

Sustainable Finance for energy companies and projects



Four (4) course series

IBF STS Accredited: [Sustainable Finance TSC: Sustainability Risk Management](#) | Proficiency level 3

CPD Hours: 3 CPD hours (for full series)

Background: Energy is a fundamental input into the global economy. Without reliable energy sources, organisations, communities, and governments—regardless of industry or location—would suffer.

Oil and gas, coal, utilities, biofuels, batteries, and renewable energy companies all depend on nature to generate value. Many of these industries are also driving higher and higher greenhouse gas emissions and thus directly contributing to the acceleration of climate change, or have other negative impacts on natural capital and human safety, putting communities at harm - as well as threatening the sector's long term profitability. This is particularly true in Asia where huge economic growth is driving substantial investments in energy infrastructure to help fuel development.

We are at a critical point at which decisions to continue to invest in fossil fuel-based energy systems may lock the global economy into a track where alignment with the Paris Agreement is no longer possible, ultimately perpetuating increased financial, environmental and social risk across the sector, and in particular for securities and asset holders and lenders.

However, whilst the risks are significant, so are the opportunities for sustainable development. Technological advances in renewable energy capture and energy storage, and growth in related markets like analytics, transportation, and delivery infrastructure all present opportunities to transition the energy sector towards a climate-smart, resilient future.

Series description: The four courses in this series collectively aim to provide Asia-based bankers and investors with an overview of how to assess and mitigate financial risks presented by environmental and social (E&S) issues specific to the energy sector. Detailed learning outcomes for each course are provided below.

Target audience: Asia-based financial professionals, in particular:

- 1) **Corporate bankers:** Individuals working in risk management, relationship/client management, internal audit and in sustainability departments, and
- 2) **Asset managers:** Individuals working in roles related to risk management, product solutioning and management, trading and execution, and sales and relationship management

Duration: Each of the four courses is self-guided, and is intended to take ~30 - 45 minutes to complete. The series also includes a set of optional embedded prompts/guiding questions which, if completed in full, should take an additional ~40-60 minutes. In total, the course series is expected to take learners ~2.5 – 4 hours to complete, and can be completed in sections.

Assessment: Each of the 4 courses has a 10 question assessment consisting of multiple choice, matching, fill in the blank and true false questions. (40 questions total for the series). An 80% score on each assessment is required to pass.

Price:

- **Gross retail price:** SG \$350 (individual purchase). Net purchase available via ABS and IMAS e-learning portals
- **Wholesale:** Please email klaya@wwf.sg for more information.
- *Singaporeans and PRs resident in Singapore may be eligible for course subsidies*

Short descriptions of what you will learn from each of the 4 courses are below:

1. Energy and the environment at a glance

Target audience: Designed for both asset managers and corporate bankers

Learning outcomes: After completing this course you will understand:

- How companies in the energy sector *depend* on the environment to generate value
- How companies in the energy sector *impact* the environment and society (both positively and negatively)
- What the finance sector's role is in driving the development of resilient and sustainable energy systems and where there are key opportunities to do so

2. Materiality & risk transmission in energy investments

Target audience: Designed for both asset managers and corporate bankers

Learning outcomes: After completing this course you will be able to:

- Identify which E&S issues are most likely to present material financial risks to companies in the energy sector
- Understand how these risks are transmitted to banks and investors

3. E&S metrics & tools for energy

Target audience: Designed for both asset managers and corporate bankers

Learning outcomes: After completing this course you will be able to:

- Analyse the environmental and social risk disclosures of clients and portfolio companies operating in the energy sector
- Identify quality E&S data sources to better understand environmental, social, and financial risks of companies operating in the energy sector
- Employ tactics to mitigate environmental, social, and financial risk exposure

4. (A) Strategies for responsible investment in energy

Target audience: Asset management professionals based in Asia, in particular individuals working in roles related to risk management, product solutioning and management, trading and execution, and sales and relationship management

Learning outcomes: After completing this course you will:

- Understand and implement a variety of approaches to incorporating E&S data into investment decision making processes. These include:
 - E&S Integration

- o Screening
- o Thematic investing
- o Stewardship
- o Voting
- Point to specific real-world “good practice” case studies that illustrate how investor peers have used the above approaches to design their own E&S investment approaches. These case studies can serve as a basis for learners’ own E&S policy or process development.

4. (B) Strategies for responsible banking in energy

Target audience: Corporate banking professionals, in particular individuals working in risk management, relationship/client management, internal audit and sustainability departments

Learning outcomes: After completing this course you will understand and be able to implement a variety of approaches to incorporating E&S data into energy-related investment, corporate lending, and asset-based or project finance decision-making processes. These include:

- **Strategies for corporate lending**
 - o *Risk assessment*
 - Energy specific exclusion policies
 - Energy specific sector policies
 - o *Risk mitigation*
 - Loan approval with E&S conditions
 - Loan pricing linked to E&S criteria
 - Client engagement
 - Climate scenario analysis and stress testing
 - Portfolio-level target setting
 - Sustainable product offerings
 - o Considerations for asset-based or project finance
 - Safeguards
 - E&S integration in due diligence processes

Throughout both Courses (A) and (B) we highlight specific real-world “good practice” case studies that illustrate how banker and investor peers, respectively, have used the above approaches to incorporate E&S considerations specific to energy into their own lending and investment approaches. These case studies can serve as a basis for learners’ own E&S policy or process development.

Energy Series: Guided Activity (Embedded prompts/guiding questions)

Description: These prompts are designed to help you apply what you have just learned to a real-world scenario. The prompts are embedded throughout each of the four courses in the series, and by the end, you will have effectively conducted an E&S risk and opportunity assessment for an energy company or project of your choice.

We encourage learners to write down their responses to the prompts, and store them in a secure location for future reference.