

ABS | Centre for Sustainable Finance



# INTRODUCTION TO ESG & SUSTAINABLE FINANCING

Level: Foundation

## PROGRAMME DESCRIPTION

Our current economic models were developed in the age of resource abundance when natural resources were plentiful and climate change and environmental disasters had not even begun to be considered. Environmental concerns were not factored into these models, only labour and capital. Likewise, financial theory did not account for natural resources and the environment beyond their near-term cash flows. The risk of fatal depletion was ignored. These models are still widely used but are no longer tenable today.

Humanity's increase use of fossil fuels, deforestation and intensive agriculture has increased greenhouse gas emissions which science says has contributed to climate change. Furthermore, human rights to basic necessities are being overlooked due to mass production in a competitive economy system which has led to long work hours, underpayment, poor living conditions and child labour.

Today, sustainability has become an integral part of government policies and regulatory changes to ensure the planet is livable for current and future generation. Sustainable development and financing have become an integrated concept within three aspects – Environmental, Social and Governance (ESG) risks.

How can finance contribute to sustainable development? The main task of the financial system is to allocate funding to its most productive use. Finance can play a leading role in allocating investment to sustainable corporates and projects and thus accelerate the transition to a low-carbon and more sustainable economy.

This programme is about sustainable finance. It looks at how finance (investment and lending), interacts with environment, economics, social and governance issues.

In this programme, you will learn about:

- Various U.N. Sustainable Development Goals
- How environment, social and governance factors should not be regarded as externalities but incorporated into organisational goals and strategies
- Sustainable banking and asset management
- Effective engagement, sustainable scenario analysis and long-term value creation

## LEARNING OBJECTIVES

**By the end of the programme, participants will be able to:**

- Understand how sustainable finance can be used as a tool to steer the sustainability transition
- Understand the concept of environment, social & governance in sustainable finance and commitment to the Paris Agreement
- Explain the motivation and the different processes for incorporating sustainability into organisations and financial systems
- Correlate environmental, social and governance issues with return on investments
- Explain some of the current challenges for mainstreaming sustainable finance products in the market

## PROGRAMME OUTLINE

### Module 1: What is ESG and Why Does it Matter?

- Introduction to ESG and risk management
- List and understand the UN Sustainable Development Goals (SDGs)
- Explain the main functions of the financial system and how to apply them to sustainability
- Explain the various stages of Sustainable Financing (SF)
- **CASE STUDY** – Malaysia's First Green Bond

### Module 2: Banking and the New Forms of Lending

- Explain the role of banks in screening and monitoring (potential) borrowers
- Explain the relevance of sustainability for banking
- Understand how ESG risks can be incorporated into the credit risk assessment
- List the barriers and incentives to sustainable lending
- Understand the various forms of impact lending and microfinance
- **CASE STUDY** – ESG Risks in Banking

### Module 3: Sustainable Finance Market

- The 5 pillars of sustainable finance: experiences from bond and loan markets
- Overview of sustainable finance market participants
- Sustainable finance policies and regulation
- Impact reporting and communication
- **CASE STUDY** – Malaysia's Pilgrims Fund Board

### Module 4: Sustainable Finance Products

- Sustainable finance products
- The green bond market
- The green loan market
- Examples from around the world
- **CASE STUDY** – Impact Reporting

### Module 5: Transition Management & Integrated Thinking

- Understand the dynamics of transition management
- Examine new approaches in the financial sector
- Understand the need for an interdisciplinary approach
- Apply the concept of integrated thinking
- **CASE STUDY** – Transition Management Framework

## PROGRAMME DETAILS

**Date:** 31 March & 1 April 2021

**Duration:** 2 days (consisting of a 4-hour online webinar session each day)

**Time:** 9.00am – 1.00pm (15 mins. break)

**Training Platform:** Zoom

## PROGRAMME FEES

AICB Member

Non-Member

**RM900\***

**RM1,100\***

*\*Subject to 6% Service Tax*

Note : This programme can also be delivered for in-house training

## TRAINING METHODOLOGY

Interactive webinar, polling questions, lectures, cases and video presentations

## PARTICIPANT PROFILE

Junior executives of banks and anyone interested to learn about ESG and Sustainable Financing in banking

## ABOUT THE TRAINER



### **Director of Digital Banking / Senior Consultant, Asian Banking School**

Dr Vijay started his career working in one of the big 8 Chartered Accountants and Management Consultancy firms in the UK. He has over 20 years of banking experience working in local and foreign banks up to senior management level, ranging over a diverse range of disciplines. Being a Director of Graduate Training & FSTEP, Vijay is wearing more than one hat, as he is not only overseeing the newly established ABS Digital Banking Centre, but also spearheading the AML team in rolling out the first ever Certified in AML/CFT program (CAMCO) and the development of ABS Mobile Learning Platform and Executive Education Series.

He is currently involved in structuring bespoke technical and soft skill programmes for banks. In addition, he is a member of the AICB curriculum working committee for professional qualification programmes such as the Chartered Banker, Credit Certification and Bank Risk Management. He is also a designated Chartered Banker trainer, bringing a fresh approach to self-directed learning using mind-mapping techniques, case studies and problem-based learning. Dr Vijay has published banking and finance related textbooks and journal articles internationally, including, "Success Factors for the Implementation of Entrepreneurial Knowledge Management in Malaysian Banks" (Journal of Information & Knowledge Management, 2013).

He holds an Honours Degree in Accounting and Finance from Scotland, a Master of Science Degree in Multimedia Technology (Banking), a Doctor of Business Administration (Banking Strategy and Marketing) from Australia, and a Doctor of Philosophy (Knowledge Management in Banking) from Malaysia. He is also a Certified Training Professional (ARTDO) and an alumnus of the Cambridge Judge Business School Executive Education, a programme designed for leaders in the financial-related sectors, focusing on the topic of 'Leading into Digital Futures'.

Vijay is currently doing research in digital transformation, banking in the post Covid era and pursuing an entrepreneurship project with a leading financial institution.

## ABOUT US

The **ASIAN BANKING SCHOOL (ABS)** is dedicated to developing talent and is the largest specialised provider of quality banking training programmes in the ASEAN region.

As the industry's preferred partner in learning and development, ABS offers customised and open enrolment training programmes that cover a comprehensive list of banking areas developed by its Specialist Training Consultancy Team or in collaboration with strategic learning partners that includes some of the top business schools in the world. This includes its Executive Education programmes with Cass Business School in London, the University of Cambridge Judge Business School, the Frankfurt School and INSEAD.

ABS also works closely with the Asian Institute of Chartered Bankers in raising competency standards for the industry through the delivery of training workshops related to professional qualifications developed and awarded by the professional body; and is the exclusive training partner for the Chartered Banker Institute in the UK. It plays a significant role in enriching the talent pipeline for the financial services sector through the industry recognised Financial Sector Talent Enrichment Programme (FSTEP) and Graduate Training programmes; and is also responsible for designing, developing and delivering the industry-wide Ethics and AML/CFT programmes.

For more details, kindly contact:

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