

## Banking Operations



395-P25-VE



Virtual



22 hours

### Course Description:

This course provides overview of ESG definition and its role within risk management. The participants will know about the key issues that are facing banks it addresses the important topics of the governance of ESG and the impact of ESG matters on a firm. It considers the expectations of stakeholders and the reporting obligations, seeing how these are developing and identifying actions that are successfully being taken by banks to meet these challenges.

### Target Audience:

All the bank staff

### Course Objectives:

By the end of the program, participants will be able to:

- Define ESG And Its Importance for The Bank
- Explain ESG (Environment, Social and Governance) And Its Risk and Mitigation
- Describe How to Manage the ESG Risk
- Explain the Strategy How to Apply ESG And How to Promote Its Engagement
- Define the Importance of Using ESG

### Course Outline

#### Module 1: Introduction to ESG

##### Session 1: Introduction to ESG

- What is ESG?
- Blackrock and ESG Investing
- The different key elements:
  - Environment
  - Social
  - Governance
- The Different Key Elements in Investment
- What does ESG Mean for Corporates?
- The EBA Paper

- The Background to the Paper
- The Impact of ESG Risks
- Assignment

#### Module 2: What does ESG mean for a bank?

##### Session 1: What does ESG mean for a bank?

- The Stakeholder Views
- Definition of Sustainability Risk
- Definition of Sustainable Investments (EU)
- MSCI ESG Rating
- Problems with Historic Data
- Assessing Governance and Engagement
- The Equator Principles
- TPRM Framework
- Assessing Firms during a Crisis
- What Information do we really need?
- Assignment

#### Module 3: ESG and Risk Management

##### Session 1: ESG and Risk Management

- Definition and General Features of ESG Factors
- Definition of ESG Risks
- ESG Risks
- Risk Management Framework Approaches
- Risk Appetite, Policies and Limits
- Data and Methodology
- Risk Measurement, Monitoring and Mitigation
- ESG Risks in Business Model Analysis
- Business Model Evaluation
- Objectives and Limits
- Business Environment and Long-Term Resilience
- Internal Governance and Institution-Wide Controls
- The ESG Guide from Euronext
- Guiding Principles on Reporting



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- ESG Reporting Process
- Assignment

### Module 4: Environment Risks and Mitigation

#### Session 1: Environment Risks and Mitigation

- Environmental Factors and Environmental Risks
- Physical Risk
- Egypt (IMF 16 June 2022)
- Transition Risk
- Climate Risk Stress Testing for Banks
- BIS and Climate Risk
- The principles
- Climate Stress Tests
- Free Climate Data
- Water Scarcity
- Assignment

### Module 5: Social Risks and Mitigation

#### Session 1: Social Risks and Mitigation

- Social Factors
- Social Risks
- Assignment

### Module 6: Governance and ESG Risk

#### Session 1: Governance and ESG Risk

- Governance Factors and Governance Risks
- Assessment of Risk to Capital
- Credit Risk and ESG
- Risk Identification, Measurement, Monitoring and Reporting
- Assessment of Risks to Liquidity and Funding.
- Tax Transparency.
- Impact on Capital Assessment.
- Governance Metrics.
- What is Important?
- Assignment.

### Module 7: ESG Risk Management

#### Session 1: ESG Risk Management

- Quantitative and Qualitative Indicators.
- EU Taxonomy Regulation.
- Risk Identification, Measurement, Monitoring and Reporting.
- Methodologies.
- Portfolio Alignment Method.
- PACTA Tool.
- UN Framework.
- Carbon Emissions.
- PCAF (Partnership for Carbon Accounting Financials).
- Risk Framework Method.
- Exposure Method.
- Sustainalytics.
- Comparison of Methods and their Application.
- State Street R-Factor.
- Assignment.

### Module 8: Strategy and ESG

#### Session 1: Strategy and ESG

- Business Strategies and Business Processes.
- Monitoring the Changing Business Environment.
- Evaluating Long-Term Resilience.
- Setting Strategic ESG-related Objectives and Limits.
- Assignment.

### Module 9: Engagement and ESG

#### Session 1: Engagement and ESG

- Engagement.
- Developing Sustainable Products.
- Transparency.
- ESG Factors to Credit Risk.
- Green Bond Standards.
- Internal Governance.
- Management Body and Committees.



CENTRAL BANK OF EGYPT  
Egyptian Banking Institute

# ESG & Risk Management for Banks

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**ACCETQ**  
A Partnership for Quality™

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- Internal Control Framework.
- Remuneration.
- Systems, Models and Controls.
- Risk Management Objectives in Review.
- Key steps to target setting.
- Key Metrics of Assessment.
- Assignment.

### Module 10: Change is Coming?

#### Session 1: Change is Coming?

- Do People use ESG in Analysis?
- ESG Risk and Return.
- Building ESG Investment into Portfolio Management.
- Economic Risk and Uncertainty.
- MSCI Benchmarks.
- Assignment.

#### Assessment Strategy:

- 70% Assignment between sessions.
- 30% Participation.
- Cut off score is 60% of total grade which is "100."

#### Upon Successful Completion of this Course, participants will obtain:

2 CEUs.

#### Course Language:

English.

#### Prerequisites:

Intermediate level of English Language.