



DURATION

6 hours



DELIVERY CHANNEL

eLearning



Course Modules:

- 1 The Principles of ESG
- 2 Assessing and Managing ESG Risk
- 3 Integrating ESG in Credit Assessment

eLEARNING

## ESG RISK ASSESSMENT FUNDAMENTALS

IDENTIFY, ASSESS, AND MANAGE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE RISKS

### COURSE OVERVIEW & BENEFITS

As financial institutions increasingly incorporate environmental, social, and governance factors into their investment and lending strategies – and develop their own sustainable finance programmes – employees need the essential knowledge and skills to support these initiatives.

ESG Risk Assessment Fundamentals introduces the core principles, regulations, and frameworks that banking and lending professionals must understand in order to incorporate ESG factors into their decision-making processes.

The course begins by defining ESG and describing its growing impact on financial institutions' lending and investment decisions. Participants next examine the role of the United Nations Sustainable Development Goals in driving global ESG initiatives, and study the key regulations and frameworks shaping ESG management globally.

Finally, the course examines methodologies for assessing and managing ESG risk factors when performing a credit risk assessment, and integrating ESG into probability of default models, loss given default models, and financial reporting. Through real-world examples, participants learn about financial institutions that have taken strides to incorporate responsible banking and sustainable finance practices into their policies and processes.

### LEARNING OBJECTIVE

Learn how ESG initiatives are reshaping the lending and investment environment, build understanding of key materiality issues of ESG risks, and apply techniques to reduce a financial institution's exposure to ESG risks.

### COMPETENCIES GAINED

**Participants will be able to:**

- Recognise the key principles of ESG, responsible banking, and sustainable finance.
- Recognise how to identify, manage, and minimise ESG risk when performing a credit risk assessment.
- Assess the relationship between ESG factors, probability of default and loss given default models.
- Incorporate sustainable finance best practices into the organisation's lending and investment decision-making process.
- Identify the disclosures and financial reporting standards recommended by various regulatory bodies and ESG-focused non-profit organisations.

### TARGET AUDIENCE

ESG Risk Assessment Fundamentals is suitable for anyone seeking to build their understanding of the ESG impact on lending and investment decision. This includes relationship managers, credit and ESG risk analysts, product specialists, risk managers, and other senior managers.