



Fundamentals of responsible banking and the MAS Environmental Risk Management (ENRM) Guidelines



IBF STS Accredited: [Environmental and Social Governance TSC](#) | Proficiency level 3

CPD Hours: 4 CPD hours

Background: Though not always obvious, the health of our world's financial systems and the health of our planet's ecological systems are deeply intertwined. For example, Asia-Pacific is home to [almost half](#) of our planet's biodiversity hotspots; at the same time nearly [one third](#) of the region's wealth depends on natural capital - things like freshwater and healthy soils. If we continue to do business-as-usual, however – such as investing in emissions-intensive energy and extractive agricultural systems – we put both our planet and our retirement savings at risk. By 2050 over [one billion people](#) could be displaced due to climate-related disasters; by 2100 our failure to address the climate crisis could put as much as [US \\$4.2 trillion](#) of managed assets at risk.

Fortunately, a recent surge in [national](#) and [corporate](#) commitments to mitigate the risks of climate change by achieving net-zero emissions by mid-century demonstrates growing recognition of the interdependence between our financial and ecological systems. Yet we are still a long way from achieving the ambitions of the Paris Agreement and the UN Sustainable Development Goals; current global climate policies and pledges are projected to lead to a [+2.7C scenario](#), well above a Paris-aligned pathway. As such, **banks and other financial institutions, which lend to, invest in and insure companies across all sectors and geographies, have a key role to play in accelerating and enabling the transition toward sustainable and low-carbon economies.**

Recognising these challenges and opportunities, the Monetary Authority of Singapore (MAS) issued [Guidelines on Environmental Risk Management for banks](#), insurers and asset managers (MAS ENRM guidelines) in December 2020, setting out MAS' supervisory expectations for financial institutions. Financial institutions are expected to begin implementing the recommendations outlined in the Guidelines by June 2022.

Course description: This course aims to provide Asia-based bankers with a comprehensive introduction to responsible banking. It also aims to provide actionable, step-by-step guidance on how to implement the Environmental Risk Management (ENRM) Guidelines for Banks issued by the Monetary Authority of Singapore (MAS) in December 2020.

We look at the evolution in thinking about what responsible banking (RB) means, explore the drivers and motivations for RB, highlight four of the key environmental issues banks should be looking at, and dig into specific guidance for developing, implementing and disclosing a banks ESG risk management strategy at both the client and portfolio levels. This course will also provide bankers with a framework they can use to assess and enhance their own responsible banking strategies, and will highlight specific real-world examples of current RB “good practice”.

Target audience: Banking professionals working in banks operating in Singapore. In particular, individuals working in risk management, relationship/client management, internal audit and in sustainability departments.

Learning outcomes:

- understand how the concept of responsible banking has evolved over time, and what the key drivers and motivations behind the growing interest in the field are;
- have an awareness of the latest science related to climate change, natural capital and biodiversity loss, pollution, and water resources management, and understand the various avenues through which exposure to these issues (via banks' clients) can result in different types of financial risks;
- identify best practices and available resources that can help banks to enhance their governance of ESG issues, and identify, assess and manage ESG risks both at the client and portfolio level;
- design meaningful disclosures that articulate how ESG risks and opportunities are being considered in financing decisions; and
- effectively communicate about RB, both internally (with management) and externally (with clients)

Duration: Self-guided, approximately four (4) hours.

Assessment: 20 question assessment consisting of multiple choice, matching, fill in the blank and true false questions. 80% score required to pass.

Price:

- **Gross retail price:** SG \$400 (individual purchase). Net purchase available via ABS e-learning portal
- **Wholesale:** Please email klaya@wwf.sg for more information
- *Singaporeans and PRs resident in Singapore may be eligible for course subsidies*