CFA ESG 2026 Updates Beginner Guide

A plain language guide to the curriculum context and regulatory developments

Evidence date 21 September 2026

Course baseline CFA Institute Sustainable Investing Certificate 2026 curriculum

Purpose of this guide

This guide explains the background needed to understand the accompanying CFA ESG 2026 Updates video. It assumes no prior knowledge of sustainable investing, financial regulation or climate disclosure. It separates the 2026 examination curriculum from later changes in law and regulatory practice. A later development can be useful for professional understanding without automatically changing what the 2026 curriculum examines.

The course is independent preparation for CFA Institute's Sustainable Investing Certificate. CFA Institute does not endorse or sponsor this guide. The certificate does not confer the Chartered Financial Analyst designation.

Essential vocabulary

Term	Meaning
Sustainable investing	The use of environmental, social and governance information alongside conventional financial analysis and investment decision making.
ESG	Environmental, social and governance. Environmental issues include climate and natural resources. Social issues include workers, customers and communities. Governance concerns direction, control and accountability.
Issuer	An organisation that issues shares, bonds or other securities to investors.
Disclosure	Information an organisation provides to investors, regulators or the public.
Materiality	A way of deciding which information matters for a decision. Double materiality considers effects on the company and the company's effects on people and the environment.
Stewardship	The responsible use of investor rights and influence to protect and enhance long-term value for clients and beneficiaries.
Greenwashing	A sustainability claim that exaggerates, misrepresents or lacks adequate support.
Proposal and bill	Measures that may become law but have not completed the required legislative process.
Erratum	An official correction to an error in published material.
Jurisdiction	The country or legal system whose rules apply.

Who the main organisations are

CFA Institute. Publishes the Sustainable Investing Certificate curriculum and official errata. CFA originally stands for Chartered Financial Analyst.

IFRS Foundation and ISSB. The IFRS Foundation oversees international financial reporting standard setting. ISSB means International Sustainability Standards Board and develops sustainability-related disclosure standards.

TCFD. The Task Force on Climate-related Financial Disclosures developed the four-pillar climate disclosure structure.

European Union institutions. Create and administer legislation such as the Corporate Sustainability Reporting Directive and proposals such as the Green Claims Directive.

FCA. The United Kingdom Financial Conduct Authority regulates conduct in financial markets.

CMA. The United Kingdom Competition and Markets Authority enforces general consumer protection law.

FRC. The United Kingdom Financial Reporting Council publishes the Stewardship Code.

FMA and XRB. New Zealand's Financial Markets Authority regulates financial markets. The External Reporting Board sets accounting, auditing and climate-related disclosure standards.

SEC. The United States Securities and Exchange Commission regulates securities markets and public-company disclosure.

How to read the updates

Start with the 2026 curriculum and its official corrections. Then classify later information by date and status. An adopted rule, a stayed rule, a voluntary code, a bill and a blocked proposal are not equivalent. Also identify the entity and reporting period before using a numerical threshold. This method avoids treating a planned reform as current law or applying one organisation's rule to a different organisation.

From TCFD to the ISSB baseline

The TCFD organised climate disclosure around governance, strategy, risk management, and metrics and targets. IFRS S2 incorporates that structure. IFRS S1 provides general requirements for sustainability-related financial disclosure, while IFRS S2 focuses on climate. From 2024, the IFRS Foundation took over monitoring responsibilities previously performed by the TCFD. The main analytical structure therefore continues, even though the institutional arrangement changed.

The ISSB standards provide a global baseline. They do not become mandatory in every jurisdiction merely because the ISSB published them. National governments and regulators decide whether to adopt, adapt or phase in the standards. A company must therefore check local law, effective dates, scope and transitional relief.

CSRD and the 2026 scope change

CSRD means the Corporate Sustainability Reporting Directive. It governs sustainability reporting by companies in the European Union. ESRS means European Sustainability Reporting Standards and provides the reporting requirements used under CSRD. Double materiality is central: companies consider both financial effects on the business and effects of the business on people and the environment.

Directive European Union 2026 slash 470 changed the main EU-company category to undertakings exceeding both one thousand employees and four hundred and fifty million euros in net turnover. These figures do not replace the rest of the directive. Group structures, non-EU companies, transition provisions and national implementation can change the analysis.

CSRD should not be confused with SFDR, the Sustainable Finance Disclosure Regulation for financial market participants and products, or with corporate sustainability due diligence.

Green claims and the Ecolabel distinction

The Green Claims Directive remained a blocked proposal at the evidence date. Its proposed substantiation, verification and penalty provisions were therefore not duties under an enacted directive. The durable lesson is that environmental claims need reliable evidence, a clear comparison and an appropriate scope.

The existing European Union Ecolabel continues for eligible goods and services. A separate project to develop Ecolabel criteria for financial products was discontinued, with the work intended to inform the SFDR review. The whole Ecolabel scheme did not end.

United Kingdom product rules and enforcement

The FCA Sustainability Disclosure Requirements include four voluntary investment labels. Sustainability Focus concerns assets already meeting a credible standard. Sustainability Improvers concerns assets expected to improve. Sustainability Impact concerns measurable positive impact. Sustainability Mixed Goals combines approaches.

The FCA anti-greenwashing rule covers sustainability-related claims by authorised financial firms. The CMA separately enforces general consumer protection law. From 6 April 2025, CMA direct enforcement could impose a substantive penalty reaching the higher of three hundred thousand pounds or ten per cent of worldwide turnover under the relevant powers. That figure should not be attached automatically to every ESG reporting mistake.

UK Stewardship Code 2026

The Financial Reporting Council's Stewardship Code 2026 applies from 1 January 2026. It is a voluntary apply-and-explain code. It uses six principles for asset owners and asset managers, with separate principles for service providers. Stewardship involves monitoring, engagement, voting and escalation on behalf of clients and beneficiaries. Reporting should explain outcomes rather than only counting activities.

New Zealand current law proposals and relief

The existing official description covers listed issuers above sixty million New Zealand dollars rather than every listed issuer. A bill proposed increasing this threshold to one billion New Zealand dollars and removing registered schemes from the mandatory regime. At the evidence date the bill had not become law.

The Financial Markets Authority provided interim no-action relief to affected entities. The External Reporting Board separately extended specified Scope 3 disclosure and assurance relief. Scope 3 emissions are indirect value-chain emissions outside a company's own operations and purchased energy. Relief affects enforcement or timing; it does not necessarily repeal the underlying law.

United States SEC climate rule

The Securities and Exchange Commission adopted climate-related disclosure rules in March 2024 and stayed them in April 2024. It ended its defence of the rules in March 2025 and proposed full rescission in May 2026. A stay pauses a rule. A proposal to rescind indicates policy direction but is not the same as a completed final repeal.

Official 2026 curriculum corrections

CFA Institute corrected four points. The New Zealand currency conversions on page 75 are approximately 621.382 million United States dollars and 155.346 million United States dollars. Page 127 uses BP's 5.5 billion United States dollar Clean Water Act civil penalty. Page 239 corrects workforce-risk and stakeholder-expectation wording. Page 397 states that the integration case rates five areas rather than four.

Abbreviation reference

Abbreviation	Full name
CFA	Chartered Financial Analyst
CMA	Competition and Markets Authority
CSRD	Corporate Sustainability Reporting Directive
ESG	Environmental social and governance
ESRS	European Sustainability Reporting Standards
EU	European Union
FCA	Financial Conduct Authority
FMA	Financial Markets Authority
FRC	Financial Reporting Council
IFRS	International Financial Reporting Standards
ISSB	International Sustainability Standards Board
NZD	New Zealand dollar
SEC	Securities and Exchange Commission
SDR	Sustainability Disclosure Requirements
SFDR	Sustainable Finance Disclosure Regulation
TCFD	Task Force on Climate-related Financial Disclosures
USD	United States dollar
XRB	External Reporting Board

A four question checklist

1. What kind of instrument is this?
2. What is its legal status?
3. Which date or reporting period matters?
4. Which entities and jurisdictions are in scope?

Official sources

CFA Institute certificate and curriculum: https://www.cfainstitute.org/programs/sustainable-investing-certificate/curriculum

CFA Institute 2026 errata: https://www.cfainstitute.org/sites/default/files/2026-sustainable-investing-errata-notice.pdf

IFRS Foundation TCFD responsibilities: https://www.ifrs.org/news-and-events/news/2023/07/foundation-welcomes-tcfd-responsibilities-from-2024/

IFRS Foundation jurisdictional guide: https://www.ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/jurisdictional-guide/

European Union CSRD amendment: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202 600 470

European Parliament Green Claims tracker: https://www.europarl.europa.eu/legislative-train/theme-environment-climate-and-food-safety-envi/file-substantiating-green-claims

European Commission Ecolabel criteria: https://environment.ec.europa.eu/topics/circular-economy-topics/oldeu-ecolabel/eu-ecolabel-product-groups-and-criteria_en

FCA Sustainability Disclosure Requirements: https://www.fca.org.uk/firms/climate-change-and-sustainable-finance/sustainability-disclosure-requirements-sdr-regime

CMA direct consumer enforcement guidance: https://www.gov.uk/government/publications/direct-consumer-enforcement-guidance-cma200

FRC UK Stewardship Code: https://www.frc.org.uk/library/standards-codes-policy/stewardship/uk-stewardship-code/

New Zealand climate reporting resources: https://www.xrb.govt.nz/standards/climate-related-disclosures/resources/

New Zealand reform bill: https://www.legislation.govt.nz/bill/government/2025/135/en/latest/

New Zealand FMA no-action relief: https://www.fma.govt.nz/business/services/climate-reporting-entities/no-action-relief-for-cres/

United States SEC proposed rescission: https://www.sec.gov/newsroom/press-releases/2026-49-sec-proposes-rescission-climate-related-disclosure-rules