to capital and lower cost of borrowing.
- 4.2 Evaluates how proactive ESG practices can enhance a company's market share and consumer preference.
- 4.3 Identifies the competitive advantages gained from adopting a sustainable innovation strategy.
- 4.4 Assesses the correlation between high employee engagement (a social metric) and organizational productivity.
- 4.5 Examines the impact of positive ESG reputation on attracting and retaining top talent.
- 5. Implement monitoring and evaluation systems for ESG performance.**
- 5.1 Designs a balanced scorecard or dashboard containing a mix of leading and lagging indicators for tracking quarterly ESG performance.
- 5.2 Develops a procedure for collecting, validating, and ensuring the quality of raw ESG data from various departments.
- 5.3 Explains the process of conducting a periodic evaluation to determine if ESG targets are being met.
- 5.4 Illustrates how technology or software can be used to automate the monitoring of key environmental metrics.
- 6. Demonstrate collaboration skills in multidisciplinary ESG projects.**
- 6.1 Identifies the necessary contributions of at least three different departments (e.g., Legal, HR, Operations) to a successful ESG project.
- 6.2 Proposes a meeting structure and communication strategy to ensure effective collaboration between internal stakeholders.
- 6.3 Analyze a scenario where communication failed between multidisciplinary teams and suggests an improvement plan.

**7. Critically analyze global best practices in ESG implementation.**

- 7.1 Identifies and evaluates a globally recognized best practice for integrating climate action or human rights into a business model.
- 7.2 Compares and contrasts the implementation strategies of two global industry leaders known for their strong ESG performance.
- 7.3 Explains why a specific best practice from one geographic region may not be transferable to another.
- 7.4 Develops a list of three key actionable insights derived from the analysis of global best practices.
- 7.5 Critically discusses the limitations of best practices and the need for context-specific adaptation.

**8. Reflect on professional growth through applied ESG learning.**

- 8.1 Identifies at least two specific areas of their own professional skills or knowledge that have been significantly developed through the applied learning.
- 8.2 Articulates how the acquired knowledge and skills will contribute to future career roles in the ESG field.
- 8.3 Provides a justified recommendation for an area of future continuous professional development (CPD) related to emerging ESG topics.



## ICTQual AB

Yew Tree Avenue, Dagenham,

London East, United Kingdom RM10 7FN

+447441398083

[support@ictqualab.co.uk](mailto:support@ictqualab.co.uk) | [www.ictqualab.co.uk](http://www.ictqualab.co.uk)

VisitOfficialWebpage

